ATRIA

Good food – better mood.

Atria Plc Interim Report

1 January – 31 March 2023

Atria 120 1903 2023

Atria's net sales increased - strong performance by Atria Finland

January–March 2023

- Consolidated net sales totalled EUR 428.0 million (EUR 374.8 million).
- Consolidated EBIT was EUR 10.9 million (EUR 2.3 million), or 2.5% (0.6%) of net sales.
- Consolidated net sales increased as a result of increased sales prices and stable sales volumes.
- EBIT grew in Finland, where the first quarter was successful. Sweden's EBIT was burdened by additional costs caused by the transfer of production of approximately EUR 1.3 million.
- The costs of raw materials, supplies, energy and external services were higher than in the comparison period.
- Atria initiated change negotiations concerning the rearrangement of pig slaughtering and cutting at Atria's Nurmo plant in Finland. In Denmark, an efficiency programme was launched to improve profitability.
- The change in consumer behavior caused by the economic recession has favoured the sales of Atria's diverse product range, especially in the retail sector.
- Atria started purchasing Series A treasury shares in March. A maximum of 100,000 shares will be purchased, which corresponds to approximately 0.35% of the company's stock.
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.70 (EUR 0.63) be paid for each share for the 2022 financial period.

EUR million	Q1/2023	Q1/2022	2022
Net sales			
Atria Finland	323.5	274.3	1,265.3
Atria Sweden	81.8	82.1	356.2
Atria Denmark & Estonia	28.2	26.0	112.9
Eliminations	-5.5	-7.6	-37.7
Net sales, total	**428.0**	**374.8**	**1,696.7**
EBIT before items affecting comparability			
Atria Finland	14.9	3.0	49.4
Atria Sweden	-3.3	-0.9	2.3
Atria Denmark & Estonia	-0.5	0.8	1.2
Unallocated	-0.2	-0.6	-4.0
Adjusted EBIT	**10.9**	**2.3**	**49.0**
Adjusted EBIT, %	**2.5%**	**0.6%**	**2.9%**
Items affecting comparability of EBIT:			
Atria Sweden			
Refund of employment pension contribution*	0.0	0.0	1.3
Sale of real estate in Malmö*	0.0	0.0	9.7
Impairment of goodwill and trademarks**	0.0	0.0	-51.1
Unallocated			
Effect of the sale of subsidiary, Sibylla Rus**	0.0	0.0	-8.8
EBIT	**10.9**	**2.3**	**0.1**
EBIT, %	**2.5%**	**0.6%**	**0.0%**
Profit before taxes	**8.9**	**2.9**	**1.7**
Earnings per share, EUR	0.23	0.09	-0.19
Adjusted earnings per share, EUR	0.23	0.09	1.43

* Included in other operating income

** Included in other operating expenses

Juha Gröhn, CEO

“Our net sales for Q1 totalled EUR 428.0 million, up by more than EUR 50 million year-on-year. EBIT increased from EUR 2.3 million to EUR 10.9 million. We can be satisfied with both the growth and improved EBIT.

The strong performance by Atria Finland laid the foundation for the growth and improved EBIT. In an operating environment where costs are increasing, improving or even maintaining financial results requires strong net sales growth, and we succeeded very well in this respect in Finland. In other business areas, growth remained too low, which is reflected in the results of the Sweden, Denmark & Estonia business areas.

In Sweden, net sales and profit performance were weakened by the sale of Sibylla Russia in spring 2022. Net sales, measured in local currencies, increased by 16% when Sibylla Russia is excluded from the comparison period’s figures. The transfer of production from the Malmö plant, which will be closed, to the Sköllersta plant has proceeded according to plan and generated additional costs. Our capacity to deliver has remained good during the transfer.

In Denmark, sales fell short from the target, but our market position is still stable. The proportion of campaign sales has increased as a result of increased price awareness among consumers. In Estonia, sales were good, and during Q1, we were able to set sales prices at a level that corresponds with the current cost level.

The Foodservice market developed better than we expected at the end of last year. Of course, the year-on-year comparison figures are quite modest due to the COVID-19 restrictions applied last year. In sales to retail, net sales increased but volumes decreased slightly.

Consumers’ weakened purchasing power is reflected in their purchasing behaviour: they seek less expensive products and shopping places. For Atria, this shift will not generate needs to renew our product range, as we have a wide selection and comprehensive customer base. The share of store brands has been increasing, but Atria has succeeded well, thanks to its strong brands.

The large investments in the Nurmo poultry plant in Finland and the Sköllersta meat product plant and logistics centre in Sweden have proceeded partly even ahead of schedule.

During the first months of the year, the growth of inventories turned to a slight decrease. Net interest-bearing liabilities increased by EUR 43 million from year-end by the end of March due to the large cash flow from investments.

Responsibility requires practical actions, such as the extended implementation of renewable energy. The solar power plant in the Nurmo plant area was expanded. After the expansion, 8% of the electrical energy used by Atria’s Nurmo plant comes from solar energy.”

January–March 2023

Atria Group's net sales in January– March were EUR 428.0 million (EUR 374.8 million). Consolidated EBIT was EUR 10.9 million (EUR 2.3 million), or 2.5% (0.6%) of net sales.

