ATRIA

Good food – better mood.

ANNUAL REPORT 2019

ATRIA PRODUCES SUSTAINABLE VALUE

Atria is one of the leading meat and food companies in the Nordic countries, Estonia and Russia in the St. Petersburg area. We are a company established in 1903 and valued by our customers, personnel and owners. We have been producing food for more than 100 years, and we want to continue to do so. That is why Atria operates with respect for the planet, product and people.

Atria's renewal and growth are based on excellent commercial expertise and an efficient and responsible way of working. Our main product, good food, is a source of enjoyment and joy, and also creates sustainable value for all of our stakeholders.

In 2019, our net sales were approximately EUR 1.45 billion, and Atria had around 4,450 employees in Finland, Sweden, Denmark, Estonia and Russia. Atria Plc's shares have been listed on the Nasdaq Helsinki since 1991.

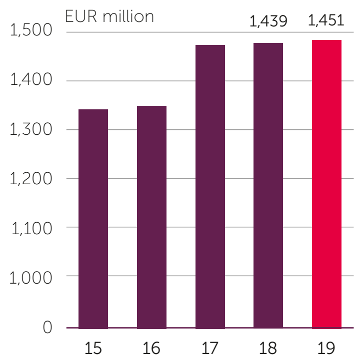
Atria Group's key indicators

	2019	2018
Net sales, EUR million	1,451.3	1, 438.5
EBIT, EUR million	31.1	28.2
EBIT, %	2.1	2.0
Balance sheet total, EUR million	928.7	899.6
Return on equity, %	3.9	4.1
Equity ratio, %	46.9	47.7
Net gearing, %	51.6	52.1

Net sales (EUR million)

1,451.3

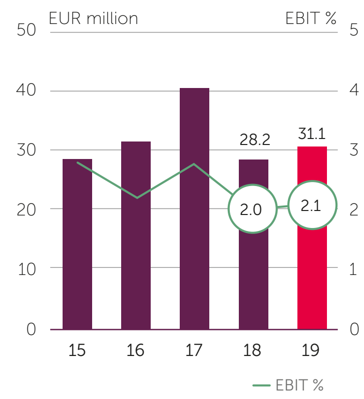
The Group's net sales were EUR 1,451.3 million, representing an increase of EUR 12.8 million from 2018.



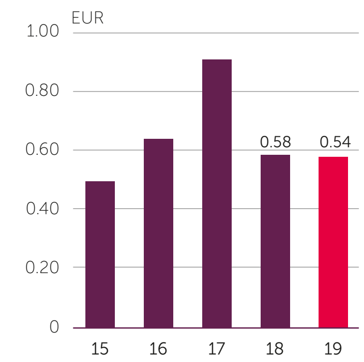
EBIT (EUR million)

31.1

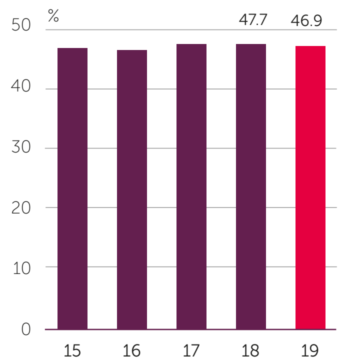
The Group's EBIT was EUR 31.1 million, or 2.1% of net sales.



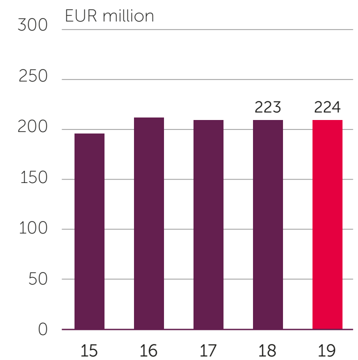
Earnings per share



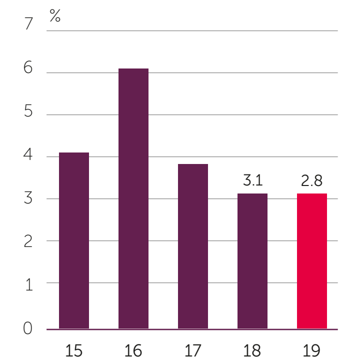
Equity ratio



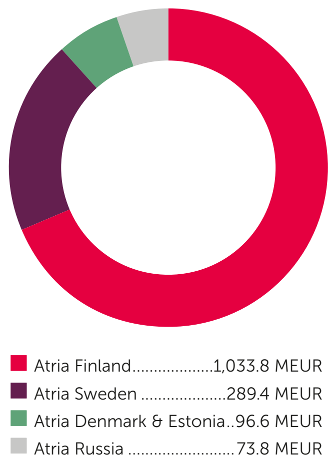
Net debt



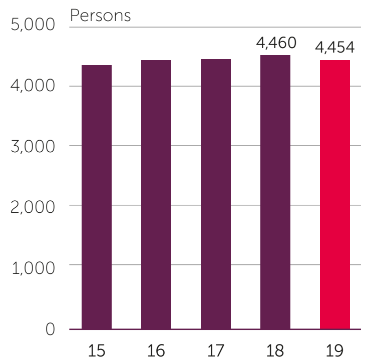
Gross investments, % of net sales



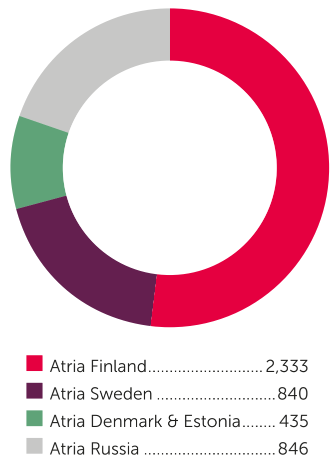
Net sales by business area (1,451.3 EUR million)



Average number of personnel



Personnel by business area (4,454)



A year of sustainable growth

Atria had a good year. We grew profitably in our home markets and especially in export markets.

Atria's net sales were EUR 1,451 million in 2019. This marks an increase of around EUR 13 million year-on-year. Atria's EBIT was around EUR 31 million, with an increase of around EUR 3 million from 2018. Profitability improved towards the end of the year, which is typical of Atria's operations. In 2019, the second half of the year was even stronger than usual.

Free cash flow was around EUR 51 million. The previous year's cash flow was around EUR 2 million. Successful working capital management had a positive impact on cash flow. Special attention has been paid to inventory turnover, especially stock rotation.

In terms of food demand, Atria's home markets in Finland, Sweden, Denmark, Estonia and Russia have many similarities. Demand for chicken and convenience foods is increasing. The market for sausages and cold cuts is decreasing slightly, and the consumption of beef and pork is growing very slowly, or even decreasing somewhat. It can be assumed that the consumption of red meat has peaked in EU countries. However, it is good to remember that meat products and red meat continue to be major product categories in terms of value and volumes in the future, even if their demand may be decreasing.

Atria's result in 2019 was good – our EBIT were around EUR 40 million. Our net sales also improved. The sales price increases implemented at the beginning of the year played a crucial role in terms of financial performance. In addition, industrial process performance was favourable as a result of day-to-day development work and investments in productivity. The most significant investments included the renovation of cutting lines at the Nurmo and Sahalahti poultry plants.

The Atria brand has a strong position in Finland. In some cases, sales were even better than what we had anticipated based on shelf placement in store selections. We have the Finnish people to thank for this.

Pork exports from Atria's plant in Nurmo to China more than doubled compared with 2018 and were almost 9 million kilos. The increase in demand is related to the unfortunate spread of African swine fever, which has caused production to decline significantly in China. The impacts have been far-reaching, as China typically consumes and produces around 50% of pork globally. Atria Finland has benefitted from China's situation through increased export volumes, while Atria Sweden and Atria Denmark have had to deal with higher meat prices, and even the occasional scarcity of raw materials. Exports to China are expected to continue at an extensive level for several years. >

"Net sales increased by around EUR 13 million, and EBIT by around 3 million. Successful working capital management improved cash flow."

"Pork exports from Atria's plant in Nurmo to China more than doubled and were nearly 9 million kilos. Exports are expected to continue at an extensive level for several years."

Atria Sweden made a loss of EUR 6 million in 2019. However, its loss decreased in the second half of the year compared with 2018. Net sales improved, driven by the sales of chicken in particular. The profitability of traditional meat products weakened. This was mainly due to an increase in raw material prices, which we were unable to include in sales prices rapidly enough. The start-up of poultry business operations has been a major undertaking. For the most part, industrial operations were up and running in 2019. However, the most important achievement is that we have won our customers' trust, and they believe in our products, quality and the scope of our operations. This is a good start.

We started our brand renewal project, which focuses on strengthening and expanding the Lönneberga brand.

In Sweden, we implemented an extensive production development project. Its results materialised through improved performance, delivery reliability and raw material management during the second half of the year.

Atria Denmark & Estonia's performance was stable in terms of both operating result and net sales. Its operating result was over EUR 4 million. Sales did not meet expectations in Denmark during the first half of the year, which was reflected in profitability, but the situation improved towards the end of the year. Sales prices have increased significantly, because the price of pork has increased. In Estonia, Atria has strengthened its market position over the long term. This trend continued in 2019.

Atria Russia's result was disappointing, with an operating loss of EUR 4 million. The sales price increases implemented at the beginning of the year improved the ratio between raw material costs and net sales, but the development of sales to retail stores in St. Petersburg was more modest than expected, particularly towards the end of the year. For the Sibylla concept, sales and financial performance have been good in Russia. We continue to explore opportunities to sell Atria Russia's business operations in part or in full as an alternative to the current operating model.

Sustainability is part of Atria's strategy under three key themes: product, the planet and people. Each theme has its practical and feasible development projects. The goals are ambitious. Our main goal is a carbon-neutral food chain by 2035.

We thank the people who buy food made by Atria. We would also like to thank our customers, partners, employees and shareholders.

Good food – better mood

Seinäjoki, March 2020

Juha Gröhn
CEO

"Our main sustainability goal is a carbon-neutral food chain by 2035."

Responsible Atria: Good food – better mood

Sustainability became a major topic of public discussion in 2019. Global warming and its mitigation, human rights, energy efficiency and food security as well as food adequacy in the future are examples of global challenges that need to be resolved. Atria's comprehensive responsibility programme addresses these challenges.

Atria's key sustainability themes are the planet, product and people. Sustainability at Atria Group is centred around these themes. All Atria's business is based on sustainability and responsible operations. Atria's mission, "Good food – better mood", has been and continues to be the foundation of our sustainability work. We are strongly committed to further developing our responsible business operations based on Atria's mission, vision, strategy and stakeholder cooperation.

In 2019, we set clear goals for our key sustainability themes and verified development needs in various areas. Based on the development needs, we launched sustainability projects within our responsibility programme as part of all business operations.

Merjo Leino
EVP, Sustainability, Atria

Sustainability at Atria is guided by the planet, people and product

Atria is committed to operating responsibly and meeting the requirements of its operating environment and stakeholders. The company's operations are guided by profitable growth, ethical principles and value-creating partnerships.

The management and development of Atria's operations are centred around three themes that cover all business areas: the planet, product and people.

Planet

Atria is reducing the climate and environmental impacts of its operations, as well as using valuable natural resources responsibly.

Goals:
- A carbon-neutral food chain
- A decrease of 25% in carbon dioxide emissions from Atria's own operations by 2035
- Improved energy efficiency
- Development of recyclable, ecological packaging solutions
- Reduction of waste in all stages of production
- Improved water efficiency.

Product

Atria ensures a fully transparent food chain with proven animal welfare.

Goals:
- Promotion of antibiotic-free production
- Zero tolerance for animal protection violations
- A wider range of farm-labelled products
- Complete batch-specific traceability of all raw materials, ingredients and packaging materials
- Atria Group's own quality and product safety criteria that exceed statutory requirements.

People

Atria promotes well-being by producing healthy and tasty food and providing its employees with safe and meaningful jobs.

Goals:
- Stronger nutritional expertise in meat and other sources of protein
- A wider range of products for enjoyable meals and increased sustainable consumer communication
- Zero work accidents
- Support for employee development and comfort
- The most attractive employer for the best talent in the meat and food industry.

Atria's eleventh corporate responsibility report provides information about Atria's key events, results and effects in 2019 from the perspective of corporate responsibility, as well as illustrating how Atria takes sustainability into account in its operations and their development. The report is based on the Global Reporting Initiative (GRI) standard and has not been verified.

The report is available at www.atria.fi/en/group/corporate-responsibility/corporate-responsibility-reporting.

ATRIA'S STRATEGY

Atria's operating environment is changing and developing rapidly, although the speed and focus of change varies between business areas. As a financially strong, profitable company in line with its strategic goals, Atria will be able to renew and respond to the continuous changes in the business environment in all of its business areas. Atria's strategy seamlessly supports the company's mission and vision. Atria's values and responsible way of working contribute to the implementation of its strategy.

MISSION

Good food – better mood.

VISION

We create inspiring food for every occasion with strong brands and passion.

STRATEGY

Atria's Healthy Growth

Commercial excellence | Efficiency | Atria's Way of Work

WAY OF WORK

Atria Way of Work

We focus on consumers and customers. | We deliver quality – we rely on our brand. | We are hungry for success. | We enjoy our work.

Atria's Healthy Growth

Atria's strategic goal is to improve profitability, accelerate growth and increase shareholder value systematically over the long term.

Atria aims to grow mainly in an organic manner, by developing and expanding its existing operations. The company aims to drive growth by developing new product segments and expanding into new market areas.

Alongside organic growth, Atria is actively identifying opportunities for acquisitions and other arrangements that generate healthy growth. These can supplement existing business operations, as well as offering opportunities to create entirely new product segments or enter new market areas.

Atria manages its Healthy Growth strategy through three main themes shared by all of its business areas. Each business area (segment) implements these themes through initiatives, projects and measures in line with seven focal points. Atria's segments are Atria Finland, Atria Sweden, Atria Denmark & Estonia and Atria Russia.

THREE GROWTH THEMES	SEVEN FOCAL POINTS	WE GROW WITHOUT COMPROMISING OUR COMPANY'S PROFITABILITY
Commercial excellence Maintain and accelerates our growth	**Market insight** **Category and brand management** **Commercial excellence**	**New product segments** **New markets** **Organic growth**
Efficiency Improve productivity and profitability	**Daily operational efficiency** **Supply chain efficiency** **Resource optimisation**	
Atria Way of Work Ensures profitable, healthy growth over the long term	**Atria Way of Leading**	**Acquisitions**

ATRIA'S STRATEGIC PATH

Atria's Healthy Growth strategy is a consistent continuation of its strategy for the previous period. In the previous period, Atria implemented significant efficiency programmes and investments to improve its competitiveness, particularly with regard to the productivity of industrial operations. At the same time, the company succeeded in improving its equity ratio.

International growth
- Strong growth in the Baltic Sea region through acquisitions; Atria becomes a leading Nordic food company and expands into the Russian and Baltic markets
- Significant growth investments in Nurmo
- Weaker financial position.

Improving productivity
- Stronger balance sheet and financial position
- Improving profitability and productivity in all countries of operation
- Investments in growth in Finland, including meat operations, the feed business and production automation.

Atria's Healthy Growth
- Primarily organic growth in all business areas
- Operational profitability will not be compromised; emphasis on productivity
- Growth investments in technology and other investments that improve efficiency and productivity.

IMPLEMENTATION OF ATRIA'S HEALTHY GROWTH STRATEGY

Strategy enablers	Main themes	Realisation of themes in 2019*
1. Strong finances Atria's strong balance sheet and good financial position enable growth and development measures in line with the strategy. **2. Systematic investments** Atria executes systematic investments that enable the company to maintain and improve the productivity and competitiveness of its operations, even in the long term. **3. Efficiency** Atria enables the productivity of its operations and the competitiveness of its products through efficiency across its supply chain. **4. Sound market and customer intelligence** Atria is a pioneer in using consumer and market data. This enables the development of commercially successful product groups and their timely introduction. **5. Highly competent people** Strategy implementation is supported by effective personnel planning, timely recruitment, systematic competence development and a successful performance management system.	**Commercial excellence**	• Atria's sales grew especially in Finland. In addition to the domestic market, growth was driven by a significant increase in exports: pork export volumes to China more than doubled year-on-year to nearly 9 million kilos. • The Group's profitability improved, particularly because of Atria Finland's favourable performance development. The result was strengthened by increases in sales prices in Finland and in exports. • Atria's supplier shares in the Food service sector grew in all business areas. • In Sweden, Atria's supplier share in poultry product categories increased by 2.9 percentage points to 15.2%. • In Estonia, Atria's supplier share exceeded 15%. In Denmark, Atria was the market leader in cold cuts, with a share of more than 17%. • In Russia, Atria's Food service sales grew by around 13%, and its number of Sibylla sales outlets increased by around 15%.
	Efficiency	• In Finland, Atria's poultry production capacity increased as a result of investments in the Nurmo and Sahalahti plants. • Operational productivity, quality and safety, as well as environmental and energy efficiency, improved at the Nurmo plant. • In Sweden, Atria's poultry production efficiency increased at the Sölvesborg plant, and the overall profitability of poultry business operations improved. • Atria Sweden streamlined its business operations and competitiveness through a project aiming for an annual reduction of around EUR 3 million in personnel expenses. • Plant utilisation rates improved at Atria's plants in Estonia and Russia.
	Atria Way of Work	• Atria revised its responsibility programme. Atria's operational management and development are now guided by three key sustainability themes: the planet, product and people. Clear goals have been set, and development needs have been verified for all the themes. Based on the development needs, sustainability projects have been launched as part of all business operations.