Consolidated net sales increased as a result of increased sales prices and stable sales volumes. In addition, Ab Korv-Görans Kebab Oy acquired by Atria late last year increased net sales in Finland. The change in consumer behaviour has favoured the sales of Atria's diverse product range, especially in the retail sector.

EBIT was significantly better than in the corresponding period last year. EBIT grew in Finland, where the first quarter was successful. The costs of raw materials, supplies, energy and external services were significantly higher than in the comparison period. The comparison period's EBIT was low due to the rapid increase in costs.

Atria's ongoing investments are proceeding as planned. The construction and building technology preparation of the new poultry plant in Nurmo are proceeding according to schedule, and the first process equipment installations are underway. A new logistics centre was inaugurated at the Sköllersta plant, Sweden, in January. The first production lines were transferred from the Malmö plant to Sköllersta during the review period. Along with the investments, interest-bearing liabilities have also increased. Despite this, the Group's liquidity has remained good.

Lars Ohlin, Executive Vice President, Human Resources, and member of Atria Group's Management Team retired as of 1 March 2023. Lars Ohlin has been working for Atria since 2007 and as Executive Vice President, Human Resources and a member of the Management Team since 2016.

Key indicators

EUR million	31.3.2023	31.3.2022	31.12.2022
Shareholders´ equity per share EUR	15.62	16.33	15.90
Interest-bearing liabilities	290.1	220.5	265.7
Equity ratio, %	44.5%	49.2%	44.8%
Net gearing, %	60.7%	45.6%	50.5%
Free cash flow	-40.3*	-56.7*	-47.7**
Gross investments	27.4*	21.5*	131.4**
% of net sales	6.4%	5.7%	7.7%
Average FTE	3,879	3,724	3,698

*1 Jan – 31 March
**1 Jan – 31 Dec 2022

News on responsibility: Atria Finland introduces bio-based plastic in its mince packaging

Atria Finland's vacuum-packed mince will be sold in packages made from bio-based material from now on. The majority of materials used in the package are renewable. Replacing the fossil-based plastic with bio-based plastic will reduce the package's carbon dioxide emissions by 48%. Thanks to the new packaging, the amount of fossil-based plastic used in packaging will reduce by approximately 120,000 kg per year.

Atria Finland joined the Diversity Commitment of Finnish Business & Society (FIBS), the biggest corporate responsibility network in the Nordic countries. According to this Commitment, the company undertakes to voluntarily promote diversity, inclusion and equality in its work community. The Commitment is based on four principles: We offer equal opportunities, identify and utilise individual skills and needs, manage our personnel fairly, and communicate our objectives and achievements.

The solar power plant extension carried out by Atria Finland in cooperation with Solarigo Systems Oy at the Nurmo plant has been taken into use. With this, the panel capacity of the first plant commissioned in 2018 almost doubled. Approximately 8% of Atria's Nurmo plant's annual energy consumption is covered by solar power. After the commissioning of the extension, Atria's annual solar power output will be roughly 9,000 MWh. The project reduces total emissions even further and improves the production facilities' energy efficiency, also increasing Atria's energy self-sufficiency.

In cooperation with Valio and Natural Resources Institute Finland, Atria Finland has been developing a nationwide calculation model for the carbon footprint of cattle farms. During the last year, Atria and Valio have been preparing the Carbo® calculator, which is based on the calculation model and suitable for beef cattle and suckler cow farms. With this calculator, Atria's more than 1,200 contract farms specialising in beef production can calculate the farm's environmental impacts and explore the most efficient ways to reduce these impacts. Atria will make the Carbo® calculator available to all of its contract producers this spring.

Business development by area, January–March 2023

Atria Finland

EUR million	Q1 2023	Q1 2022	2022
Net sales	323.5	274.3	1,265.3
EBIT	14.9	3.0	49.4
EBIT, %	4.6%	1.1%	3.9%

Atria Finland's net sales for **January–March** were EUR 323.5 million (EUR 274.3 million). Net sales grew in all sales channels except exports. The increased net sales resulted from increased sales volumes and higher sales prices for retail and Foodservice customers. In addition, Ab Korv-Görans Kebab Oy acquired by Atria late last year increased net sales. Atria's diverse product range has been selling very well in the current market with weakened consumer purchasing power.

EBIT totalled EUR 14.9 million (EUR 3.0 million). EBIT was significantly better than in the corresponding period last year, thanks to increased sales. In addition, the sales structure was favourable, absence due to sick leaves decreased significantly from the previous year, and operational efficiency was at a good level. The comparison period's (Q1/ 2022) EBIT was low due to the rapid increase in costs. The costs of raw materials, supplies, commodities and external services were still significantly higher than in the comparison period. Meat producer prices were also significantly higher than in the corresponding period in the previous year.

The Finnish retail market in the product groups represented by Atria grew by 14.3% in terms of value during the January–March period. The biggest growth took place in poultry products: 21%. The convenience food product group also grew significantly: 15%. Atria's supplier share in its product groups in retail was 25.7%, up 1.4 percentage points from last year's corresponding period.

The Finnish Foodservice market in the product groups represented by Atria grew by 30.9% in terms of value. The previous year's comparison figures for January–March were still affected by restaurants' COVID-19 restrictions. In the Foodservice market, the poultry product group grew as much as by 61% in value during Q1. Other product groups represented by Atria grew by 24–31%. In the Foodservice market, Atria's supplier share in its product groups was 21.8%, up 1.2 percentage points from last year's corresponding period.

Atria Finland initiated change negotiations concerning the rearrangement of pig slaughtering and cutting at Atria's Nurmo plant in March. The planned rearrangements are based on the need to adjust production capacity to the current pork market situation. The rearrangements may result in a reduction of approximately 50 person-years of work input. Any personnel cuts are, according to the plans, to be implemented by reducing the use of temporary labour and through internal transfers during 2023. Atria's other production plants will not be affected by the change negotiations.

The construction and building technology preparation of the new poultry plant are proceeding according to the planned schedule and phasing. The first process equipment installations have begun during the first quarter. The investment is estimated to total around EUR 160 million.

Atria Sweden

EUR million	Q1 2023	Q1 2022	2022
Net sales	81.8	82.1	356.2
Adjusted EBIT	-3.3	-0.9	2.3
Adjusted EBIT, %	-4.1%	-1.1%	0.7%
Items affecting comparability of EBIT:			
Impairment of goodwill and brands	0.0	0.0	-51.1
Refund of employment pension contribution	0.0	0.0	1.3
Sale of real estate in Malmö	0.0	0.0	9.7
EBIT	-3.3	-0.9	-37.8
EBIT, %	-4.1%	-1.1%	-10.6%

Atria Sweden’s net sales for **January–March** were EUR 81.8 million (EUR 82.1 million). The net sales and EBIT for the comparison period include the Sibylla Russia business, which was sold in May 2022. The growth of net sales in local currencies, excluding the Russian fast-food business, was 16%. Sales price increases strengthened net sales. EBIT was EUR -3.3 million (EUR -0.9 million). Raw material prices have remained very high during the review period. Atria Sweden purchases the pork and beef used in its products from Sweden or elsewhere in the EU. The price of pork started increasing in the EU towards the end of the period. This, combined with the weakening of the Swedish Krona, has had a negative impact on Atria Sweden’s profitability. Sales prices were increased during the review period, but this was not sufficient to cover the increased costs.

Meat product production was transferred from the Malmö plant to the Sköllersta plant, Örebro, during the review period according to plans. The Malmö plant will be closed later this year. The production transfer generated approximately EUR 1.3 million of additional costs, which deteriorated EBIT for the review period.

In January–March, the sales value of all Atria’s product groups in the Swedish retail sector increased compared to the corresponding period last year. In terms of volume, the market of Atria’s product groups decreased. In terms of value, the sausage market grew by 3.9%, the cold cuts market by 4.3% and the poultry products market by 4.9%. In January–March, Atria’s supplier share was 23.4% in sausages, 13.0% in cold cuts and 19.7% in fresh chicken products. (Source: AC Nielsen). During the first quarter of 2023, Atria launched several new barbecue season products to retail customers under the brands Lönneberga and Ridderheims.

Sweden’s public and private Foodservice markets have recovered in comparison with Q1 2022.

Atria Denmark & Estonia

EUR million	Q1 2023	Q1 2022	2022
Net sales	28.2	26.0	112.9
EBIT	-0.5	0.8	1.2
EBIT, %	-1.7%	3.0%	1.1%

Atria Denmark & Estonia's net sales in **January–March** were EUR 28.2 million (EUR 26.0 million). EBIT was EUR -0.5 million (EUR 0.8 million). Atria's net sales in Estonia grew by approximately 20 per cent year-on-year as a result of increases in sales prices. Sales volumes remained at the comparison period's level in Estonia. In Denmark, lower sales volumes affected net sales. The sales volumes have decreased due to price increases and changes in consumer behaviour. Consumers are now choosing inexpensive Private Label and campaign products. In addition, the continued high raw material costs affected EBIT. The sales price increases have not been sufficient to cover the rapidly rising costs.

In January–March, Atria's total market share in the Estonian retail market in its product groups was 21.7% in terms of value. The market share increased by 3.3 percentage points from the comparison period. Sales of meat products, especially hams, grill sausages and frankfurters, grew, while sales of consumer-packed meat decreased. Inexpensive Private Label products have reinforced their market shares in the Danish retail sector. Atria's total market share in its product groups in the Danish retail market was about 16% in terms of value.

Sales of consumer-packed pork in Estonia have decreased. Consequently, pork production at Atria's piggeries in Estonia has also been reduced. The prices of grain and feed remain high. The majority of pork used by Atria in Estonia comes from Atria's own piggeries.

Atria Denmark has launched an efficiency programme to improve its profitability. The programme includes centralising production to two plants and cutting personnel expenses. The review period's result includes ca. EUR 0.3 million in costs related to the efficiency improvement programme.

Personnel average (FTE)

Personnel by Business Area average FTE	Q1 2023	Q1 2022	2022
Atria Finland	2,558	2,395	2,437
Atria Sweden	857	899	819
Atria Denmark & Estonia	464	430	442
Total	3,879	3,724	3,698

Financial position

Consolidated interest-bearing net liabilities on 31 March 2023 amounted to EUR 277.4 million (31 December 2022: EUR 234.7 million).