* The realization of the themes is presented in more detail in each business area overview.

ATRIA'S FINANCIAL TARGETS AND RESULTS

Target	Result 2019	Result 2018	Result 2017
EBIT 5%	2.1%	2.0%	2.8%
Equity ratio 40%	46.9%	47.7%	47.5%
Return on equity (ROE) 8%	3.9%	4.1%	6.7%
Distribution of dividends 50%	78.4%*	68.8%	54.4%

* Board of Directors' proposal

ATRIA'S RISKS

Further information on Atria's risks and risk management is available in the

- Report by the Board of Directors (page 40)
- Notes to the Consolidated Financial Statements (page 81)

ATRIA'S STRATEGY RESPONDS TO CHANGES AND EXPECTATIONS

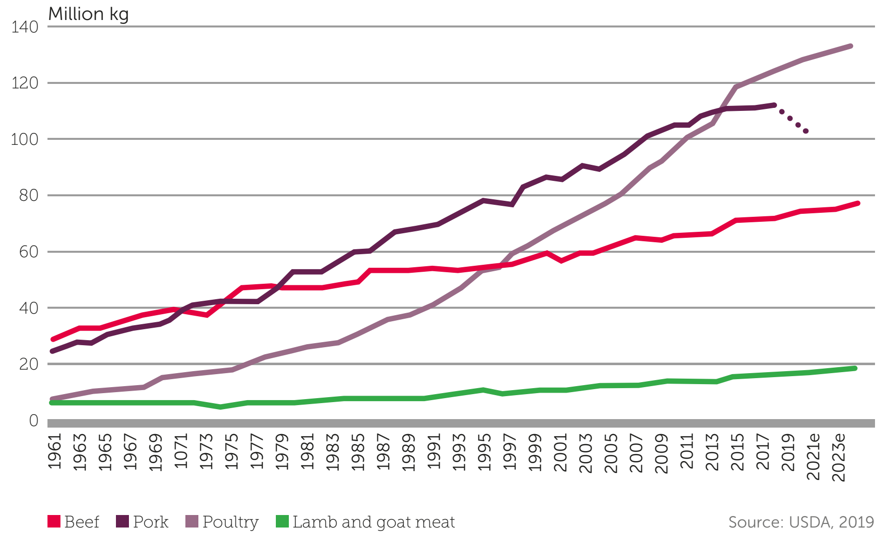
Atria's strategy responds to changes in the operating environment. Our strategy takes into account megatrends affecting our operating environment, as well as customers' and consumers' expectations.

Megatrends affecting food production	Impacts of trends on the food industry	Atria's way of working
Population growth	Growing need and demand for food.	Atria is further developing and increasing its production systematically over the long term in a market where the consumption of white meat is increasing, the consumption of red meat is slightly decreasing, and vegetable-based food product groups are diversifying. Atria targets its most significant investments at the production of white meat, or poultry. In addition to investing in volumes, Atria systematically invests in the high quality and safety of its products and in product group development.
Climate change	Food production has impacts on climate change, and food industry companies are expected to reduce their climate and environmental effects.	The main goal of Atria's responsible operations is to combat climate change and produce food in a carbon-neutral manner. In addition to monitoring its carbon emissions, Atria is paying attention to its water and energy consumption, as well as to reducing waste and developing eco-friendly packaging solutions.
Globalisation	The supply of food products is global, and the international markets determine the prices of raw materials. Price competition is intense.	Atria is improving its competitiveness by enhancing its productivity and offering commercially successful product categories and product groups that meet customers' and consumers' expectations. The continuous improvement of the supply chain and delivery reliability is also an essential part of ensuring Atria's competitiveness.
Urbanisation	The population is increasingly centred on cities and towns, and families are becoming smaller. Consumer behaviour is becoming more fragmented, and consumers have more power, particularly in the developed countries.	Atria uses market and consumer data precisely and innovatively in its operations. Atria knows and predicts consumer trends.*) These include, for example, an emphasis on affordable and easy food, on safe and healthy food, and on the sustainability and transparency of the origin and production of food and the whole of the food chain.
Digitalisation	Automation solutions are transforming industrial processes, and digital solutions are shaping the customer experience.	Atria makes use of the quantity, quality and cost benefits made possible by the latest technology in its industrial investments. The most significant example is Atria's new pig-cutting plant in Nurmo, where productivity, product safety and safety at work have been improved through automation technology and robotics. New digital solutions enable Atria to improve the online and mobile customer and user experience.

*) Consumer trends are discussed in each business area's review.

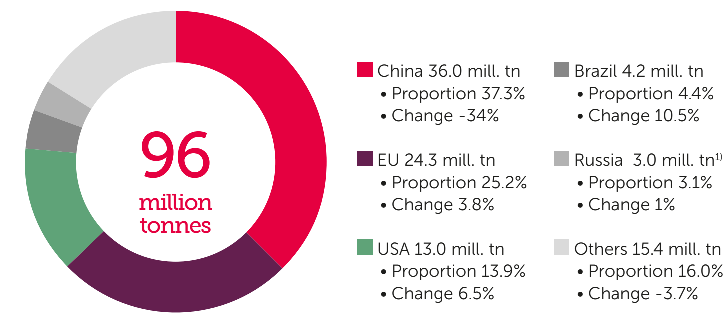
Global meat consumption

Pork consumption has increased strongly since 2000, particularly in the emerging economies of Asia. In 2019 consumption in China decreased significantly due to African swine fever. Poultry consumption is growing globally.



Global pork production in 2019

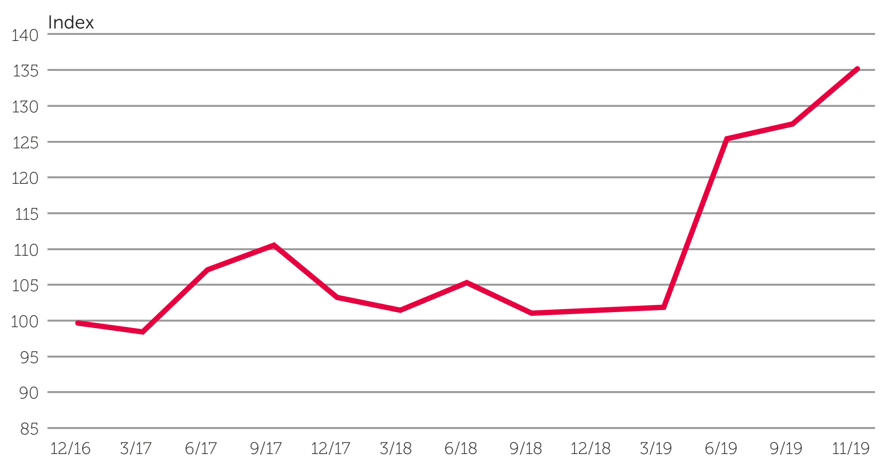
Pork production decreased from around 113 million tonnes to 96.4 million tonnes as a result of the slump caused by African swine fever (ASF) in pork production in China.



Source: USDA, 2020
1) Russia's figures from 2018

Price performance of pork raw material in Europe (Index, 2016=100)

After having remained quite stable, European raw material prices began to increase as pork production slumped in China because of African swine fever (ASF).



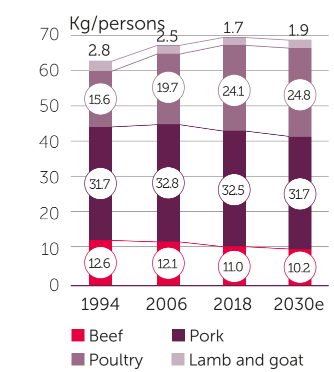
Index 2016=100

Source: Eurostat, Rabobank 2019

Meat consumption in Europe

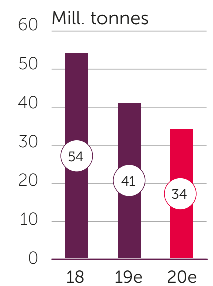
Total meat consumption in Europe remains stable. The consumption of beef and pork has decreased slightly since 2000, while poultry consumption has increased accordingly.

Source: Eurostat, 2019

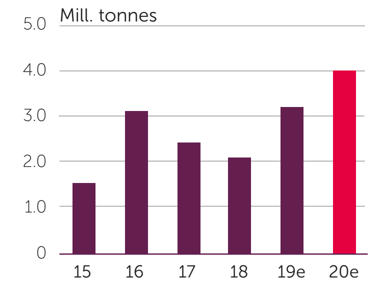


Pork production in China 2018–2020, forecast

As a result of African swine fever (ASF), pork production in China is expected to decrease by around 40% – or, according to some forecasts, up to 70% – by the end of 2020. This represents around a quarter of global pig stocks.



Source: National Bureau of Statistic of China, Rabobank 2019



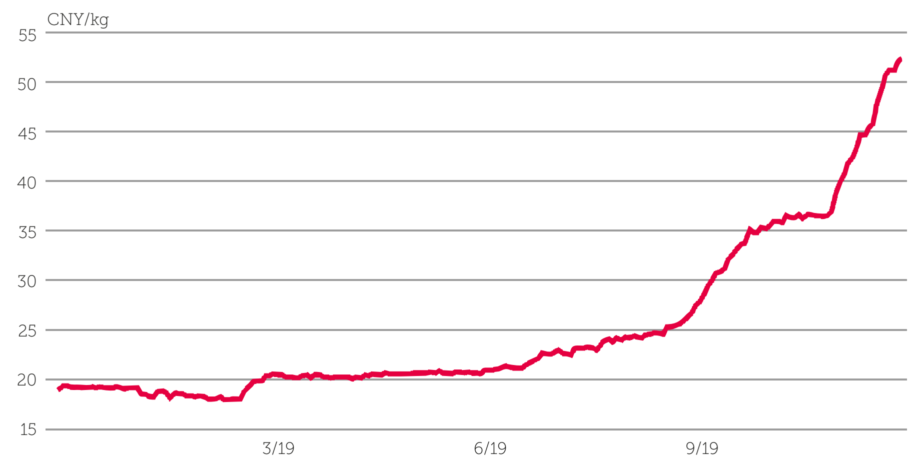
Source: China Customs, Rabobank 2019

Export of pork to China 2015–2020, forecast

The export of pork to China is expected to increase strongly. However, the volume of exports (3–4 million tonnes) will meet only a small portion of the need caused by the slump in pork production in China.

Pork wholesale price performance in China

The wholesale price of pork more than doubled in China in 2019: from RMB 20.5 (around EUR 2.5) per kilo on average to more than RMB 50 (around EUR 6.5) per kilo. Consumer prices increased by slightly more than 70% compared with the previous year's average prices.



Source: CEIC, Ministry of Agriculture of the People's Republic of China, BOFIT, 2019

Export to China increased and diversified

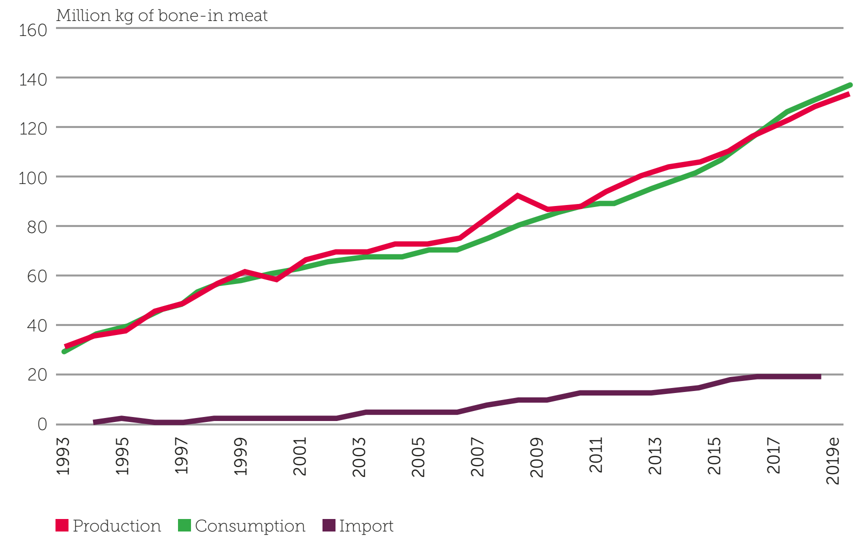
Atria's export of pork to China increased considerably year-on-year, to nearly 9 million kilos. This represents around 12% of the volume of pork processed at Atria Finland.

Distribution channels developed significantly as well, with Atria starting exports to the retail sector, in addition to exporting to restaurants. The first batches of pork became available for sale in the cities of Chongqing and Changsha, which have a combined total population of around 40 million consumers.

Atria's absolute competitive advantages in the current Chinese market include the purity, safety and traceability of its pork and the antibiotic-free rearing of production animals.

Poultry market growth in Finland

Poultry consumption has increased strongly in Finland for several years. In 2019, poultry consumption increased by 4%, and poultry production grew by 3%.



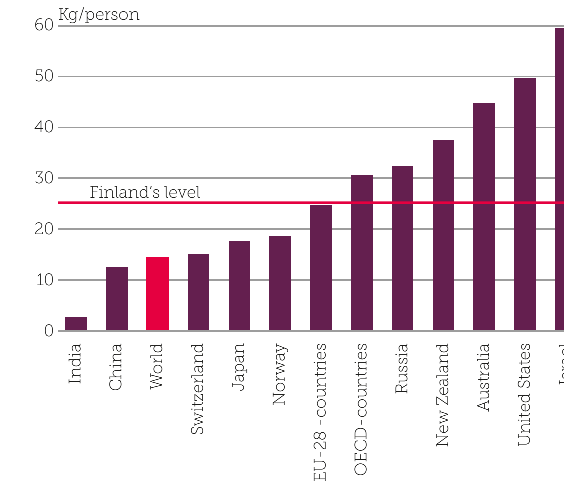
Forecast for poultry consumption in Finland

According to consumption forecasts by Atria, poultry consumption (mainly chic-ken products) in Finland will exceed 200 million kilos by 2030 if the consumption trend remains similar to that between 2011 and 2019, when the average annual growth rate was 3.8%.

Page source: Atria Insight, 2020

International consumption of Finnish poultry

The consumption of chicken in Finland, around 24 kilos per capita, remains low in international comparisons. Average chicken consumption is around 30 kilos per capita within the OECD and around 50 kilos per capita in the United States. Chicken consumption in Sweden is at the same level as in Finland.



Major investment in Finnish poultry production

Atria has begun to plan an investment of EUR 130 million in a production plant to increase its poultry production. During the project, the current produc-tion facilities will be refurbished and new produc-tion facilities and production lines will be built at the Nurmo plant. The investment decision will be made during 2020.

BUSINESS REVIEWS

In terms of operational structure, Atria Group consists of four business areas, or reporting segments: Atria Finland, Atria Sweden, Atria Denmark & Estonia and Atria Russia. In 2019, Atria Group's net sales were EUR 1,451.3 million, which was distributed between the business areas follows: Atria Finland 70%, Atria Sweden 19%, Atria Denmark & Estonia 6% and Atria Russia 5%.

Atria Finland

Atria Finland is responsible for Atria's operations in Finland. Atria Finland develops, produces, markets and sells fresh meat and other food products, in addition to providing related services. Atria is the market leader in the slaughterhouse industry and many of its product categories in Finland. It also has substantial export operations. In 2019, Atria Finland's net sales were around EUR 1,033.8 million, and the company had around 2,350 employees. All of the meat used in Atria brand products is Finnish.

Net sales
70%
of the Group's net sales

Number of personnel
52%
of the Group's personnel

Atria's market position
1
Atria is the market leader in most of its product categories and in Finland's slaughtering industry.

Customers
- Grocery trade
- Food service customers
- Export customers
- Sibylla concept customers
- Food industry

Core categories
- Fresh and consumer-packed meat
- Poultry products
- Cooking products, such as sausages
- Cold cuts
- Convenience food
- Animal feed

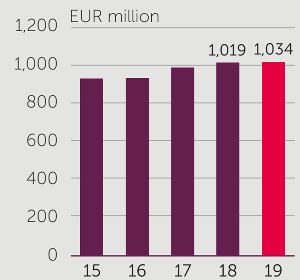
Brands
Atria Finland's leading brand is Atria, one of the best-known and most valuable food brands in Finland.

Net sales (EUR million)

Atria Finland's net sales increased by EUR 14.6 million year-on-year and were EUR 1,033.8 million. This was mainly due to increased export volumes to China and higher prices. Towards the end of the year, prices also increased in domestic sales channels.