During the review period, consolidated free cash flow (operating cash flow – cash flow from investments) was EUR -40.3 million (EUR -56.7 million). Operating cash flow amounted to EUR -13.3 million (EUR -35.2 million). The EBIT that was better than in the comparison period and lower commitment of working capital items improved the operating cash flow year-on-year. Large investments – the poultry plant construction and expansion investments in Sköllersta – will continue in 2023. Cash flow from investments was EUR -27.0 million (EUR -21.4 million).

Equity ratio at the end of the review period was 44.5% (31 December 2022: 44.8%). Equity decreased due to a change in the fair value of the derivative instruments employed as hedging, which amounted to EUR -12.9 million during the period (EUR +6.0 million).

The Group's liquidity during the review period remained good. On 31 March 2023, the Group had undrawn committed credit facilities worth EUR 85.0 million (31 December 2022: EUR 85.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 3 years 7 month (31 December 2022: 4 years 1 months).

Atria has hedged against rising interest rates with interest rate derivatives, which stood at EUR 60 million on 31 March 2023. A new interest rate swap agreement in the value of EUR 30 million was concluded during the review period; it will become effective on 2 May 2023 and put the amount of interest rate derivatives at EUR 90 million. At the end of March, the Group's fixed-interest debt represented 23.2% of the loan portfolio (31 December 2021: 25.7%), excluding the interest rate swap agreement concluded in March.

Net financing costs have increased due to the rise in interest rates and were EUR -3.2 million (EUR -0.9 million) in the first quarter of the year. The average interest rate of the loan portfolio on 31 March 2023 was 3.82% (31 March 2022: 1.23%).

Business risks during the review period and in the short term

Atria Group's business, net sales or results can be affected by several uncertainties. Atria has described its business risks and risk management in detail in its Annual Report 2022, which can be found at www.atria.fi/en/group/investors/financial-information/annual-reports.

The impact of geopolitical risks, cost inflation and higher market interest rates on Atria's financial performance has prevailed during the first quarter of this year. Cost inflation and increased loan interest rates have also affected consumers' purchasing behaviour. Atria's diverse product range suits various consumption needs. Atria also continuously adapts its product range to consumer needs.

Atria has prepared itself for increasing cybercrime and information system failures. Planned monitoring and continuous improvement of cyber security are practiced to guarantee quick responses in exceptional situations.

Atria has a holding of 2% in Majakka Voima Oy, which has become subject to claims for damages due to the Fennovoima project. Atria believes it is unlikely that the claims will result in any significant costs for Atria.

Highly pathogenic avian influenza and African swine fever are examples of animal diseases, whose spreading to Finland is a factor of uncertainty for Atria's operation. Atria has protective measures in place in its own production plants and at its contract farms.

Outlook for the future

Atria Group's adjusted EBIT in 2023 is expected to be smaller than in the previous year (EUR 49.0 million).

During 2023, the company will commission a major expansion at its Sköllersta plant in Sweden, and the phased start-up and testing of the new poultry plant in Nurmo will begin. These measures will result in additional costs in 2023.

In addition, high costs, weakened consumer purchasing power and global political uncertainty will continue to affect the business environment in 2023. Atria's strong market position and strong brands, good customer relationships and reliable industrial processes will enable stable business also in 2023.

Board of Directors' proposal for profit distribution for 2022

The Board of Directors proposes that a dividend of EUR 0.70 (EUR 0.63) be paid for each share for the 2022 financial period.

Financial calendar and financial reporting in 2023

The Annual General Meeting of Atria Plc will be held on 25 April 2023.

Atria Plc will publish two interim reports and one half-year report in 2023:

- Interim report January–March on 25 April 2023 at approximately 8:00 am
- Half-year report January–June on 20 July 2023 at approximately 8:00 am
- Interim report for January–September on 24 October 2023 at approximately 8:00 a.m.

Financial releases are also available on the company's website at www.atria.com immediately after their release.

Decisions of the Annual General Meeting 2022

The decisions of the Annual General Meeting were published in a stock exchange release on 3 May 2022. The release is available on the Investors page of Atria's website at: https://www.atria.fi/en/group/investors/annual-general-meeting/annual-general-meeting-2022/.

Valid authorisations for acquiring the company's own shares or issue shares, grant special rights and make donations

In accordance with the proposal of the Board of Directors, the Annual General Meeting (AGM) resolved to authorise the Board of Directors to decide on the acquisition of a maximum of 2,800,000 of the company's own series A shares in one or more instalments with funds belonging to the company's unrestricted equity, subject to the provisions of the Finnish Limited Liability Companies Act on the maximum amount of treasury shares. The Company's own series A shares may be acquired for use as consideration in any acquisitions or other arrangements relating to the Company's business, to finance investments, as part of the Company's incentive programme, to develop the Company's capital structure, to be otherwise further transferred, to be retained by the Company, or to be cancelled.

The shares must be acquired in a proportion other than that of the shareholders' current shareholdings in the company in public trading arranged by Nasdaq Helsinki Ltd at the market price at the time of acquisition. The shares must be acquired and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Oy. The Board of Directors was authorised to decide on the acquisition of the company's own shares in all other respects.

The authorisation supersedes the authorisation granted by the AGM on 29 April 2021 to the Board of Directors to decide on the acquisition of the company's own shares, and it will remain valid until the closing of the next AGM or until 30 June 2023, whichever is first.

In accordance with the Board of Directors' proposal, the AGM authorised the Board of Directors to decide, on one or several occasions, on an issue of a maximum of 5,500,000 new series A shares or on the disposal of any series A shares held by the company through a share issue and/or by granting option rights or other special rights entitling people to shares as referred to in Chapter 10, section 1 of the Limited Liability Companies Act. The authorisation may be exercised to finance or execute any acquisitions or other arrangements, or investments related to the company's business, to implement the company's incentive scheme or for other purposes subject to the Board of Directors' decision.

The Board is also authorised to decide on all terms and conditions of the share issue and the granting of special rights in accordance with Chapter 10, section 1 of the Limited Liability Companies Act. The authorisation thus also includes the right to issue shares in a proportion other than that currently held by the shareholders under the conditions provided by law, the right to issue shares against or without payment and the right to decide on a share issue to the company itself without payment, subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company.

The authorisation supersedes the share issue authorisation granted by the AGM on 29 April 2021 to the Board of Directors, and will be valid until the closing of the next AGM or until 30 June 2023, whichever is first.

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved to authorise the Board of Directors to donate a maximum of EUR 100,000 of the company's distributable funds to support the activities of colleges, universities or other educational institutions or to support other charitable or similar purposes. At the same time, the Board of Directors was authorised to decide the payment schedules of donations and any other terms of the donations.

Shares

Atria Plc's share capital consists of a total of 28,267,728 shares, divided into 19,063,747 series A shares and 9,203,981 series KII shares. Each series A share entitles its holder to one (1) vote at an Annual General Meeting and each series KII share to ten (10) votes. Atria Plc's shareholders are entitled to a total of

111,103,557 votes. At the end of the review period, the company holds 17,002 series A treasury shares. At the end of year 2022, the company held 66,182 equity shares. During the review period, the company transferred 55,080 equity shares to the Group's key personnel who belong to the share incentive plan's target group as a reward free of charge.

In March, Atria started purchasing its own Series A shares based on the authorisation given by the AGM on 3 May 2022. A maximum of 100,000 shares will be purchased, which corresponds to approximately 0.35% of the company's stock. The Series A shares will be purchased using funds belonging to the company's unrestricted equity and reported as deductions in the company's invested unrestricted equity fund. The shares are purchased to be used as part of the company's incentive system and in a proportion other than that of the shareholders' current shareholdings in the company in public trading arranged by Nasdaq Helsinki Ltd at the market price at the time of acquisition. The acquisition of treasury shares began on 27 March 2023 and will end no later than 31 July 2023. A total of 5,900 shares were purchased during the review period.

Corporate governance principles

Atria's Corporate Governance Principles and deviations from the Finnish Corporate Governance Code are available on the company's website at www.atria.com.

ATRIA GROUP

Consolidated income statement

EUR million	1-3/2023	1-3/2022	1-12/2022
Net sales	**428.0**	**374.8**	**1,696.7**
Costs of goods sold	-386.0	-343.2	-1,528.2
Gross profit	**42.0**	**31.5**	**168.5**
Sales and marketing expenses	-18.8	-18.4	-76.6
Administrative expenses	-11.5	-10.9	-44.5
Other operating income	0.4	1.3	16.4
Other operating expenses	-1.2	-1.2	-63.6
EBIT	**10.9**	**2.3**	**0.1**
Finance income and costs	-3.2	-0.9	-3.4
Income from joint ventures and associates	1.1	1.4	4.9
Profit before taxes	**8.9**	**2.9**	**1.7**
Income taxes	-2.0	-0.2	-5.5
Profit for the period	**6.9**	**2.7**	**-3.9**
Profit attributable to:			
Owners of the parent	6.4	2.5	-5.3
Non-controlling interests	0.5	0.2	1.5
Total	**6.9**	**2.7**	**-3.9**
Basic earnings per share, EUR	0.23	0.09	-0.19
Diluted earnings per share, EUR	0.23	0.09	-0.19

Consolidated statement of comprehensive income

EUR million	1-3/2023	1-3/2022	1-12/2022
Profit for the period	**6.9**	**2.7**	**-3.9**
Other comprehensive income after tax:			
Items that will not be reclassified to profit or loss			
Actuarial losses from benefit-based pension obligations	0.0	0.0	1.1
Items reclassified to profit or loss when specific conditions are met			
Cash flow hedges	-12.9	6.0	19.0
Currency translation differences	-1.4	-1.5	1.9
Total comprehensive income for the period	**-7.3**	**7.1**	**18.0**
Total comprehensive income attributable to:			
Owners of the parent	-7.8	6.9	16.6
Non-controlling interests	0.5	0.2	1.5
Total	**-7.3**	**7.1**	**18.0**