1,033.8

(EUR 1,019.2 million in 2018)

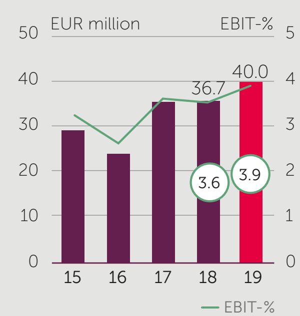


EBIT (EUR million)

EBIT increased by EUR 3.3 million year-on-year and was EUR 40.0 million, or 3.9% of net sales. Profitability was driven by higher sales prices, a better sales structure and improved operational efficiency.

40.0

(EUR 36.7 million in 2018)



HEALTHY GROWTH AT ATRIA FINLAND

Strategy enablers	Strategic focal points	Implementation of focal points in 2019
1. Large scale Enables supply for growing and increasingly diverse demand. **2. Strong competitive position** Atria is the market leader or the second-strongest player in its main categories, and the market leader in the slaughterhouse industry. **3. Strong and valued brands** Atria is the best-known food brand in the meat industry. This enables Atria to launch new product groups and create new markets. **4. High productivity** The efficiency of industrial processes and consistent investments in improving productivity ensure price competitiveness. **5. Responsible and reliable supply chain** Atria's responsible operations have a positive impact across the Finnish meat and food chain. Good cooperation, particularly with producers, secures deliveries, quality and growth.	**Market insight**	• Investment in market research, insight and analysis (Atria Insight) was increased to support product development, marketing and sales.
	Category and brand management	• The most significant investments in product groups were targeted at the categories of poultry, convenience foods and cooking products. • The origin, purity and good taste of meat were highlighted as the Atria brand's competitive advantages in customer relationships in both retail and the food sercive sector. • Significant marketing investments were made in the barbecue season, and the Atria Wilhelm brand and product offering, for example.
	Commercial excellence	• The sales of Atria's product groups increased in all sales channels. • Atria strengthened its market share: its supplier share was 25% in retail and 22% in the food service sector. • Atria was the market leader in retail in consumer-packed meat, poultry products and cold cuts categories.
	Daily operational efficiency	• The meat volumes processed by Atria were at the previous year's level, totalling 173.6 million kilos. • The investments in increased chicken cutting capacity at the Nurmo and Sahalahti plants were completed.
	Supply chain efficiency	• Atria's order-to-delivery chain was of a high quality and highly efficient, with the reliability of deliveries at 99.8%. • The project to increase the production of beef, pork and poultry feeds at the Koskenkorva plant of A-Rehu Oy, Atria's feed company, progressed as planned.
	Resource optimisation	• Atria achieved its key goals for energy and resource efficiency by reducing its carbon footprint, improving its water efficiency and reducing waste, for example. The results are presented in Atria's corporate responsibility report at www.atria.fi/en/group/corporate-responsibility/corporate-responsibility-reporting/
	Atria Way of Work	• The Safely Home from Atria programme produced excellent results: the number of occupational accidents, as well as absences caused by accidents, decreased by more than 50% year-on-year. • Several projects, events and measures were implemented within the Atria Way of Leading programme to further develop strategic and operational capabilities.

Good development across sales channels

Atria Finland had a good year: we were able to increase profitability in all our sales channels. Our net sales were EUR 1,034 million, with growth in retail, the food service sector and exports. Growth was supported by increased sales volumes, as well as higher sales prices in Finland and in exports. Our EBIT increased to EUR 40.0 million.

Atria maintained its strong supplier share, around 25%, in its retail product groups. This was essential for growth in a market that grew by 1.8% in value. In the food service market, Atria's supplier share increased by one percentage point to around 22%. Growth in exports, and in exports to China in particular, was remarkable: Atria's pork exports more than doubled to around 9 million kilos. This was 12% of all pork production at the Nurmo plant.

In addition to growing profitably, we succeeded in improving our operations. We have been working to improve safety at work for many years, and this work produced excellent results: our number of accidents and lost days decreased by more than 50%. Atria's daily management development programme in industrial operations promoted safety at work and improved productivity and quality, as well as environmental and energy efficiency. By systematically improving all these aspects, we are ensuring Atria's competitiveness in the long term.

Mika Ala-Fossi
Executive Vice President, Atria Finland

THE POSITION OF ATRIA'S MAIN CATEGORIES IN THE MARKET [1)]

Category	Change in overall markets [2)]		Manufacturing share [3)]	Atria's brands [4)]
	Value (€)	Volume (%)	Value (€)	Volume
Consumer-packed meat	-3.0% ↓	-7.0% ↓	32% ↑	#1 ↔
Poultry	4.0% ↑	3.0% ↑	46% ↓	#1 ↑
Cooking	1.0% ↑	-4.0% ↓	24% ↑	#2 ↔
Cold cuts	0% ↑	-3.0% ↑	22% ↑	#1 ↔
Convenience food	5.5% ↑	2.0% ↑	14% ↓	#2 ↔
Total	2.0% ↑	-1.0% ↑		

1) Retail sector, consumer-packed products
2) Percentage of change in comparison to 2018
3) Atria as a supplier
4) The market position of product categories sold under the Atria brand

TOTAL MARKETS OF ATRIA'S MAIN PRODUCT CATEGORIES [1)]

Value (EUR million)
2,325
Change-%
1.8%

Volume (EUR million)
373
Change-%
-1.4%

1) Grocery trade, consumer-packed products

FINLAND'S MEAT MARKET AND MEAT PRODUCT MARKETS [2)]

Value (EUR million)
2,970 (VAT 0%)
Change-%
-1.0 (volume) 2.0 (value)

2) Total value of the meat and meat products market in the grocery trade and food service channels.

THE FINNISH BARBECUE MARKET IN 2019 [1)]

Value, approx. (EUR million)
102
Change-%
-4.6%
(+3.5% in 2018)

90%
of Finnish households purchased barbecue products. Most popular categories: chicken, pork and sausages.

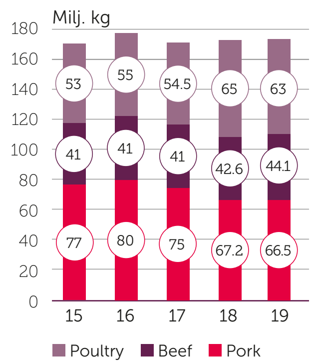
29%
Market share of Atria's barbecue product categories

#1
Market position of Atria's barbecue product categories

1) Atria Insight 2019

Volume of meat processed by Atria (million kg)

173.6



Atria's delivery reliability (%)

99.80

Atria's sound management of the supply chain increases the predictability of operations alongside delivery reliability.

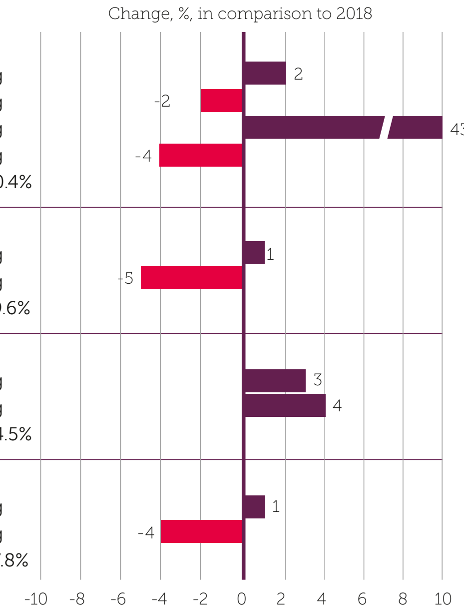
MEAT PRODUCTION AND CONSUMPTION IN 2019 [1)]

Total meat
- Production.................400 million kg
- Consumption............ 423 million kg
- Export........................... 60 million kg
- Import........................... 83 million kg
- Domestic share of consumption 80.4%

Pork
- Production.................. 171 million kg
- Consumption............ 169 million kg
- Domestic share of consumption 79.6%

Poultry
- Production................. 140 million kg
- Consumption.............146 million kg
- Domestic share of consumption 84.5%

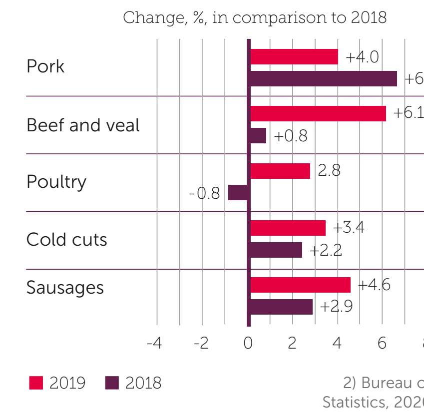
Beef
- Production....................87 million kg
- Consumption............ 103 million kg
- Domestic share of consumption 77.8%



1) Production and consumption of bone-in meat. 80% of bone meat is boneless, and the loss of cooking varies from 10 to 30% depending on the product.

Source: Kantar TNS Agri, 2020

AVERAGE CONSUMER PRICES OF MEAT [2)]



2) Bureau of Statistics, 2020

Free-farrowing ham attracted interest

For several years, Atria has studied free-farrowing in cooperation with producers, from the perspectives of animal welfare and production costs. This operating method is seen as a model of the future, which Atria is supporting through additional investment. By the end of the year, around 30% of Atria's pork producers had transferred to free-farrowing. Free-farrowing products were well received in the retail sector. Free-farrowing ham was a sales success.

3 TRENDS

The following consumer trends in the food industry are among those affecting Atria Finland's operations and selection in 2019:

Trend	Atria's answers
1. Quick and easy	• Development of increasingly ready-to-use food and meal solutions in several retail product categories, e.g. Hornet Snacks products, Grill & Glace products and the Vuolu product family. • Development and growth of the Food Service business.
2. Responsibility	• Highly visible presentation of Atria's concrete sustainability measures and goals in public discussions for consumers and citizens. Major themes included climate change mitigation, animal welfare, food safety and nutritional value. • Further development of the Atria Family Farm concept. Key elements of the concept include traceability all the way to farms and antibiotic-free products.
3. Experiences	• Expansion of taste sensations in various product categories in customer relationships in retail and the food service sector. • Investment in the barbecue season: Atria is Finland's largest barbecue product brand. • Successful development of the Atria Wilhelm brand and product offering.

Atria Sweden

Atria Sweden produces and markets meat products, fresh chicken products, cold cuts and various types of meals mainly for the Swedish food market. Atria Sweden has several valued, widely known brands, many of which are market leaders in their respective product categories. Atria is also a strong private label supplier. In 2019, Atria Sweden's net sales were around EUR 289 million, and the company had around 840 employees. The meat raw material used in Atria Sweden's product groups is mainly of domestic origin.

Net sales

19%

of the Group's net sales

Number of personnel

19%

of the Group's personnel

Customers
- Grocery trade
- Food service customers
- Sibylla concept customers
- Export customers

Core categories
- Cold cuts
- Cooking sausages
- Poultry products
- Convenience food
- Vegetable and delicatessen products

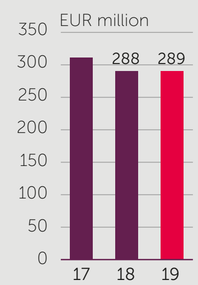
Brands
Atria Sweden has several valued brands, with the best-known being Sibylla, which is Atria Group's most international brand.

Net sales (EUR million)

289.4

(EUR 287.9 million in 2018)

Atria Sweden's net sales increased by EUR 1.5 million year-on-year and were EUR 289.4 million. In local currency, the growth rate was 3.6%. The increase in net sales was driven by increased sales in the retail and food service sales channels.

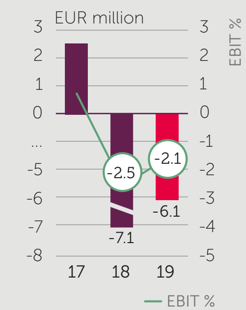


EBIT (EUR million)

-6.1

(EUR -7.1 million in 2018)

The operating loss decreased to EUR 6.1 million, including EUR 1.4 million in costs arising from efficiency measures. Profitability was burdened by the price of pork raw material in particular, which increased by 23.3%.



HEALTHY GROWTH AT ATRIA SWEDEN

Strategy enablers

1. **Stronger competitive position:** Stronger focus on product category management and on developing strong and valued brands for retail.
2. **Stronger competitive position:** Growth in Food Service and Concept business operations.
3. **Efficiency:** Improved operational efficiency and resource allocation in production.
4. **Way of working:** Creating a successful team and ensuring safe, responsible and sustainable operations.

Strategic focal points	Implementation of focal points in 2019
Market insight	• Further development of Atria's own market research tool and its use in supporting decision-making across the organisation. • A new product category strategy was implemented, along with action plans for four key product categories: poultry, cold cuts, sausages and convenience food.
Category and brand management	• A new retail strategy was implemented by launching Lönneberga as the main retail brand. • Food service sales were supported through new product groups and a strong focus on customers. • FinnishMeat and the Vegyu product family for food service customers.
Commercial excellence	• The profitability of poultry business operations was improved while also preparing for growth. • We focused on developing strong and modern brands while reducing the total number of brands. • Individual unprofitable business operations were divested.
Operational efficiency	• A significant business efficiency project was implemented to achieve an annual reduction of around EUR 3 million in personnel expenses. • The Operational Excellence development programme was launched at all production plants. The programme aims for EUR 4 million in annual cost savings
Supply chain efficiency	• Full use was made of the modernisation of the Sölvesborg production plant. • Options were studied to find a competitive long-term logistics solution. • New tools were used to reduce waste in production processes.
Resource optimisation	• Environmental and climate impacts were reduced across the value chain. The climate impacts of production have decreased by 80% since 2014.
Atria Way of Leading	• The implementation of the Atria Way of Work continued, with the goal of creating a winning corporate culture. • A solid management culture was ensured for the future through the Atria Way of Leading programme, and future leadership and competence potential was ensured through the Talent Management programme and the Group's international trainee programmes. • A safe, responsible and sustainable way of working was promoted.

Front page
Atria in brief
Atria's key figures
CEO's review
Responsible Atria

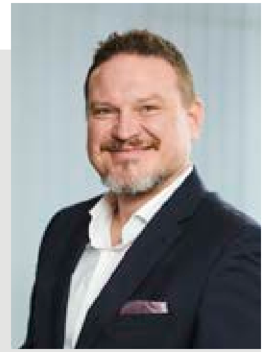
Strategy and business environment

Business area reviews
Atria Finland
Atria Sweden
Atria Denmark & Estonia
Atria Russia

Research and development

Financial statements and Corporate governance statement
Financial statements and report by the Board of Directors
Auditors' report
Corporate Governance Statement
Financial communications
Contact information

Improved performance



Atria Sweden made progress in achieving its key goal of improved performance. We improved our result consistently from the second quarter to the end of the year. Our net sales were around EUR 289 million, representing an increase of 3.6% year-on-year in the local currency. Our operating loss decreased by EUR 1 million and was EUR 6.1 million, including EUR 1.4 million in costs arising from efficiency measures. Improved profitability in the poultry business was the most essential factor in terms of improved performance, even in the long term.

Our sales to the retail trade developed favourably. Atria's supplier share in fresh poultry products increased by 2.9 percentage points to 14.9%. Our supplier share in sausages increased slightly, while our share in cold cuts decreased slightly. This favourable development was partly driven by the centralisation of our poultry and sausage product groups under the highly appreciated Lönneberga brand.

The food service market grew by around 5%. Most of our product groups showed good growth. Pork and beef imports from Finland contributed to Atria's stronger position in the professional kitchen sector in Sweden. Atria's good care of animals and antibiotic-free production were appreciated among decision-makers in the food service sector.

Jarmo Lindholm
Executive Vice President, Atria Sweden

THE POSITION OF ATRIA'S MAIN CATEGORIES IN THE SWEDISH RETAIL MARKET

Category	Change in overall markets 1)		Change in the Atria's share of manufacturing	Market position 2)
	Value (€)	Volume (%)	Value (€)	Position
Cold cuts	1.4% ⬆	-1.2% ⬇	1.1% ⬇	#2 ⬌
Sausages	2.2% ⬆	-1.1% ⬇	0.8% ⬆	#2 ⬌
Poultry	14.3% ⬆	7.7% ⬆	16.3% ⬆	#3 ⬌

1) Percentage of change in comparison with 2018
2) The position of Atria's main brand categories in the market

Source: Atria/Nielsen, 2020

TOTAL MARKETS OF ATRIA'S MAIN PRODUCT CATEGORIES

Value (EUR million)
1,099
Change
4.1%

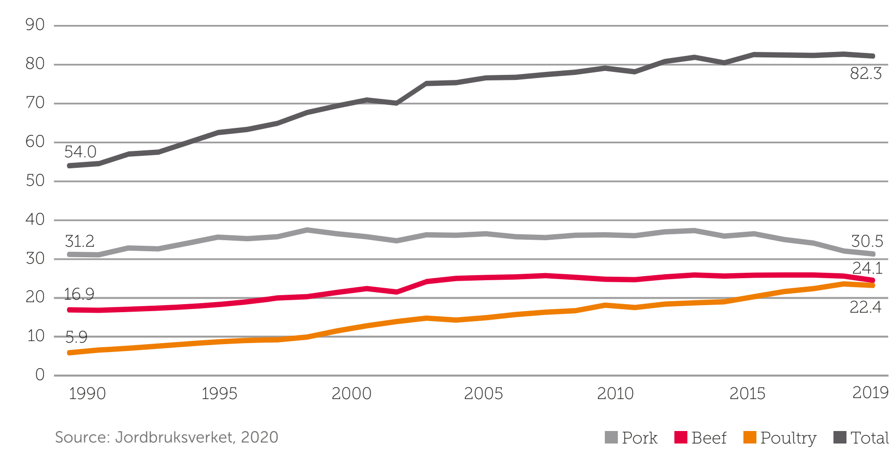
The market for cold cuts (EUR million)
473
Change
1.4%

The market for sausages (EUR million)
399
Change
2.2%

The market for fresh poultry products (EUR million)
227
Change
14.3%

MEAT CONSUMPTION IN SWEDEN (kg/person)

Total meat consumption in Sweden has remained unchanged for several years, at around 80 kilos per capita. The consumption of poultry has increased by 2–4% per year, whereas the consumption of beef and pork has decreased. Around 40% of the poultry consumed in Sweden is imported, as domestic production has been unable to meet the increased demand.