Consolidated statement of financial position

Assets

EUR million	**31.3.2023**	**31.3.2022**	**31.12.2022**
Non-current assets			
Property, plant and equipment	483.1	386.3	466.8
Biological assets	0.7	0.6	0.7
Right-of-use assets	29.6	34.9	30.0
Goodwill	124.2	161.9	125.0
Other intangible assets	52.7	75.7	54.0
Investments in joint ventures and associates	21.1	18.6	20.0
Other financial assets	0.9	0.8	0.9
Loan and other receivables	15.0	10.6	18.3
Deferred tax assets	1.6	1.9	0.9
Total	**728.9**	**691.3**	**716.5**
Current assets			
Inventories	146.6	120.9	152.8
Biological assets	5.1	4.0	4.3
Trade and other receivables	135.3	135.5	135.3
Cash and cash equivalents	12.7	4.0	31.0
Total	**299.7**	**264.4**	**323.3**
Assets classified as held for sale	0.0	9.8	0.0
Total assets	**1,028.6**	**965.5**	**1,039.8**

Equity and liabilities

EUR million	**31.3.2023**	**31.3.2022**	**31.12.2022**
Equity attributable to the shareholders of the parent company	441.4	461.6	449.4
Non-controlling interests	15.5	13.2	15.0
Total equity	**457.0**	**474.8**	**464.5**
Non-current liabilities			
Loans	232.1	176.1	232.4
Lease liabilities	20.1	25.7	20.8
Deferred tax liabilities	32.9	37.5	36.3
Pension obligations	5.1	7.2	4.8
Other non-interest-bearing liabilities	8.0	2.7	6.9
Provisions	0.6	0.0	0.6
Total	**298.7**	**249.2**	**301.8**
Current liabilities			
Loans	27.9	9.0	2.7
Lease liabilities	10.0	9.7	9.8
Trade and other payables	235.0	222.8	261.1
Total	**272.9**	**241.5**	**273.6**
Total liabilities	**571.6**	**490.7**	**575.4**
Total equity and liabilities	**1,028.6**	**965.5**	**1,039.8**

Consolidated statement of changes in equity

EUR million	Equity attributable to the shareholders of the parent company							Non-controlling interests	Total equity
	Share capital	Treasury shares	Other funds	Inv. non-rest. equity fund	Translation diff.	Retained earnings	Total		
Equity 1.1.2022	**48.1**	**-1.1**	**4.0**	**249.4**	**-20.0**	**174.2**	**454.6**	**13.0**	**467.6**
Profit for the period						2.5	2.5	0.2	2.7
Other comprehensive income									
Cash flow hedges			6.0				6.0		6.0
Currency translation differences					-1.5		-1.5		-1.5
Changes in shares of non-controlling interest						0.1	0.1		0.1
Equity 31.3.2022	**48.1**	**-1.1**	**10.0**	**249.4**	**-21.5**	**176.7**	**461.6**	**13.2**	**474.8**
Equity 1.1.2023	**48.1**	**-0.8**	**23.0**	**249.1**	**-18.1**	**148.2**	**449.4**	**15.0**	**464.5**
Profit for the period						6.4	6.4	0.5	6.9
Other comprehensive income									
Cash flow hedges			-12.9				-12.9		-12.9
Currency translation differences					-1.4		-1.4		-1.4
Changes in shares of non-controlling interest						-0.1	-0.1	0.0	-0.1
Share-based payments		0.6		-0.6			0.0		0.0
Equity 31.3.2023	**48.1**	**-0.2**	**10.1**	**248.5**	**-19.5**	**154.4**	**441.4**	**15.5**	**457.0**

Consolidated cash flow statement

EUR million	1-3/2023	1-3/2022	1-12/2022
Cash flow from operating activities			
Operating activities before financial items and taxes	-3.7	-32.0	63.9
Financial items and taxes	-9.6	-3.2	-10.2
Net cash flow from operating activities	**-13.3**	**-35.2**	**53.8**
Cash flow from investing activities			
Investments in tangible and intangible assets	-27.5	-21.4	-126.4
Proceeds from the sale of tangible and intagible assets	0.5	0.4	20.7
Acquired operations	0.0	0.0	-4.2
Sold operations	0.0	0.0	7.4
Increase (-) / decrease (+) in long-term receivables	0.2	0.4	-0.2
Change in short-term receivables	-0.3	-0.8	-0.8
Dividends received	0.0	0.0	2.1
Net cash flow from investing activities	**-27.0**	**-21.4**	**-101.5**
Cash flow from financing activities			
Draw down of long-term borrowings	0.0	0.0	75.0
Repayment of long-term borrowings	-0.4	0.0	-27.1
Increase (+) / decrease (-) in short-term loans	25.3	6.1	0.3
Principal elements of lease payments	-2.5	-2.6	-9.4
Dividends paid	0.0	0.0	-18.5
Net cash flow from financing activities	**22.3**	**3.5**	**20.3**
Change in liquid funds	**-18.1**	**-53.2**	**-27.4**
Cash and cash equivalents at beginning of year	31.0	57.3	57.3
Effect of exchange rate changes on cash flows	-0.3	-0.2	1.1
Cash and cash equivalents at the end of period	**12.7**	**4.0**	**31.0**

Interim report notes

Interim report accounting principles

This interim report was prepared in accordance with the IAS 34 standard for interim reports. Atria has applied the same principles in preparing this interim report as in preparing the 2022 annual financial statements. However, as of 1 January 2023, the Group uses the new or revised IFRS standards and IFRIC interpretations published by the IASB, included in the accounting principles of the annual financial statements 2022.