Source: Jordbruksverket, 2020

GROWTH OF THE SWEDISH FOOD MARKET

The Swedish food market is expected to grow by 3.4% per year on average over the long term. In 2019 the growth was 4.1%. The strongest growth is expected in the food service sector. Eating out is a significant trend in Sweden and Atria's other markets.

2.8%
Annual growth rate in retail

4.8%
Annual growth rate in Food Service

Source: DLF Multichannel 2022

4 TRENDS

The following are examples of the consumer trends in the food industry that are affecting Atria Sweden's operations and offering.

Trend	Responses from Atria Sweden
1. **Changing environment**	• We promote people's health and well-being through a well-balanced selection of good food. • Ethical operations and partnerships are key drivers in our business operations and partnerships. • We are a leading player in animal welfare: all the production animals we use must be healthy and well cared for. • We are reducing environmental and climate impacts across our value chain: the climate impacts of production have decreased by around 80% since 2014.
2. **Health revolution**	• We are making full use of the trend towards white meat by strengthening our offering of poultry product groups. • We are focusing strongly on the vegetarian food trend and well-balanced diets, and are ignoring short-lived phenomena.
3. **Consumers as influencers**	• We always ensure an optimal price-to-quality ratio. • We are strengthening and diversifying our online and social media presence.
4. **Urban life**	• We offer new types of convenience food solutions for hectic lifestyles. • We are preparing for blurred lines between sales channels and for the new customer and consumer requirements arising from this. • We are strongly developing our Food Service and Concept business operations in response to the growing trend of eating out.

Atria Denmark & Estonia

Atria Denmark & Estonia produces and markets cold cuts, meat and meat products for the Danish and Estonian food markets. The business area also has export operations. Atria Denmark & Estonia has valued, widely known brands, many of which are market leaders or hold the second position in their respective categories. Atria has two production plants in Denmark and one in Estonia. In 2019, the net sales of Atria Denmark & Estonia were EUR 96.6 million, and the company had around 430 employees. The meat raw material used in Atria's product categories in Denmark and Estonia is mainly of domestic origin. In Estonia, Atria has its own primary production, and the company is the country's second largest pork producer.

Net sales

6%

of the Group's net sales

Number of personnel

10%

of the Group's personnel

Customers
- Grocery trade
- Food service customers
- Export customers

Core categories
- Meat products, particularly sausages incl. cold cuts and spreads
- Convenience food
- Fresh and consumer-packed meat

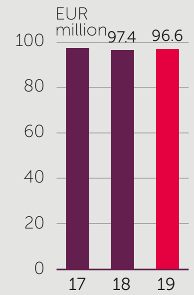
Brands
Atria's main brands in Denmark are 3-Stjernet and Aalbaek Specialiteter. Atria's main brand in Estonia is Maks&Moorits, supplemented by the regional VK and Wöro brands.

Net sales (EUR million)

96.6

(EUR 97.4 million in 2018)

Atria Denmark & Estonia's net sales remained at the previous year's level and were EUR 96.6 million. In Denmark, sales to the retail sector recovered towards the end of 2019 after a weak beginning of the year. In Estonia, sales developed favourably throughout the year. Food service sales increased significantly, especially in Estonia.

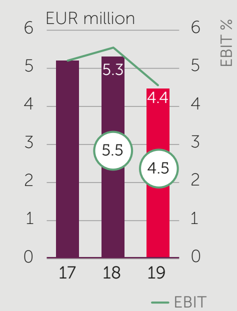


EBIT (EUR million)

4.4

(EUR 5.3 million in 2018)

EBIT decreased by EUR 0.9 million year-on-year and was EUR 4.4 million, or 4.5% of net sales. Profitability was burdened by the unstable pork market, particularly in Denmark. Due to increased exports from Europe to China, raw material prices increased by nearly 30% year-on-year.



HEALTHY GROWTH AT ATRIA DENMARK & ESTONIA

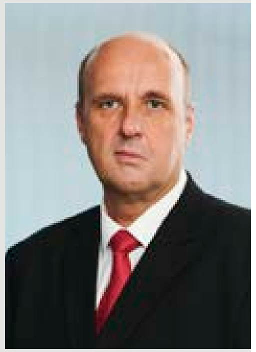
Strategy enablers	Strategic focal points	Implementation of focal points 2019
1. Strong competitive position Number one or two in selected market segments; a strong operator in Estonia, even in primary production.	**Market insight**	• More effective use was made of market insight, particularly in Denmark. The focus was on better understanding of purchasing and consumer insight.
	Category and brand management	• In Denmark, the strategy and market position of cold cuts as a product group were further specified. • The 3-Stjernet brand was revamped, and new vegetable and meat containg products were included in its selections. • New categories of fried and roasted products were introduced in Estonia under the Maks&Moorits brand.
2. Strong and valued brands Well-known food brands make it easier to launch new product groups and reinforce market position.	**Commercial excellence**	• In Denmark, the 3-Stjernet brand was number two in the cold cuts segment. Its market share was 15.1%. • In Estonia, Atria strengthened its position as the second-strongest player in the market. Its supplier share exceeded 15%. • Atria strengthened its position in the food service sector in Denmark and especially in Estonia, where sales increased by around 35% year-on-year.
3. Efficiency Centralised industrial production, investments in technology and an efficient operating chain improve productivity and price competitiveness.	**Daily operational efficiency**	• In Estonia, a significant increase in production volumes improved operational efficiency. A new packaging line was brought into production. • In Denmark, operational efficiency was improved through the ERP system adopted in 2018. The system was used to improve the efficiency of such operations as production, storage and distribution.
	Resource optimisation	• In Denmark and Estonia, Atria's sustainability goals were put into practice, with a focus on reducing the environmental and carbon footprints of production.
	Atria Way of Leading	• Comprehensive training on the Atria Way of Leading and the Atria Way of Work was provided in Denmark.

A well-balanced overall performance

Atria Denmark & Estonia's performance was stable. Net sales remained at the previous year's level and were EUR 96.6 million. EBIT decreased by EUR 0.9 million to EUR 4.4 million. The slight decrease in profitability was mainly due to higher meat raw material prices in international markets.

In Denmark, Atria's product groups in the retail trade were subject to extremely tight price competition, with the share of private labels increasing to around 40%. Atria was one of the market leaders in its cold cuts product category. To promote profitable growth, we increased our investment in the export and food service channels considerably. Development was significant, particularly in the food service sector.

Tomas Back
Executive Vice President, Atria Denmark



Atria's sales to the retail trade in Estonia developed favourably. Demand volumes and prices increased. Atria's supplier share in its product groups exceeded 15% in terms of value. Private labels have grown significantly in Estonia: their market share has tripled over the past three years.

Atria's sales to the Estonian food service market grew even more than sales to the retail sector. Sales increased by around 30%.

Olle Horm
Executive Vice President, Atria Estonia

THE POSITION OF ATRIA'S MAIN CATEGORIES ON THE RETAIL MARKETS OF DENMARK AND ESTONIA

Denmark
Category:
Cold cuts

Manufacturer share 17.2% → Market position #2

Estonia
Category:
Meat, meat products and convenience foods

Manufacturer share 15.7% → Market position #2

THE MARKETS FOR ATRIA'S MAIN PRODUCT CATEGORIES IN DENMARK AND ESTONIA

Value
647
EUR million

The value of the market for cold cuts in Denmark and the value of the market for meat and meat products in Estonia's retail sector in total

Value
7.0%
Change in the value of Atria's main product categories in Denmark and Estonia on average

2.3%
Change in Denmark

11.7%
Change in Estonia

Volume
6.0%
Change in market volumes on average

-0.7%
Change in Denmark

12.7%
Change in Estonia

3 TRENDS

The following consumer trends in the food industry are among those effecting Atria's operations and product range in Denmark and Estonia.

Trend	Responses concerning the revised strategy of Atria Denmark & Estonia
1. **Sustainability**	• Extensive use of domestic meat raw material • Transparent and responsible production and food chain as a whole • Reducing the use of plastic in packaging solutions, increasing the use of recyclable plastic • Reducing the environmental and carbon footprints of production
2. **Ease of use and well-being**	• Easy-to-use and practical cold cut products • Wide selection of snack-type products • Wide selection of on-the-go packaging solutions • New organic products under the Aalbaeck brand
3. **Flexitarian diets***	• Introduction of hybrid products in Denmark containing meat and vegetables • More poultry product groups in Denmark

*Increasing the consumption of vegetables in a diet.

Atria Denmark is seeking growth through exports

Atria has exported products under its Danish brands for several years. The renewed strategy further increases the importance of exports. The strongest growth was recorded for exports to Great Britain and Atria Denmark's neighbouring areas, especially Sweden and Norway.

In exports to China, Atria Denmark proceeded to the stage of developing distributor partnerships. Atria Denmark's production plant in Horsens has been issued with a product-specific export and import licence for heat-treated meat products, such as certain salami products.

Atria Russia

Atria Russia markets its meat products and convenience foods mainly in the St. Petersburg and Moscow regions. Its industrial operations are centralised in two production plants in St. Petersburg. In addition to its own brands, Atria's position in the market is strengthened by the Sibylla concept and contract manufacturing. In 2019, Atria Russia's net sales were EUR 73.8 million, and the company had around 850 employees. Atria purchases its meat raw material from the international meat markets and from Russia.

Net sales

5%

of the Group's net sales

Number of personnel

19%

of the Group's personnel

Customers
- Grocery trade
- Food service customers
- Sibylla concept customers

Core categories
- Meat products, particularly sausages
- Cold cuts
- Convenience food, such as pizza
- Fresh meat

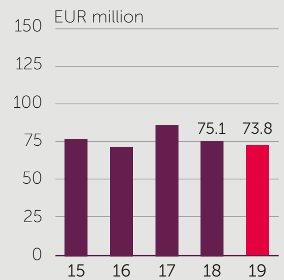
Brands
Atria Russia's main brands are Pit-Product and CampoMos. Atria Russia has business operations based on the Sibylla concept in Russia, Belarus and Kazakhstan. The company collaborates with the Spanish Casademont brand.

Net sales (EUR million)

73.8

(EUR 75.1 million in 2018)

Atria Russia's net sales decreased by EUR 1.3 million year-on-year and were EUR 73.8 million. Within the Sibylla concept and the food service sector, sales increased significantly, while sales to the retail sector declined.

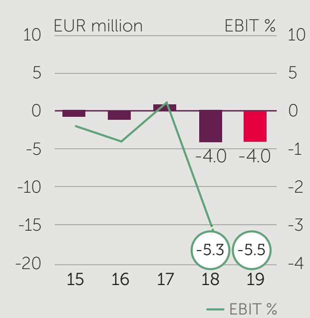


EBIT (EUR million)

-4.0

(EUR -4.0 million in 2018)

EBIT was at the previous year's level, at EUR -4.0 million. Performance development improved during the second half of the year. However, the full-year result was weak because of marketing investments.



HEALTHY GROWTH AT ATRIA RUSSIA

Strategy enablers	Strategic focal points	Realisation of focal points in 2019
1. Sufficient scale Atria is the most significant foreign player in its field. **2. Strong competitive position** Atria is one of the best-known players in certain retail product categories in St. Petersburg. Sibylla is strong in the fast food segment across Russia. In the food service sector, Atria is regarded as one of the most reliable operators in its categories. **3. Strong and valued brands** The continuous development of strong brands and product selections enables Atria to maintain its market position and introduce new markets. **4. Efficiency** Efficient production and accurately targeted resources in all operations improve productivity.	**Market insight**	• The acquisition of information was enhanced to support decision-making and planning, as well as sales, marketing and category management.
	Category and brand management	• The most significant investment was the complete revamping of the Pit-Product brand and product groups in response to demand from new customer and consumer groups.
	Commercial excellence	• Sales within the Sibylla fast food concept increased by 14.3%. The number of sales outlets increased to around 4,100. • Food service sales grew by around 16%. Growth was driven by new partnerships and more reliable deliveries.
	Daily operational efficiency	• The organisation was streamlined as a whole to achieve strategic goals. • Increased delivery volumes improved the production utilisation rate.
	Resource optimisation	• Atria made progress in its key energy and resource efficiency goals by improving its material efficiency, for example.
	Atria Way of Leading	• Cooperation between the Group's business operations increased and improved significantly. • Training on the Atria Way of Leading and the Atria Way of Work had a positive impact on job satisfaction and customer service.

Renewed offering, continued growth for Sibylla

Atria Russia achieved its selection renewal and development goals but failed to reach its financial growth targets. Atria Russia's net sales were EUR 73.8 million, and its operating loss was EUR 4 million. Both remained at the previous year's level. In 2019, we were aiming for significantly better profitability in all our sales channels: retail, food service and the Sibylla fast food concept.

Sibylla's profitable growth continued, and we also succeeded in expanding geographically. The sales of Sibylla business increased by around 15% and the number of outlets was 4,100. We also achieved good growth in the food service market, with our growth rate at around 13%. We further developed our offering and succeeded in establishing new Russian and international partnerships.

To improve sales to the retail sector, we made significant investments in the Pit-Product consumer brand by renewing product categories and seeking new positions for the brand in the market. As these investments were made towards the end of the year, their impact on full-year growth was insufficient, so we also continued developing our internal operations for better profitability.

Ilari Hyyrynen
Executive Vice President, Atria Russia

MARKET FOR ATRIA'S MAIN PRODUCT CATEGORIES

EUR 600 million
Value of the meat and meat product market in the area of St. Petersburg.

7.0%
The value-denominated development of retail sales in 2019

4.8%
Market share for Atria's product categories in St. Petersburg's retail trade sector

13.4%
Atria's development in the Food Service sector in 2019

Source: Atria Insight/Rosstat, 2020

3 TRENDS

The following trends in the food industry are among those affecting Atria's operations and product range in Russia.

Trend	Answers to Atria Russia's renewed strategy
1. **Easy and efficient buying**	• Strong development of the fast food and convenience food selections • Effective marketing and distribution channels
2. **Feeling and health**	• Expansion of the Casademont premium brand through the addition of festive and family product groups. • Inclusion of new light and functional products in the Pit-Product selections
3. **Affordability**	• An affordable new product line in the Pit-Product selections • A competitive price-to-quality ratio in all product categories

RESEARCH & DEVELOPMENT

Product development, marketing and sales management at Atria are based on comprehensive and predictive market and consumer data. Data and analysis are particularly important, as Atria's markets are characterised by fragmented consumer behaviour and intense price competition over customers and within the entire industry. Atria's investments in research and development totalled around EUR 15.3 million in 2019.

Front page
Atria in brief
Atria's key figures
CEO's review
Responsible Atria

Strategy and business environment

Business area reviews
Atria Finland
Atria Sweden
Atria Denmark & Estonia
Atria Russia

Research and development

Financial statements and Corporate governance statement
Financial statements and report by the Board of Directors
Auditors' report
Corporate Governance Statement
Financial communications
Contact information

Consistent investment in product development

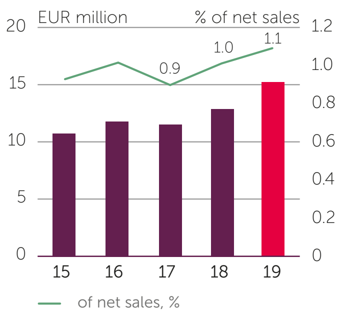
Atria continued to invest consistently in its research and product development operations. Research and product development costs increased year-on-year and were EUR 15.3 million.

Atria's research and product development operations are based on comprehensive market and consumer insight. This lays the foundation for Atria's development of its current and new food and meat offering. In addition to category and brand management, comprehensive market and consumer insight is a prerequisite for successful marketing and sales management. In addition to its own research and product development operations, Atria participates in applied research in product and packaging technology and nutrition, among other fields.

Research and product development

EUR **15,3** million

Atria's research and product development expenses increased by EUR 1.6 million year-on-year.



Number of new products

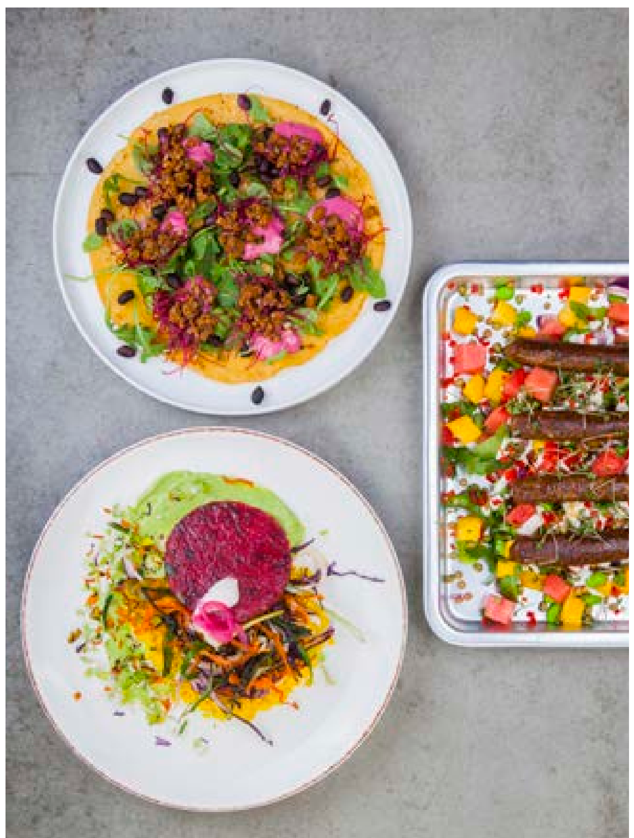
380

The number of new products also includes new packaging and product support innovations.

New products 2019 (year 2018)		
Business area	Qty	% of net sales
Atria Finland	118 (131)	5 (5)
Atria Sweden	148 (130)	5 (5)
Atria Denmark & Estonia	68 (89)	6 (8)
Atria Russia	46 (31)	6 (5)

Atria's research and product development operations are discussed in the Board of Directors' report (page 38).

Atria Sweden invested significantly in Lönneberga, its strongest consumer brand. This brand previously focused on cold cuts. It was expanded by introducing two product categories: chicken products and cooking sausages. In addition, some product groups of the Onsala and Pastejköket brands were centralised under the Lönneberga brand. Thanks to this product group and brand investment, Atria can offer highly valued food products to consumers under a strong brand for breakfast, lunch and dinner.



Atria Finland's expanded Jyväbroiler product family supported Atria's strong position in the constantly growing category of poultry products. With its 46% supplier share, Atria was the market leader in this category.

In Russia, Atria revamped its Pit-Product consumer brand completely. New products were included in the product categories of barbecue sausages and frankfurters, for example. In Russia, Atria is also the contract manufacturer for the premium ham, cold cuts and sausages of the valued Spanish Casademont brand.

Atria's Aalbaek brand in Denmark grew through its Delikative Skiver product concept in premium organic product categories. Atria's leading brand in the Danish market for cold cuts was 3-Stjernet. In Estonia, Atria increased its sales of cold cuts by 18% through its new cooked meat products.

FINANCIAL STATEMENTS AND CORPORATE GOVERNANCE

Annual General Meeting on 29 April 2020

Due to the coronavirus epidemic, all shareholders are strongly encouraged to follow the general meeting online and exercise their proxy rights. See www.atria.com/agm for further information.

Atria Plc invites its shareholders to the Annual General Meeting to be held on Wednesday, 29 April 2020 in Helsinki at the Finlandia Hall.

Video broadcasting for Atria Plc's shareholders
Atria Plc's shareholder may follow the Annual General Meeting by video. The video-link is personal and must be ordered by April 28, 2020 at 4:00 pm via the link at www.atria.com/agm.

The agenda includes matters that are to be discussed by the Annual General Meeting in accordance with Article 14 of the Articles of Association.

A notice of the Annual General Meeting was published in national newspapers on 23 March 2020. The AGM documents are available on the company website at www.atria.com.

In 2020, Atria Plc will publish financial results as follows:

Financial Statement Release 2019	13 February 2020
Annual Report 2019	In week 13/2020
Interim Report Q1 (3 months)	29 April 2020
Half Year Financial Report (6 months)	17 July 2020
Interim Report Q3 (9 months)	22 October 2020

Atria's financial information will be published in real time on the company website at www.atria.com.

A strong year for Atria – successful strategy implementation

2019 was a good year for Atria, and the company successfully implemented its strategy. Atria Group's net sales increased by nearly EUR 13 million year-on-year. EBIT improved by around EUR 3 million. Atria's strategic goals include improving and securing profitability and creating organic growth. Atria did not make any corporate acquisitions in 2019.

Atria Finland's net sales were stable, and its EBIT increased to EUR 40 million. Operational efficiency, higher price levels and a stronger sales structure had a positive effect on Atria Finland's EBIT development, particularly during the second half of the year. In Sweden, the sales and profitability of poultry products improved year-on-year.

Performance development in Atria Finland and Atria Denmark & Estonia was positive. The results of Atria Sweden and Atria Russia did not meet expectations.

Consumer demand for poultry increased in Finland and Sweden. Atria started a study on the modernisation of the poultry unit of the Nurmo plant. According to study the value of the investment is around EUR 130 million. If the project is implemented, it is expected to be fully completed in late 2024 at the earliest.

Widespread African swine fever (ASF) in China affected the global meat trade and Atria's operations. China is currently importing large volumes of pork. The strong increase in demand has caused meat prices to increase. The strong demand supports Atria's business operations in areas where the company has slaughterhouses. On the other hand, in countries where the meat raw material is supplied to Atria's plants as boneless meat, there have occasionally been problems with availability, and prices have increased.

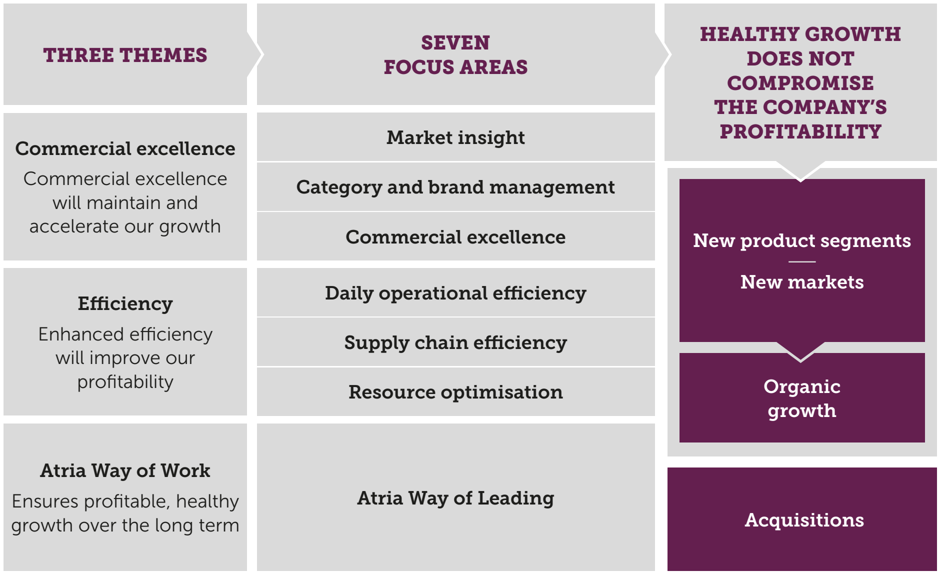
The company's balance sheet and financial position were good during the review period. Free cash flow was EUR +51 million (EUR 2 million).

Healthy Growth – Atria Group's strategy
Atria's strategic goal is to improve profitability, accelerate growth and increase shareholder value systematically over the long term. Atria aims to grow mainly in an organic manner, by developing and expanding its existing operations. The company aims to drive growth by developing new product segments and expanding into new market areas.

Alongside organic growth, Atria is actively identifying opportunities for acquisitions and other arrangements that generate healthy growth. These can supplement existing business operations, as well as offering opportunities to create entirely new product segments or enter new market areas.

Atria manages its Healthy Growth strategy through three main themes in all of its business areas. Each business area (segment) implements these themes through initiatives, projects and measures in line with seven focuses. Atria's segments are Atria Finland, Atria Sweden, Atria Denmark & Estonia and Atria Russia.

The current strategy period ends in 2020. The strategy revision project was launched in late 2019, and the new strategy will be published in the autumn of 2020.



Atria's financial targets:
- EBIT 5%
- Equity ratio 40%
- Return on equity 8%
- Dividend distribution of the profit for the period 50%

Financial review
Atria Group's full-year net sales were EUR 1,451.3 million (EUR 1,438.5 million). EBIT was EUR 31.1 million (EUR 28.2 million). Operational efficiency, higher price levels and a stronger sales structure had a positive effect on Atria Finland's EBIT development towards the end of the year. In Sweden, the full-year EBIT includes EUR 1.4 million in costs arising from efficiency measures started at the beginning of the year. In Sweden, the sales and profitability of

poultry products improved year-on-year. Starting from the spring, the international price level of meat raw material remained higher than in the previous year.

Atria Russia revised its strategy at the beginning of 2019. The key goal is to return business operations rapidly to a healthy level, which means increasing sales, improving sales margins and recording a positive result. As part of the strategy project, Atria is exploring opportunities to sell some of its business operations in Russia. The strategic development of the Sibylla fast food business is also being assessed in all business areas.

In January, Atria Finland started an efficiency project at the Nurmo pork cutting plant to improve its profitability and competitiveness. The cooperation negotiations related to the restructuring were completed in February. The restructuring will reduce costs by around EUR 1.5 million annually from the beginning of 2020. The amount of work at the pork cutting plant was reduced by around 51 person-years. The ensuing adjustments included internal arrangements and a reduction in fixed-term employment.

In March, Atria Sweden started a strategy-based project to increase the efficiency of its business operations and improve its competitiveness in a changing operating environment. The cooperation negotiations related to the project concerned all clerical employees and were completed in June. The efficiency project aims for an annual reduction of around EUR 3 million in personnel expenses. This goal was achieved in part during the second half of 2019 and will be achieved in full from the beginning of 2020. As a result of the cooperation negotiations, Atria terminated 40 employment relationships in Sweden and Norway.

Consolidated free cash flow amounted to EUR 51.4 million (EUR 2.0 million). Improved EBITDA, good working capital management and a decrease in investments had a positive effect on cash flow development.

Atria Finland's net sales were EUR 1,033.8 million (EUR 1,019.2 million). EBIT was EUR 40.0 million (EUR 36.7 million). The increase in net sales was driven by growth in exports as a result of higher sales volumes and higher price levels, particularly towards the end of the year. Sales prices were also higher than in the previous year in other sales channels. The sales structure was better during the second half of the year. Operational efficiency improved significantly towards the end of the year, which contributed to the favourable EBIT development. In 2019, Atria exported nearly 9 million kilos of pork to China. The volume increased by more than 100% year-on-year.

Atria Sweden's full-year net sales were EUR 289.4 million (EUR 287.9 million). Net sales grew by 3.6% in local currency. EBIT was EUR -6.1 million (EUR -7.1 million). The EBIT includes EUR 1.4 million in costs arising from efficiency measures started at the beginning of the year. The sales and profitability of poultry products improved year-on-year. From May, the price level of meat raw material remained higher than in the previous year. The strong increase in the price of pork raw material is explained by market disturbance caused by African swine fever in China.

Atria Denmark & Estonia's full-year net sales were EUR 96.6 million (EUR 97.4 million). EBIT was EUR 4.4 million (EUR 5.3 million). In Denmark, sales developed more favourably during the second half of the year. Atria Estonia's sales to the retail sector increased from the beginning of the year, and its market shares grew significantly. The prices of meat raw material increased strongly throughout the year.

Atria Russia's net sales were EUR 73.8 million (EUR 75.1 million). EBIT was EUR -4.0 million (EUR -4.0 million). Net sales and EBIT remained at the previous year's level. The EBIT was burdened by weaker sales to the retail sector, marketing investments related to the brand renewal and a credit loss of EUR 0.8 million. The sales of Food Service and Sibylla products increased year-on-year. The administrative company structure was reorganised in the Sibylla business, which was established as a company.

Key performance indicators

EUR million	2019	2018	2017
Net sales	1,451.3	1,438.5	1,436.2
EBIT	31.1	28.2	40.9
EBIT, %	2.1	2.0	2.8
Items affecting the comparability of EBIT	-	-	1.4
Earnings per share, EUR	0.54	0.58	0.92
Dividend/share, EUR*	0.42	0.40	0.50
Dividend/profit, %*	78.4	68.8	54.4
Return on equity, %	3.9	4.1	6.7
Equity ratio, %	46.9	47.7	47.5
Net gearing, %	51.6	52.1	49.0

*) The Board of Directors' proposal
The financial indicators are presented in full on page 51 of the Annual Report.

Financing and liquidity

Interest rates for the euro and the Swedish krona – Atria's key currencies – were very low throughout 2019. Euro-denominated short-term interest rates were negative throughout the review period, and the five-year interest rate was negative from May until the end of the year. After the interest rate decisions of the Central Bank of Sweden, short-term Stibor rates started to increase, and the period of negative SEK interest rates came to an end in late 2019. Liquidity in the financial markets, the availability of financing and margin levels remained favourable in the review period.

In December, Atria Plc refinanced a committed credit facility of EUR 30 million by taking out a new credit facility of EUR 30 million (5 +1 +1 years). The Group's liquidity remained good and is secured through undrawn committed credit facilities of EUR 85 million and a EUR 200 million commercial paper programme, of which 40 million euros was used for short-term financing. The Group's net interest rate expenses continued to decrease and were EUR 5.6 million (31 December 2018: 6.2 million).

At the end of the financial period, fixed-interest debts represented 16.0% (31 December 2018: 18.0%) of the Group's entire debt portfolio.

Research and product development

Atria's main product groups are fresh and consumer-packed meat, poultry products, convenience foods and meat products, such as sausages and cold cuts. Atria seeks to serve its stakeholders by making extensive use of research and product development in its business operations to further improve current products and develop new ones.

Atria Finland's expertise in market changes and consumer research is integrated into all commercial processes. Market and consumer insight is an integral part of strategy work, product development, marketing and sales. This insight consists of both figures and connective qualitative data.

An extensive study on consumers' food needs and attitudes has been conducted for the new strategy. Combined with other data, this study enables a deeper understanding of consumers' attitudes towards the continuously growing demand for ease of eating and various perspectives on sustainable food consumption.

In 2019, Atria Finland launched more than 100 new products. The most visible launch was the expansion of the Jyväbroiler product family, which was supplemented by high-quality seasoned broiler fillets and easy-to-open packaging. "Rotukarja" minced meat and free-farrowing Christmas ham offered unique options for special occasions. The sustainability of packaging was further improved by increasing the recyclability of plastic packaging. Products and packaging were also developed for the needs of Chinese consumers: the first farm-traceable products appeared on shelves in the cities of Chongqing and Changsha. New products represented 4.6% of total product sales in 2019.

Product development at Atria Sweden focused on responding to increased demand for poultry products among consumers in 2019. Atria launched 148 new products in the Swedish market. In the retail sector, new chicken products for healthy and tasty meals were introduced under the Lönneberga brand. New chicken products were also introduced for Food service customers. Demand for vegetarian foods increased steadily in Sweden during 2019. Atria launched the meatless Vegyu product family for food service customers. In the food service sector in Sweden, product development focused on sustainability and animal welfare, which increased demand for high-quality Nordic meat. Atria's Finnish Meat concept was introduced in the Swedish market. The concept includes a wide selection of pork and beef from Finnish family farms. These family farms use very little to no antibiotics in animal feeding, which indicates a high level of animal welfare. New products represented 4.7% of total product sales.

Atria Denmark & Estonia launched 68 products, 26 in Denmark and 42 in Estonia.

In Denmark, Atria is the second biggest actor in the markets in cold cuts, with a market share of 17%. In 2019, Atria Denmark introduced 17 new brand products in the retail sector and 9 new products for food service customers. The Delikative Skiver product concept under the Aalbaek brand was one of the most successful new products. This premium product concept strengthened its market position through launches. In Denmark, new products represented 6% of total product sales.

In Estonia, product development focused on introducing new product groups in the product selection. Atria introduced bakery products as a new product group. New cooked meat products were added to the cold cuts product category, which increased sales of cold cuts by around 18%. In addition, new bag packaging was introduced for meat products. New products represented 11% of total product sales.

Atria Russia launched 46 products in 2019. Product development focused on new flavours and the use of spices and herbs. New barbecue sausages and frankfurters seasoned with tomato, cinnamon, mustard and herbs were included in the Pit-Product selection. New products in the Casademont selection included Longaniza sausage, Jamon Cocido ham and Tapas products. New products represented 5.9% of total sales.