The preparation of the interim report in accordance with the IFRS requires the Group's management to use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. In addition, discretion must be used in applying the accounting principles. The estimates and assumptions are based on the views at the end of the review period and include risks and uncertainties. The realised values may deviate from the estimates and assumptions. With consideration of geopolitical risks, cost inflation and higher market interest rates, the Group has reviewed the performance ability of its businesses and possible impacts on the value of various assets.

The key accounting estimates and discretionary decisions are presented in more detail in the accounting principles for the 2022 consolidated financial statements.

The formulae for calculating the indicators are presented at the end of the report. In the company's view, the indicators presented serve to clarify the view provided by the income statement and balance sheet of the operational result and financial position of operations.

The figures presented in the release are rounded to EUR million, so the combined total of individual figures may differ from the total sum presented.

The figures presented in this interim report are unaudited.

Operating segments

EUR million	1-3/2023	1-3/2022	1-12/2022
Revenue from consumer goods			
Atria Finland	242.3	201.3	942.3
Atria Sweden	81.8	82.1	356.2
Atria Denmark & Estonia	27.6	25.3	110.4
Eliminations	-5.5	-7.6	-37.7
Total	**346.2**	**301.2**	**1,371.2**
Revenue from primary products			
Atria Finland	81.2	72.9	323.0
Atria Sweden	-	-	-
Atria Denmark & Estonia	0.6	0.6	2.5
Unallocated	-	-	-
Total	**81.8**	**73.6**	**325.5**
Total net sales	**428.0**	**374.8**	**1,696.7**
EBIT			
Atria Finland	14.9	3.0	49.4
Atria Sweden *	-3.3	-0.9	-37.8
Atria Denmark & Estonia	-0.5	0.8	1.2
Unallocated **	-0.2	-0.6	-12.8
Total	**10.9**	**2.3**	**0.1**
Investments			
Atria Finland	17.7	17.4	93.4
Atria Sweden	9.0	2.9	26.5
Atria Denmark & Estonia	0.7	1.2	6.5
Total	**27.4**	**21.5**	**126.3**
Depreciation and write-offs			
Atria Finland	9.0	9.2	36.7
Atria Sweden	2.7	3.2	62.8
Atria Denmark & Estonia	1.2	1.1	4.3
Unallocated	0.0	0.0	0.1
Total	**12.9**	**13.5**	**103.9**

* Total items affecting comparability EUR -40.1 million in the period Q1-Q4/2022.
** Effect of sales of sold subsidiary in the period Q1-Q4/2022 EUR -8.8 million.

Fair value hierarchy of financial assets and liabilities

EUR million

Balance sheet items	31.3.2023	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comprehensive income	0.9			0.9
Derivative financial instruments	17.1		17.1	
Total	**18.0**	**0.0**	**17.1**	**0.9**
Liabilities				
Derivative financial instruments	2.1		2.1	
Total	**2.1**	**0.0**	**2.1**	**0.0**

Balance sheet items	31.12.2022	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comprehensive income	0.9			0.9
Derivative financial instruments	32.2		32.2	
Total	**33.1**	**0.0**	**32.2**	**0.9**
Liabilities				
Derivative financial instruments	0.7		0.7	
Total	**0.7**	**0.0**	**0.7**	**0.0**

There were no transfers between Levels 1 and 2 during the period.

Level 1: Prices listed on active markets for identical assets and liabilities.
Level 2: Fair values can be determined either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: Fair values are not based on verifiable market prices.

Fair values of financial instruments do not deviate significantly from balance sheet values.

Related party transactions

EUR million

The following transactions were completed with related parties:

	1-3/2023	1-3/2022	1-12/2022
Sales of goods and services	6.0	6.4	27.7
Purchases of goods and services	-27.1	-26.8	-115.8

	31.3.2023	31.3.2022	31.12.2022
Receivables	1.9	2.5	1.8
Liabilities	6.3	6.4	7.4

Acquired operations

Atria Finland Ltd bought 51.0% of Ab Korv-Görans Kebab Oy's shares on 30 Dec 2022. Atria gained control over the company. Korv-Görans Kebab manufactures frozen meat products and is a long-term partner of Atria as a contract manufacturer of kebab chips, cooked chicken products and other meat products made from Finnish raw materials. Ripe, bulk-frozen kebab chips are the company's main products. In addition, the company manufactures cooked meat and chicken products, kebab skewers and cooked minced meat products. Korv-Görans Kebab's production facility is located in Pietarsaari, Finland and was founded in 1988. The company built new premises in 2019. The company employs 65 people permanently.

Atria's goal is to strengthen its position in the convenience food and Foodservice products market. Atria has a long-term cooperation with Korv-Görans Kebab. The ownership in the company brings new opportunities for Atria to respond to the growth of the convenience food market and the development of the Foodservice market and the wishes of customers. The deal combines the flexible operating method of a small operator with the know-how and market position of a large company.