Percentage of net sales spent on research and product development in Atria Group in 2017–2019:

EUR million	2019	2018	2017
Research and development costs	15.3	13.7	12.9
% of net sales	1.1	1.0	0.9

Business risks during the review period and short-term risks

Risks related to the quality, availability, safety and price of raw materials and products are typical risks affecting Atria's profitability in the food production chain, from primary production all the way to consumers.

African swine fever (ASF) is a significant global risk related to animal health. ASF has spread to Estonia, Russia and China, among other countries. China consumes the largest amount of pork in the world and is not currently able to meet its demand because of ASF. The problems in China are affecting the price and production of pork around the world. ASF may also spread to Finland. Atria has various precautionary measures in place at its production plants and on its contract production farms.

Uncertainty in demand development is caused by the general economic situation, geopolitical tensions, major changes in exchange rates, the development of the meat and consumer product markets, and the effects of the competition environment. This is reflected in Atria's strategy implementation and in maintaining and improving the financial performance of its business areas. For Atria, the most significant changes in exchange rates that affect net sales, results and equity are related to the Russian rouble and the Swedish krona.

The availability of competent and motivated personnel is a risk for strategy implementation and the achievement of goals. Atria invests in well-being at work and provides its employees with a wide range of training opportunities. In 2019, Atria invested in the Atria Way of Leading programme and the Safely Home from Atria occupational safety programme.

During the review period, Atria continued its work to identify and manage risks. Risk assessments were conducted in cooperation with insurance companies in Finland and Sweden. The business areas have also independently identified risks related to their operations. Insurance programmes have been further specified, and Atria's risk management manual has been updated.

Risks and risk management

Atria's strategy implementation and responsible operations, as well as the achievement of its goals, call for the management of favourable and unfavourable events that affect its operations. Favourable events improve Atria's result and financial position, while unfavourable events increase costs and hinder operations.

Atria seeks to prevent unfavourable events and their impact on business operations through risk management as part of its day-to-day operations. Atria's risk management policy and process guidelines determine goals, principles, responsibilities and authorisations for risk management, as well as operating methods for risk assessment and reporting. More information about Atria's framework for risk management is available in the Corporate Governance Statement section of the Annual Report.

Atria divides risks affecting its operations into four categories: strategic, operational, liability and financial risks.

Strategic risks are related to operational development and the planning and implementation of long-term business decisions, as well as to brands, management systems, the allocation of resources and the ability to respond to changes in the operating environment. Atria's Board of Directors participates in the identification and management of strategic risks.

Operational risks are related to day-to-day business operations in processes, systems and people's activities, for example. Everyone at Atria participates in the identification and management of these risks.

Liability risks are errors, malfunctions and accidents within Atria or in the operating environment that cause damage or loss. Liability risks are managed through continuity plans, and Atria seeks to transfer them to insurance companies.

Financial risks are related to changes in market prices and the sufficiency of financial assets in the short and medium terms, as well as to counterparties' ability to meet their financial obligations. Financial risks are managed in cooperation with financial institutions and by making use of various financial instruments in minimising risks.

The following table includes a brief summary of the most significant risks related to Atria's operations. The risks are presented in random order. Individually or combined, these risks may have favourable or unfavourable impacts on Atria's business operations, result, financial position, competitiveness or reputation.

1. Risks related to the price, quality, safety and availability of raw materials

Risk description	Risk management
Changes in the international market prices of meat raw material, as well as changes in the production costs and production capacity of meat farms, affect the profitability of Atria's business operations.	Atria manages this risk through the centralised direction of meat procurement and by operating in a sufficiently broad procurement market and providing meat farms with guidance on animal rearing and care.
It is particularly important for Atria as a food product company to ensure the high quality and safety of raw materials and products throughout the production chain.	Atria has modern methods in place for ensuring the safety of production processes and for eliminating microbiological, chemical and physical hazards. Atria ensures the safety of its products in compliance with its food safety management and quality certification. The pigs on Atria Family Farms are raised without antibiotics. The name of the Family Farm – that is, the origin of the meat – is indicated on the product packaging.
Animal health and welfare are key elements of Atria's quality, responsibility and profitability. An animal disease at a critical point in Atria's production chain could interrupt production in the unit concerned and disrupt operations throughout the chain.	Atria's multi-stage self-monitoring aims to detect potential hazards related to animal health and welfare as early as possible.
A serious new animal disease, such as African swine fever or avian influenza, may lead to import and export restrictions on meat products.	The biosecurity of premises in the production chain has been improved. The producers have comprehensive group animal disease insurance to minimise the impacts of any damage to producers.

2. Risks related to the geographical area of operation and markets

Risk description	Risk management
The retail trade in the food industry is centralised in Atria's most important market areas. This enables Atria to develop and diversify its long-term cooperation with customers. However, a change in the operations of an individual customer may have a stronger impact on Atria's operations.	In risk management, Atria makes use of its good customer cooperation, well-known brands, efficient industrial processes, high-quality products and financial monitoring.
Over the long term, changes in consumer behaviour may change the pattern of demand for Atria's products across various product categories. Health aspects, animal welfare, ethical considerations and climate change are examples of factors that may affect consumer behaviour. Changes in consumer behaviour may have positive or negative impacts on Atria's profitability and the reputation of its brands.	Atria is preparing for changes in consumption habits and the need to adapt its operations by investing in consumer-oriented and sustainable product development. In addition, Atria seeks to inform consumers about its operations and sustainability, and find solutions for a carbon-neutral food chain from the field to the table. Atria appointed a sustainability director (EVP, Sustainability) in 2019.
Competitors' operations and product selections, as well as private labels, affect Atria's profitability.	Atria develops its product selection in a customer-driven way, follows market changes actively and invests in informative consumer marketing.
Atria's geographical area of operation exposes the company to risks related to the national economy, legislation and official regulations in various countries. Global geopolitical risks, pandemic diseases, global animal diseases and climate change also affect Atria's operations.	Atria manages these risks by monitoring changes in legislation, investing in quality and sustainability, providing employees with training, using expert services, conducting audits and taking these aspects into account in agreements.

3. Personnel risks

Risk description	Risk management
The availability of competent and motivated employees is a risk for Atria's strategy implementation and the achievement of its goals.	Atria invests in employee development and training through a wide range of training opportunities. Development needs are also identified through employee surveys.
Low temperatures and repetitive movements are characteristic of work in the food industry. The work is often physically demanding and involves cutting machines and tools. This increases the risk of occupational accidents.	Atria aims to prevent the risk of occupational accidents and diseases and their related costs through significant investments in occupational safety and guidance, and by continuously developing working methods and tools.

4. Risks related to information management

Risk description	Risk management
Long-term malfunctions in Atria's production or distribution systems may result in reduced delivery reliability, loss of sales and lower customer satisfaction.	The company seeks to minimise malfunctions through continuous monitoring, and by using contract suppliers and ensuring rapid recovery with appropriate operating methods.
A failure to protect personal data or other important data may damage the company's reputation and result in financial sanctions and/or liability for damages.	Atria pays special attention to information security through technical protection and audits, and by providing employees with training and guidelines.

5. Damage risk

Risk description	Risk management
Unforeseeable damage risks at Atria's production plants in Finland, Sweden, Denmark, Estonia or Russia may interrupt operations at a production plant.	All Atria's production plants are insured against any physical damage and interruptions in operations through the Group's insurance policies. A risk analysis is prepared annually or every two years at key plants. Continuity planning is in place to limit the potential damage caused by business interruptions.

6. Financial risks

Risk description	Risk management
Key risks related to financing in Atria's operations include currency transaction and translation risks, the interest rate risk, and the liquidity and refinancing risk.	The goal of financial risk management is to reduce the impact of price fluctuations in financial markets and other uncertainty factors on earnings, the balance sheet and cash flow, in addition to ensuring sufficient liquidity. Note 29 to the financial statements contains more detailed information on Atria's management of financial risks.

Atria has detected no significant risks related to human rights, corruption or bribery that would be likely to have adverse effects on Atria's operations if they materialised. The company seeks to manage any risks related to human rights and the prevention of corruption and bribery through audits and by providing its employees with training.

Administration and operational organisation

The Annual General Meeting (AGM) decided that the composition of the Supervisory Board would be as follows:

Member	Term ends in	Member	Term ends in
• Juho Anttikoski	2022	• Juha Kiviniemi	2020
• Mika Asunmaa	2022	• Ari Lajunen	2021
• Lassi-Antti Haarala	2021	• Juha Nikkola	2022
• Jyrki Halonen	2022	• Mika Niku	2021
• Jussi Hantula	2021	• Pekka Ojala	2020
• Veli Hyttinen	2020	• Heikki Panula	2022
• Pasi Ingalsuo	2020	• Risto Sairanen	2020
• Jussi Joki-Erkkilä	2021	• Ola Sandberg	2021
• Marja-Liisa Juuse	2021	• Timo Tuhkasaari	2020
• Jukka Kaikkonen	2022	19 members in total	

At its organisation meeting after the Annual General Meeting, Atria Plc's Supervisory Board re-elected Jukka Kaikkonen as Chair and Juho Anttikoski as Deputy Chair of the Supervisory Board.

The AGM decided that the Board of Directors would consist of eight (8) members. Nella Ginman-Tjeder, Pasi Korhonen and Jyrki Rantsi were re-elected as Board members. Jukka Moisio, Seppo Paavola, Kjell-Göran Paxal, Ahti Ritola and Harri Sivula continue as Board members.

Atria Plc's Board of Directors is composed of the following members:

Member	Term ends in
• Nella Ginman-Tjeder	2022
• Pasi Korhonen	2022
• Jukka Moisio	2020
• Seppo Paavola	2020
• Kjell-Göran Paxal	2021
• Jyrki Rantsi	2022
• Ahti Ritola	2021
• Harri Sivula	2021

Atria Plc's Management Team is composed of the following people:

- Juha Gröhn, CEO
- Tomas Back, CFO and Deputy CEO of Atria Plc, Executive Vice President, Atria Denmark
- Mika Ala-Fossi, Executive Vice President, Atria Finland
- Jarmo Lindholm, Executive Vice President, Atria Sweden
- Ilari Hyyrynen, Executive Vice President, Atria Russia
- Olle Horm, Executive Vice President, Atria Estonia
- Lars Ohlin, Executive Vice President, Human Resources
- Pasi Luostarinen, Executive Vice President, Marketing & Market Insight
- Merja Leino, Executive Vice President, Sustainability

The members of the Management Team report to CEO Juha Gröhn.

Merja Leino was appointed as EVP, Sustainability at Atria Group from 1 September 2019. She has previously held various positions at Atria. She served as the director of quality, product safety and sustainability at Atria Finland. She has also served as the director responsible for the consumer-packed meat, poultry and convenience food businesses. As EVP, Sustainability at Atria Group, Merja Leino is responsible for the further development of sustainability in Atria's business operations and the implementation of sustainability work.

Atria Plc's governance is described in more detail in the Corporate Governance Statement.

Composition of the Nomination Committee

The following people were elected to Atria Plc's Nomination Committee, appointed by the AGM:

- Jukka Kaikkonen, Farmer, representative of Lihakunta
- Kjell-Göran Paxal, Farmer, representative of Pohjanmaan Liha
- Juho Anttikoski, Farmer, representative of Itikka Co-operative
- Timo Sallinen, Head of Equity Investments (listed investments), representative of Varma Mutual Pension Insurance Company
- Seppo Paavola, Agrologist, Expert Member, Chair of Atria Plc's Board of Directors

The Nomination Committee elected Juho Anttikoski as its Chair.

Average personnel numbers (FTE)

	2019	2018	2017
Atria Finland	**2,333**	2,321	2,314
Atria Sweden	**840**	847	846
Atria Denmark & Estonia	**435**	423	429
Atria Russia	**846**	869	860
Group total	**4,454**	4,460	4,449
Salaries and benefits for the period, Group total (EUR million)	**194.6**	191.5	189.6

Incentive schemes for management and key personnel

Long-term share-based incentive scheme

In 2017, Atria Plc's Board of Directors decided on the long-term incentive scheme for key personnel for 2018–2020. The share-based incentive scheme aims to encourage Atria's management to acquire company shares, as well as to increase the company's value through their decisions and actions over the long term.

The scheme is based on a share reward and cash bonus, and is divided into three one-year periods. The second earning period ran from 1 January to 31 December 2019. The possible bonus in the scheme is based on the company's earnings per share (70%) and organic growth (30%). The bonuses for the 2019 earning period are paid in three equal instalments in 2020, 2021 and 2022, partly as company shares and partly in cash. The cash proportion aims to cover any taxes and tax-like payments incurred by the person due to the bonus. If the person's employment relationship or service contract ends prior to the payment of the bonus, the bonus is not usually paid. The share-based incentive scheme covers a maximum of 40 people. The bonuses to be paid for the 2019 earning period are estimated at EUR 0.1 million.

The completed long-term incentive scheme

Payments for the 2015–2017 earning period were based on the Group's earnings per share (EPS), excluding extraordinary items. The cash bonuses payable under the scheme for the 2015–2017 earning period were capped at EUR 4.5 million. The scheme ended on 31 December 2017, and it covered a maximum of 45 people, including the CEO, the Group's Management Team and the management teams of the business areas. The bonuses accrued for the 2015–2017 earning period totalled EUR 2.1 million. The final bonus instalment will be paid in March 2020 and is estimated at EUR 0.2 million.

Short-term incentive scheme

The maximum bonus payable under Atria Plc's short-term incentive scheme is 25% to 50% of an individual's annual salary, depending on the performance impact and requirement level of each individual's role. The criteria in the bonus scheme are the performance requirements and net sales at Group level and in the individual's area of responsibility. In addition to the CEO and other members of the Group's Management Team, Atria Plc's bonus schemes cover around 40 people.

Outlook for 2020

In 2020, Atria Group's EBIT is estimated to be higher than in 2019 (EUR 31.1 million).

Atria operates mainly in the stabile retail and Food Service markets in Finland and Sweden. The strong and rapid changes in the global meat market will have a greater impact on the company's development and reduce predictability.

Consumption of poultry meat is expected to continue to increase, while consumption of red meat is expected to decline slightly. The importance of convenience food and the Food Service channel is expected to increase, and the importance of exports will also increase.

Atria has increased its meat exports, and pork exports to China, for example, are expected to increase during 2020.

Flagging notifications

Atria Plc did not receive any flagging notifications in 2019.

Atria Plc's share capital

The parent company's share capital is distributed as follows:

- Series A shares (1 vote per share) 19,063,747 shares
- Series KII shares (10 votes per share) 9,203,981 shares

Series A shares have a right of priority to a dividend of EUR 0.17, after which series KII shares are paid a dividend of up to EUR 0.17. If distributable dividends remain after this, series A and series KII shares entitle their holders to an equal right to a dividend.

Atria's Articles of Association include a pre-emptive purchase clause concerning series KII shares. If series KII shares are transferred to a party outside the company or to a shareholder within the company who has not previously owned series KII shares, the proposed recipient of the shares must inform the Board of Directors about this without delay, and KII shareholders have the right to pre-emptively purchase the shares under certain conditions. In addition, the acquisition of series KII shares by means of transfer requires the approval of the company. Series A shares have no such limitations.

At the end of the financial period on 31 December 2019, the company held a total of 108,740 treasury shares, representing 0.4% of the shares and 0.1% of the votes in the company. During the financial year, 2,572 treasury shares were transferred as part of the Group's share-based incentive scheme.

Information about shareholding distribution, shareholders and management holdings are provided under 'Shares and shareholders' on pages 49–50.

Valid authorisations to purchase or issue shares, grant special rights and make donations

The Annual General Meeting authorised the Board of Directors to decide, on one or several occasions, on the acquisition of a maximum of 2,800,000 of the company's own series A shares with funds belonging to the company's unrestricted equity, subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company. The company's own series A shares may be acquired for use as consideration in any acquisitions or other arrangements related to the company's business, to finance investments, as part of the company's incentive scheme, 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 26 April 2018 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 2020, whichever is first.

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 their holders to shares in accordance with 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 26 April 2018 to the Board of Directors, and it is valid until the closing of the next AGM or until 30 June 2020, whichever is first.

The AGM authorised the Board of Directors to decide on the donation of a maximum of EUR 100,000 to universities or other educational institutions.

Distributable funds and the Board of Directors' proposal for profit distribution

The parent company's shareholders' equity on 31 December 2019 consists of the invested unrestricted equity fund of EUR 248,729,608.85, the treasury share fund of EUR -1,246,644.82 and profits of EUR 19,439,714.06, including EUR 2,233,415.87 in profit for the period. The parent company's result for the period includes EUR 28,234,223.46 in impairment recognised for subsidiary shares (Atria Invest Oy).

The Board of Directors will propose to the Annual General Meeting that the distributable funds be used as follows:

• A dividend of EUR 0.42 per share be paid, totalling EUR	11,828,214.30
• To be retained as equity, EUR	255,094,463.79
	266,922,678.09

Statement on non-financial information

Securing a sustainable food chain

Corporate responsibility is an integral part of Atria's business and corporate culture. Responsibility is integrated into all levels of Atria's operations: its mission, goals, values, operating strategies, management and day-to-day work. Through its responsible operations, the company aims to secure its current and future operating conditions. In line with the principles of sustainable development, the company considers the economic, social and environmental aspects of its operations in all its business areas.

Atria's good food chain consists of primary production, industrial production, customers and consumers. The food chain takes into account value creation and distribution at the various stages of production, the environmental impacts, and the social impacts related to the food chain and products. The planet, product and people are Atria's material sustainability focuses for the development and implementation of responsible business operations. By investing in the development of corporate responsibility matters relevant to Atria, the company secures its future operating conditions and creates both financial and social value to society. Direct financial value arises from the jobs provided by Atria, and indirect value from the supply chain and taxes paid. Social value is created by developing the industry in line with the principles of sustainable development and producing food for the needs of customers and consumers with the help of trustworthy brands and a trustworthy corporate image. Atria actively seeks to make an impact on society through trade associations.

Atria's corporate responsibility is managed at two levels. The shared Code of Conduct and policies are determined at Group level. The Group also ensures compliance with the Code and the policies, and determines the development projects and target state applicable to all business areas. The annual reporting related to Atria's corporate responsibility is also implemented at Group level. The realisation and continuous improvement of Atria's responsibility are part of day-to-day operational management across the business areas. The steering groups of the business areas analyse the operating environment and key stakeholders' expectations with regard to responsibility, and also integrate the implementation of the necessary development measures into their business plans.

Stakeholders are strongly present in the food chain, from raw material procurement all the way to the finished products and their use. Listening to stakeholders and taking their wishes into account is one of the cornerstones of Atria's sustainability work. Atria's responsibility is constructed through dialogue and is supported by openness and transparency. Atria's Corporate Responsibility Report contains a comprehensive description of the company's sustainability work. The Corporate Responsibility Report is available on Atria's website at https://www.atria.fi/en/group/corporate-responsibility/corporate-responsibility-reporting/. Atria's reporting is based on the international Global Reporting Initiative (GRI) standard.

Atria has selected the essential measurements and indicators relevant to its operations and stakeholders from the GRI standard.

The Atria Code of Conduct supports responsible business operations
Compliance with healthy and sustainable business practices lays the foundation for Atria's operations. The Atria Code of Conduct is a set of ethical principles concerning business operations, stakeholder relations and environmental responsibility, approved by Atria Plc's Board of Directors. The Code of Conduct was renewed during 2019, and a separate Atria Partnership Code of Conduct was created for Atria's business partners. The Code of Conduct is supported by internal policies and guidelines that define and guide operating methods. The Code of Conduct concerns all Atria employees in all business areas. The Atria Code of Conduct and the policies supporting the Code are based on the laws and collective agreements of Atria's countries of operation, and on international agreements and recommendations concerning responsible operations in terms of human rights and anti-corruption, for example.

In accordance with its Code of Conduct, Atria has zero tolerance for any type of corruption or bribery. Atria's employees must not give or receive benefits, gifts or hospitality that could inappropriately influence business decisions. Atria's employees have been familiarised with the Code of Conduct and the policies that support the Code through an induction programme that supports their job descriptions.

Respect for human rights is an integral part of Atria's Code of Conduct and HR policy. Atria respects and supports internationally recognised human rights principles and requires all its employees, suppliers and subcontractors to comply with these principles.

Through its Code of Conduct and the policies that support the Code, Atria is committed to the following international agreements and recommendations:
- UN Universal Declaration of Human Rights and Convention on Rights of the Child
- UN Global Compact initiative for the promotion of human rights, labour rights, environmental protection and the prevention of corruption
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- Business Charter for Sustainable Development of the International Chamber of Commerce (ICC) and the ICC Rules on Combating Corruption
- Responsible purchasing principles of the Business Social Compliance Initiative (BSCI)

Atria requires its business partners to comply with the Atria Partnership Code of Conduct in their operations. In addition, procurement contracts obligate Atria's partners to meet the company's requirements for product quality, operating methods and the supply chain, for example.

Atria assesses the compliance of its contractual partners' operations before undertaking a partnership and on a regular basis during the partnership. In addition to the experience gained during the business relationship, the assessment takes into account risk factors related to financial, environmental and social responsibility. Atria has the right to audit the operations of its contractual partners if necessary. During the audits, attention is paid to food safety, for example, as well as environmental and social responsibility, such as human rights and the prevention of corruption and bribery.

Atria has established a whistleblowing channel for its employees to report suspected breaches of the Code of Conduct or illegal activities. All reports are processed confidentially, and Atria implements any necessary measures based on the reports. The related indicator is the number of reports submitted to the whistleblowing channel or to the authorities.

PLANET
In accordance with its environmental policy, Atria works systematically to minimise its environmental impact. Atria is committed to reducing carbon dioxide emissions and other environmental impacts in its own production and across the food chain. The goals of environmental management at Atria's plants have been adjusted to changes in the operating environment. Priorities include energy efficiency, water efficiency and the prevention of waste and food waste, as well as ensuring statutory compliance in operations.

Concerning the food chain as a whole, a carbon-neutral food chain by 2035 is Atria's most important environmental goal. The measures necessary for creating a carbon-neutral food chain are discussed in the Corporate Responsibility Report (page 18). Producers play a key role in mitigating the environmental impact of primary production. At the farm level, minimising environmental impacts means farm-specific solutions based on the type of production. Resource efficiency and good input-output ratios play a key role in terms of the environment.

During 2019, Atria calculated the carbon footprint of pork, beef and poultry production from the farm to the slaughterhouse.

The indicators of environmental responsibility are reported in more detail in the Corporate Responsibility Report. The key projects to improve the environmental efficiency of the production chain are discussed in the business area reviews in the Annual Report and in the Corporate Responsibility Report.

Energy
Sustainable, efficient energy use reduces carbon dioxide emissions, which facilitate climate change. Atria Group's energy consumption in 2019 was 523,655 MWh. Consumption decreased by 3.3%, and consumption per kilo produced decreased by 4.9% year-on-year. The decrease in energy consumption was due to successful energy efficiency measures,

particularly in terms of heat energy. The weather conditions were also more favourable, with a reduced need for cooling compared with 2018. Atria Group's carbon dioxide emissions decreased by 2.5% year-on-year. The decrease was due to the increased use of renewable energy sources, such as increasing the share of bio-based fuels in heat production.

Water

The quality, adequacy and pumping capacity of water are critical for Atria's operations. Plant-specific environmental permits determine the threshold values for wastewater quality. All wastewater is directed to a local wastewater treatment facility. Atria Group's water consumption in 2019 was 3,048,193 m³. Consumption decreased by 5.2%, and consumption per kilo produced decreased by 6.5% compared with 2018. The decrease was due to water efficiency measures at Atria Finland's plants. In addition, the summer of 2018 was warmer, which increased water consumption in 2018.

Materials

Food production is at the core of the circular economy. Side streams that do not end up as products are directed back to the food chain, as precisely and with as high a value as possible. They are used in applications of the feed industry, as nutrients, for material recycling or as energy. During the 2017–2019 strategy period, Atria focused on reducing waste by implementing a project to create an anti-waste operating culture and a practical model for waste management. Through the project, employees were provided with training on identifying waste. In addition, a comparable set of indicators was created for monitoring waste, and resources were allocated for sharing best practices within the Group. Progress in information technology has enabled the creation of more accurate indicators and reports. The management model and indicators continue to be developed further.

Compliance

The operations of Atria's production plants are subject to environmental permits. All Atria's production plants have management systems that meet the requirements of the ISO 14001 standard for environmental systems and the requirements of the ISO 50001 standard for energy management systems. The Corporate Responsibility Report includes information about the system certification status. No leaks were reported, no warnings were issued by the authorities, and no coercive measures were imposed in the reporting period.

PRODUCT

Origin

Atria's ethically produced food is the purest and safest in the world. The production chain is open and transparent. Atria is aiming for a fully transparent food chain, where consumers and other parties can be provided with information about the origin of all the raw materials, ingredients and packaging materials that we use.

Meat is the most important raw material for Atria's products. Animal welfare is ensured and proved throughout Atria's food chain.

Environmental considerations related to food production are continuously subject to public debate. Atria wants to lead the way in proving that meat can still be an ethically sustainable choice for consumers as part of well-balanced diets. In the development of sustainable primary production, Atria invests in animal welfare, animal disease management and the development of feeding solutions in cooperation with meat producers, industry experts and research institutions, for example.

The good treatment of production animals and animal welfare are key operating principles for Atria. In its operations, Atria complies with the laws related to the treatment and slaughter of animals. More detailed information about this is provided in Atria's Corporate Responsibility Report. Tuoretie Oy is responsible for Atria Finland's animal transport operations and compliance with the related laws. These aspects are also reported in more detail in the Corporate Responsibility Report.

Safety

If materialised, a product safety risk could have fatal consequences for both people's health and Atria's business operations. Atria therefore takes product safety extremely seriously. Atria's product safety and quality policy lays the foundation for commitments, goal setting and continuous improvement. The product safety management systems of Atria's production plants have FSSC 22000 certification.

During statutory assessments in 2019, no serious shortcomings in operating methods were detected that could compromise food safety and result in fines or coercive measures imposed by the authorities. In 2019, Atria had to carry out one product recall in Finland, and one in Sweden. No recalls were necessary in Denmark, Estonia or Russia.

More detailed information about Atria's principles and results concerning the origin and safe production of food is provided in the Corporate Responsibility Report (pages 33-35).

PEOPLE

Consumers

As a food producer, Atria understands its responsibility towards consumers and public health. The purity and nutritional quality of food, as well as ethical food chains, are important values for consumers. People's well-being is based on healthy and nourishing food. Atria's main product categories are fresh and consumer-packed meat and meat products, such as sausages and cold cuts, as well as convenience foods and poultry products. By participating in applied research in product and packaging technology and nutrition, Atria can also create innovative products and concepts for future needs. More information about the results of Atria's product development and research operations is provided on page 39.

Employees
The company's future relies on highly competent employees and well-being at work. We want to offer a workplace where competent professionals thrive. Our goal is to be one of the most attractive employers in the food industry. Safety at work is one of the cornerstones of our operations: we ensure in many different ways that our employees return safely home from Atria. Our long-term goal is zero accidents across Atria Group.

Atria's HR policy defines the material aspects of personnel responsibility concerning employment relationships. These include a fair employment relationship, well-being and safety at work, competence development, equality, non-discrimination and freedom of association, as well as the prevention of child labour and forced labour.

In 2019, Atria Group continued to implement the Safely Home from Atria occupational safety programme. Employees' well-being improved in 2019, confirmed by sickness absence levels and accident frequency rates.

More information about Atria's responsibility for people is provided in the Corporate Responsibility Report (pages 37-41).

BREAKDOWN OF SHAREHOLDINGS

Shareholders by number of shares held on 31 Dec 2019

Number of shares	Shareholders		Shares	
	Number of	%	1,000 shares	%
1–100	6,137	43.62	298	1.05
101–1,000	6,685	47.51	2,436	8.62
1,001–10,000	1,168	8.30	2,879	10.18
10,001–100,000	67	0.48	1,655	5.86
100,001–500,000	6	0.04	754	2.67
500,001–1,000,000	4	0.03	2,881	10.19
1,000,001–	3	0.02	17,366	61.43
Total	14,070	100.00	28,268	100.00

Shareholders by sector on 31 Dec 2019

Shareholder type	Shareholders		Shares	
	Number of	%	1,000 shares	%
Companies	439	3.12	18,195	64.37
Financial and insurance institutions	26	0.19	1,266	4.48
Public corporations	6	0.04	657	2.32
Non-profit organisations	86	0.61	346	1.23
Households	13,478	95.79	5,772	20.42
Foreign owners	35	0.25	12	0.04
Total	14,070	100.00	26,247	92.85
Nominee-registered, total	11		2,021	7.15

INFORMATION ABOUT SHAREHOLDERS

Major shareholders on 31 Dec 2019

	KII	A	Total	%
Itikka Co-operative	4,914,281	3,537,652	8,451,933	29.90
Lihakunta	4,020,200	3,848,073	7,868,273	27.83
Mandatum Life Insurance Company Limited		793,498	793,498	2.81
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Varma Mutual Pension Insurance Company		524,640	524,640	1.86
Oy Etra Invest Ab		200,000	200,000	0.71
Elo Mutual Pension Insurance Company		126,289	126,289	0.45
The estate of Sofia Margareta von Julin		112,000	112,000	0.40
Atria Plc		108,740	108,740	0.38
Taaleri Arvo Markka Osake Fund		105,000	105,000	0.37

Major shareholders by voting rights on 31 Dec 2019

	KII	A	Total	%
Itikka Co-operative	49,142,810	3,537,652	52,680,462	47.42
Lihakunta	40,202,000	3,848,073	44,050,073	39.65
Pohjanmaan Liha Co-operative	2,695,000	480,038	3,175,038	2.86
Mandatum Life Insurance Company Limited		793,498	793,498	0.71
Varma Mutual Pension Insurance Company		524,640	524,640	0.47
Oy Etra Invest Ab		200,000	200,000	0.18
Elo Mutual Pension Insurance Company		126,289	126,289	0.11
The estate of Sofia Margareta von Julin		112,000	112,000	0.10
Atria Plc		108,740	108,740	0.10
Taaleri Arvo Markka Osake Fund		105,000	105,000	0.09

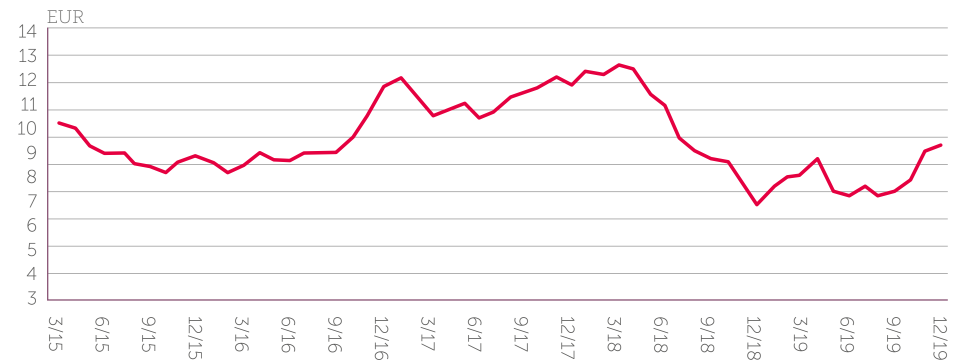
MANAGEMENT'S SHAREHOLDING

On 31 December 2019, the members of the Board of Directors and the Supervisory Board, the CEO and Deputy CEO, as well as the members of the Group's Management Team, held a total of 78,527 series A shares, or 0.28% of the shares and 0.07% of the voting rights conferred by shares.

MONTHLY TRADING VOLUME OF SERIES A SHARES IN 2019

Month	Trading, EUR	Trading, shares	Monthly lowest	Monthly highest
January	4,111,275	533,100	6.61	8.36
February	2,826,393	351,466	7.54	8.56
March	2,058,678	250,268	7.91	8.50
April	3,312,367	375,843	8.01	9.32
May	2,102,960	282,613	7.00	8.10
June	1,449,820	199,033	6.69	7.73
July	705,240	92,137	7.40	7.95
August	1,022,492	141,037	6.70	7.75
September	925,247	124,716	7.23	7.55
October	2,695,975	339,960	7.31	8.52
November	5,132,788	564,160	8.38	9.50
December	5,366,693	576,749	8.21	10.04
Total	31,709,929	3,831,082		

CHANGES IN THE SERIES A SHARE PRICE 2015–2019 (AVERAGE PRICE)



GROUP'S FINANCIAL INDICATORS

FINANCIAL INDICATORS

EUR million	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Net sales	1,451.3	1,438.5	1,436.2	1,351.8	1,340.2
EBIT	31.1	28.2	40.9	31.8	28.9
% of net sales	2.1	2.0	2.8	2.3	2.2
Financial income and expenses	-5.6	-6.2	-7.3	-6.3	-9.2
% of net sales	-0.4	-0.4	-0.5	-0.5	-0.7
Profit before taxes	26.2	22.3	35.5	26.1	20.1
% of net sales	1.8	1.6	2.5	1.9	1.5
Return on equity (ROE), %	3.9	4.1	6.7	4.7	3.6
Return on investment (ROI), %	5.3	5.0	7.3	5.9	5.6
Equity ratio, %	46.9	47.7	47.5	46.5	47.4
Interest-bearing liabilities	228.3	227.2	214.3	217.8	199.6
Gearing, %	52.6	53.1	49.8	51.6	49.3
Net gearing, %	51.6	52.1	49.0	50.5	48.3
Gross investments	40.1	44.5	53.9	82.9	56.9
% of net sales	2.8	3.1	3.8	6.1	4.2
Average number of personnel	4,454	4,460	4,449	4,315	4,271
Research and development costs	15.3	13.7	12.9	13.1	12.4
% of net sales*	1.1	1.0	0.9	1.0	0.9
Order stock**	-	-	-	-	-

* Recognised in total as expenditure for the financial year.