Atria has the obligation to redeem the remaining 49% of the shares during 2028 at the earliest if the non-controlling owners decide to exercise their put option. A liability has been recorded for the redemption obligation, which is valued at the present value of the estimated obligation. The acquisition has no significant impact on Atria's financial position or result.

Ab Korv-Görans Kebab Oy	**Fair value used in acquisition on 30 Dec 2022, EUR million**
Acquisition price for the share of 51%	**4.9**
Assets and liabilities of the company, fair values employed in the acquisition:	
Property, plant and equipment	10.1
Inventories	2.8
Current receivables	1.1
Cash and cash equivalents	0.4
Total assets	**14.5**
Deferred tax liabilities	0.2
Non-current liabilities	6.5
Current liabilities	5.0
Total liabilities	**11.7**
Net assets	2.8
Share of non-controlling interest 49% *	1.4
Goodwill from acquisition	3.5

* Atria records the non-controlling interests according to the relative ownership. Future changes in the share of non-controlling interest, which do not lead to a loss of control, are treated as internal arrangements in equity.

The total purchase price to be paid in cash	4.9
Part of the purchase price to be paid later	0.3
The company's cash and cash equivalents	0.4
Effect of the acquisition on cash flow on 31 Dec 2022	4.2

The calculation is preliminary.
Purchase price has not yet been fully allocated to the identifiable net assets.
Identifiable net assets and goodwill are expected to be specified in the 2023 reporting.

Contingent liabilities

EUR million	31.3.2023	31.3.2022	31.12.2022
Debts with mortgages given as security			
Loans from financial institutions *	8.3	1.1	8.6
Pension fund loans	4.7	4.7	4.3
Total	**13.0**	**5.8**	**13.0**
Mortgages given as comprehensive security			
Real estate mortgages *	9.8	1.1	9.8
Guarantee engagements not included in the balance sheet			
Guarantees	0.1	0.1	0.1

* The increase is due to the acquired subsidiary in 2022.

FINANCIAL INDICATORS

In addition to the IFRS figures, Atria publishes other widely used alternative financial indicators that can be derived from the income statement and balance sheet.

Principles for calculating financial indicators:

Adjusted EBIT, adjusted profit before taxes and adjusted profit for the period		In addition to reporting EBIT, profit before taxes and profit for the period the company publishes an adjusted EBIT, adjusted profit before taxes and adjusted profit for the period indicators to describe the actual financial development of the business and to improve comparability between periods. The adjusted figures are determined by adjusting the above items for material items that affect comparability. These may include events that are not part of ordinary business activities, such as the restructuring of operations, capital gains and losses attributable to the sale of operations, impairment, and the costs of discontinuing significant operations.
Gross investments		Investments in tangible and intangible assets, including acquired businesses
Free cash flow	=	Cash flow from operating activities - Cash flow from investments
FTE	=	$\frac{\text{Hours worked during the review period}}{\text{Number of working days during the review period * normal working hours per}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the accounting period}}{\text{Equity (average)}} * 100$
Adjusted return on equity (%)	=	$\frac{\text{Adjusted profit/loss for the accounting period}}{\text{Equity (average)}} * 100$
Return on investment %	=	$\frac{\text{Profit/loss before tax + interest and other financial expenses}}{\text{Equity + interest-bearing financial liabilities (average)}} * 100$
Adjusted return on investment %	=	$\frac{\text{Adjusted profit/loss before tax + interest and other financial expenses}}{\text{Equity (average)}} * 100$
Equity ratio (%)	=	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total – advance payments received}} * 100$
Interest-bearing liabilities	=	Loans + lease liabilities
Gearing (%)	=	$\frac{\text{Interest-bearing liabilities}}{\text{Shareholders' equity}} * 100$
Net interest-bearing liabilities	=	Interest-bearing liabilities - cash and cash equivalents
Net gearing (%)	=	$\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Shareholders' equity}} * 100$
Earnings per share (basic)	=	$\frac{\text{Profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$
Adjusted earnings per share (basic)	=	$\frac{\text{Adjusted profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$
Equity/share	=	$\frac{\text{Equity attributable to the owners of the parent company}}{\text{Undiluted number of shares on 31 Dec}}$

Dividend per share	=	Dividend distribution during the accounting period / Undiluted number of shares on 31 Dec		
Dividend/profit (%)	=	Dividend/share / Earnings per share (EPS)	*	100
Adjusted dividend/profit (%)	=	Dividend/share / Adjusted earnings per share (Adjusted EPS)	*	100
Effective dividend yield (%)	=	Dividend/share / Closing price at the end of the accounting period	*	100
Price/earnings (P/E)	=	Closing price at the end of the accounting period / Earnings per share		
Adjusted price/earnings (P/E)	=	Closing price at the end of the accounting period / Adjusted earnings per share		
Average price	=	Overall share turnover in euro / Undiluted average number of shares traded during the financial period		
Market capitalisation	=	Number of shares at the end of the financial period * closing price on 31 Dec		
Share turnover (%)	=	Number of series A shares traded during the accounting period / Undiluted average number of series A shares	*	100

ATRIA PLC
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