** Not a significant indicator as orders are generally delivered on the day following the placement of the order.

SHARE-ISSUE ADJUSTED INDICATORS PER-SHARE

EUR million	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Earnings per share (EPS), EUR	0.54	0.58	0.92	0.65	0.49
Equity/share, EUR	14.85	14.69	14.81	14.49	14.16
Dividend/share, EUR*	0.42	0.40	0.50	0.46	0.40
Dividend/profit, %*	78.4	68.8	54.4	71.2	81.9
Effective dividend yield, %*	4.2	6.1	4.1	4.0	4.4
Price/earnings (P/E)	18.7	11.3	13.2	17.8	18.5
Market capitalisation	283.8	186.0	342.3	324.8	255.8
Market capitalisation, series A	191.4	125.4	230.9	219.0	172.5
Share turnover/1,000 shares, series A	3,831	5,696	3,381	3,313	5,443
Share turnover %, series A	20.1	29.9	17.7	17.4	28.6
Total number of shares, million	28.3	28.3	28.3	28.3	28.3
Number of shares, series A	19.1	19.1	19.1	19.1	19.1
Number of shares, series KII	9.2	9.2	9.2	9.2	9.2
Share-issue adjusted number of shares on average	28.3	28.3	28.3	28.3	28.3
Share-issue adjusted number of shares on 31 Dec	28.3	28.3	28.3	28.3	28.3

* Board of Directors' proposal for 2019 to be submitted to the Annual General Meeting on 29 April 2020

Share price development, series A (EUR)					
Lowest of the period	6.61	6.42	10.11	7.61	6.62
Highest of the period	10.04	13.48	12.96	12.22	10.50
At the end of the period	10.04	6.58	12.11	11.49	9.05
Average rate during the period	8.28	9.58	11.47	9.49	9.03

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:

Indicator		Definition	
Adjusted EBIT		In addition to reporting EBIT, the company publishes an adjusted EBIT indicator to describe the actual financial development of the business and to improve comparability between different periods. The adjusted EBIT is determined by adjusting the EBIT recognised in the income statement for 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	
FTE	=	Hours worked during the review period / Number of working days during the review period * normal working hours per day	
Return on equity (%)	=	Profit/loss for the accounting period / Equity (average)	* 100
Return on investment %	=	Profit/loss before tax + interest and other financial expenses / Equity + interest-bearing financial liabilities (average)	* 100
Equity ratio (%)	=	Shareholders' equity / Balance sheet total – advance payments received	* 100
Interest-bearing liabilities	=	Loans + lease liabilities	
Gearing (%)	=	Interest-bearing liabilities / Shareholders' equity	* 100
Net interest-bearing liabilities	=	Interest-bearing liabilities - cash and cash equivalents	
Net gearing (%)	=	Interest-bearing liabilities – cash and cash equivalents / Shareholders' equity	* 100
Earnings per share (basic)	=	Profit for the period attributable to the owners of the parent company / Weighted average of outstanding shares	
Equity/share	=	Equity attributable to the owners of the parent company / 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
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	
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 shares traded during the accounting period / Undiluted average number of shares	* 100

CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Net sales	1, 2	1,451,273	1,438,505
Costs of goods sold	7, 8	-1,288,547	-1,285,650
Gross profit		**162,726**	**152,855**
Sales and marketing expenses	3, 7, 8	-84,309	-81,866
Administrative expenses	4, 7, 8	-44,006	-41,357
Impairment losses from financial assets and contractual assets	20	-1,196	-963
Other operating income	5	3,247	3,867
Other operating expenses	6, 8	-5,349	-4,351
EBIT	1	**31,113**	**28,185**
Financial income	9, 29	11,277	15,648
Financial expenses	9, 25, 29	-16,832	-21,861
Net financial items		**-5,555**	**-6,213**
Income from investments accounted for using the equity method	16	625	369
Profit/loss before taxes		**26,183**	**22,341**
Income taxes	10, 18	-9,223	-4,540
Profit for the period		**16,960**	**17,801**
Profit attributable to:			
Owners of the parent		15,086	16,362
Non-controlling interests		1,874	1,439
Total		**16,960**	**17,801**
Basic earnings per share, EUR	11	0.54	0.58
Earnings per share adjusted for the dilution effect, EUR	11	0.54	0.58

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Profit for the period		**16,960**	**17,801**
Other items of comprehensive income after tax:			
Items not reclassified to profit or loss			
Actuarial gains/losses from benefit-based pension plans	10, 26	-531	-231
Items reclassified to profit or loss when specific conditions are met			
Cash flow hedges	9, 10, 29	-3,570	4,162
Translation differences	9, 10, 29	4,576	-9,631
Total comprehensive income for the period		**17,435**	**12,101**
Comprehensive income distribution for the financial period:			
Owners of the parent		15,561	10,662
Non-controlling interests		1,874	1,439
Total		**17,435**	**12,101**

The notes on pages 57 to 90 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS, EUR 1,000	Note	31 Dec 2019	31 Dec 2018
Non-current assets			
Property, plant and equipment	1, 12	398,081	400,544
Biological assets	13	694	631
Right-of-use assets	14	33,303	
Goodwill	1, 15	160,779	162,590
Other intangible assets	1, 15	84,677	86,747
Investments in joint ventures and associates	16, 32, 33	15,036	14,471
Other financial assets	17, 29	1,198	1,198
Trade receivables, loans and other receivables	20, 29	5,216	9,777
Deferred tax assets	10, 18	4,048	5,115
Total		703,032	681,073
Current assets			
Inventories	19	110,192	105,914
Biological assets	13	4,099	3,356
Trade and other receivables	20, 29, 32	104,558	103,963
Current tax assets		2,418	1,293
Cash and cash equivalents	21, 29	4,395	3,982
Total		225,662	218,508
Total assets	1	928,694	899,581

EQUITY AND LIABILITIES, EUR 1,000	Note	31 Dec 2019	31 Dec 2018
Equity attributable to the shareholdersof the parent company			
Share capital		48,055	48,055
Treasury shares		-1,246	-1,277
Other funds		170	3,740
Invested unrestricted equity fund		249,239	249,211
Translation differences		-55,848	-60,424
Retained earnings		179,506	176,016
Total	10, 11, 18, 22, 23, 29	**419,876**	**415,321**
Non-controlling owners' share		14,420	12,864
Equity total		**434,296**	**428,185**
Non-current liabilities			
Loans	24, 29	140,868	152,092
Lease liabilities	25	24,996	662
Deferred tax liabilities	10, 18	40,674	42,736
Pension obligations	26	6,817	6,313
Other liabilities	27, 29	7,028	7,360
Provisions	27	687	
Total		**221,070**	**209,163**
Current liabilities			
Loans	24, 29	53,854	74,063
Lease liabilities	25	8,612	390
Trade and other payables	28, 32	210,182	186,240
Current tax liabilities		680	1,540
Total		**273,328**	**262,233**
Total liabilities	1	**494,398**	**471,396**
Total equity and liabilities		**928,694**	**899,581**

The notes on pages 57 to 90 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to the owners of the parent company							Share of non-controlling interests	Total equity total
EUR 1,000	Note	Share capital	Treasury shares	Other funds	Invested unrestricted equity fund	Translation differences	Retained earnings	Total		
Equity on 1 Jan 2018		48,055	-1,277	-420	249,073	-50,795	173,937	418,573	12,105	430,678
Total comprehensive income for the period										
Profit for the period							16,362	16,362	1,439	17,801
Other comprehensive income										
Cash flow hedges	29			4,162				4,162		4,162
Actuarial losses from pension benefits	26						-231	-231		-231
Translation differences	9, 10			-2		-9,629		-9,631		-9,631
Transactions with owners										
Share of non-controlling interests related to acquisition of subsidiary	27						26	26		26
Share incentives	23				138			138		138
Distribution of dividend	22						-14,078	-14,078	-680	-14,758
Equity on 31 Dec 2018		48,055	-1,277	3,740	249,211	-60,424	176,016	415,321	12,864	428,185
Total comprehensive income for the period										
Profit for the period							15,086	15,086	1,874	16,960
Other comprehensive income										
Cash flow hedges	29			-3,570				-3,570		-3,570
Actuarial losses from pension benefits	26						-531	-531		-531
Translation differences	9, 10					4,576		4,576		4,576
Transactions with owners										
Share of non-controlling interests related to acquisition of subsidiary	27						198	198		198
Share incentives	23		31		28			59		59
Distribution of dividend	22						-11,263	-11,263	-318	-11,581
Equity on 31 Dec 2019		48,055	-1,246	170	249,239	-55,848	179,506	419,876	14,420	434,296

The notes on pages 57 to 90 are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

1,000 EUR	Note	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Cash flow from operating activities			
Payments received from sales		1,450,391	1,446,178
Payments received from other operating income		3,154	3,616
Payments on operating expenses		-1,350,639	-1,395,944
Interest paid and payments on other operating expenses	9, 25	-14,417	-16,271
Interest payments received and other financial income	9	10,146	16,750
Direct taxes paid	10	-10,146	-7,170
Cash flow from operating activities		88,489	47,159
Cash flow from investments			
Investments in tangible and intangible assets		-39,418	-44,463
Increase (-)/decrease (+) in long term receivables		2,317	-871
Change in other investments		-51	-566
Dividends received		59	720
Cash flow from investments		-37,093	-45,180
Cash flow from financing activities			
Draw down of long-term loans	24	581	35,000
Repayment of long-term loans	24	-3,672	-56,286
Increase (+)/decrease (-) in short-term loans	24	-28,356	33,867
Principal elements of lease payments	25	-8,500	
Dividends paid	22	-11,581	-14,757
Cash flow from financing activities	10, 18	-51,528	-2,176

CONSOLIDATED CASH FLOW STATEMENT

1,000 EUR	Note	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Change in cash and cash equivalents		**-132**	**-197**
Cash and cash equivalents at the beginning of the financial period		3,982	3,137
Effect of exchange rate changes on cash flows		545	1,042
Cash and cash equivalents at end of the financial period	21	**4,395**	**3,982**

The notes on pages 57 to 90 are an integral part of the consolidated financial statements.

Basic corporate information

The parent company of Atria Group, Atria Plc, is a Finnish public limited liability company established in accordance with the laws of Finland and domiciled in Kuopio, Finland. The company has been listed on Nasdaq Helsinki Ltd. since 1991. Copies of the consolidated financial statements are available online at www.atria.com and at the parent company's head office at Itikanmäenkatu 3, Seinäjoki, Finland; postal address: PO Box 900, 60060 ATRIA, Finland.

Atria Plc and its subsidiaries manufacture and market food products, especially meat products, poultry products, meals and food concepts. Atria's main market area covers Finland, Sweden, Denmark, European parts of Russia and the Baltic countries. Atria's subsidiaries are also located in this area. Atria Group's reporting segments are Atria Finland, Atria Sweden, Atria Denmark & Estonia and Atria Russia.

The financial statements were approved for publication by the Board of Directors on 12 February 2020. According to the Finnish Limited Liability Companies Act, the shareholders are entitled to approve or reject the financial statements at the Annual General Meeting (AGM) to be held after the publication of the financial statements. The AGM can also decide to revise the financial statements.

Accounting policies

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted the EU. The IAS and IFRS standards valid on 31 December 2019 have been followed, as well as SIC and IFRIC interpretations. The IFRS refer to standards and interpretations approved for application in the EU in compliance with Regulation (EC) 1606/2002, as referred to in the Finnish Accounting Act and subsequent regulations. The notes to the consolidated financial statements also comply with Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared on an acquisition cost basis except for biological assets, financial assets recognised at fair value in other comprehensive income, financial assets and liabilities measured at fair value through profit or loss, and derivative financial instruments. From the moment of classification, the assets held for sale are measured at the lower of their balance sheet value and fair value less cost to sell.

The financial statement data is presented in thousands of euros, with sums rounded off to the nearest thousand.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

a) New and amended standards, effective for financial periods beginning on or after 1 January 2019

- IFRS 16 Leases

IFRS Leases has been adopted retrospectively as of 1 January 2019. However, in accordance with the special transition rules, the comparison information for 2018 has not been adjusted. Consequently, the classification changes and adjustments arising from the new rules concerning leases have been recognised on the opening balance sheet on 1 January 2019.

In connection with the adoption of IFRS 16, lease liabilities were recognised for leases that had been classified as 'operating leases' in accordance with IAS 17 Leases. New lease liabilities were measured at the present value of the remaining lease payments, using the interest rate implicit in the lease or the lessee's incremental borrowing rate on 1 January 2019 as the discount rate.

The following practical expedients were applied when applying IFRS 16 for the first time:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Treating leases for which the lease term was 12 months or less on 1 January 2019 as short-term leases.
- Using hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

As of 1 January 2019, a right-of-use asset and lease liability are recognised for new leases at the beginning of the lease. The lease liability is measured at the present value of the lease payments. The lease expense includes fixed lease payments and variable lease payments that vary according to changes in the index or price level determined in the contract. Other variable lease payments or service charges included in the lease contract are treated as an expense for the financial period. Lease payments are discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease is unknown, the company's incremental borrowing rate will be used instead. Right-of-use assets are generally amortised over the lease term. If the lease is valid until further notice and no changes are to be expected, the lease term is determined on a case-by-case basis.

Atria is taking advantage of the recognition exemption permitted by the standard and will not apply the standard to short-term leases or leases of low-value assets.

Lease liabilities on 1 Jan 2019 (EUR million):	
Finance lease liabilities in accordance with IAS 17 on 31 Dec 2018	1.1
Increases:	
Off-balance-sheet lease obligations undiscounted on 31 Dec 2018	20.4
Other changes*	18.5
Total increases	38.9
Lease liabilities on 1 Jan 2019	40.0

* Includes changes arising from discounting the lease liabilities mentioned above and from increases caused by the determination of the lease term and the different treatment of options to extend or terminate the lease, as well as other leases that are treated in line with the new standard.

- IFRIC 23 Uncertainty over Income Tax Treatments
  In connection with preparing its financial statements, the Group assesses the recognition of deferred tax assets and liabilities in line with IFRIC 23.

b) Significant new standards and interpretations that have been issued, but will not become effective until after 1 January 2019

- Definition of 'material' – amendments to IAS 1 and IAS 8
  The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The purpose of the amendments is to ensure that the definition of 'material' is consistent across the IFRS standards and the conceptual framework for financial reporting, and to clarify when information is material, as well as to include guidelines concerning immaterial information in IAS 1.

  The amendments further clarify the following in particular:
  - that the reference to 'obscuring information' concerns situations where the impact is similar to the impact of omitting or misstating the information, and that the company assesses materiality by considering the financial statements as a whole, and
  - that the 'primary users of general-purpose financial statements' refers to the people at whom the financial statements are targeted, including 'many existing and potential investors, lenders and other creditors', who must largely rely on general-purpose financial statements for their financial information needs.

ACCOUNTING POLICIES CALLING FOR MANAGEMENT DISCRETION AND KEY UNCERTAINTY FACTOR RELATED TO ASSESSMENTS

When preparing the financial statements, discretion must be used in applying the accounting policies. In addition, the management must make assessments and assumptions that concern the future and affect assets and liabilities in relation to responsibilities, profits and costs. The realised values may deviate from the original assessments and assumptions.

Key discretionary decisions when applying the accounting policies:
The Group's management makes discretionary decisions regarding the choice and application of accounting policies. This particularly affects cases where the valid IFRS norms include alternative recognition, measurement or presentation procedures. The management has exercised discretion in the valuation and classification of assets and financial items, in the recognition of deferred tax assets and provisions, and in the classification of associated companies and joint ventures as materially significant.

Key accounting assessments and assumptions:
The assessments are based on the management's best estimate at the end date of the reporting period. They are affected by previous experiences and assumptions about the future that are deemed the most likely at the end of the period and are related to the expected developments in the Group's financial environment. Any changes in the assessments and assumptions are recognised in the accounting period during which the assessment or assumption is adjusted and in all subsequent accounting periods.

Measurement of the fair value of assets acquired in business combinations:
The assets and liabilities acquired in business combinations are measured at fair value at the time of acquisition. However, functioning markets that provide fair values for assets and liabilities are rare. The measurement of fair value therefore requires the management's discretion and assumptions. In the case of tangible assets, comparisons are made, when necessary, to the market price of corresponding assets, and the assets have been tested for impairment due to their condition, age, wear and other similar factors. The fair value of intangible assets is determined based on assessments of asset cash flows. The management believes that the assessments and assumptions are sufficiently detailed to be used as the basis for fair value measurement.

Impairment of assets:
The Group reviews any indication of the impairment of tangible and intangible assets at least at the end date of each reporting period. The Group conducts annual impairment tests on goodwill and intangible assets with indefinite useful lives.

Deferred taxes:
Deferred tax assets are recognised for the probable amount of future taxable profit against which the temporary tax can be utilised. In connection with preparing its financial statements, the Group assesses the uncertainty that may be related to the tax treatment of specific items in line with IFRIC 23.

Accounting policies for the consolidated financial statements

SUBSIDIARIES

The consolidated financial statements include the parent company Atria Plc and all its subsidiaries. Subsidiaries are companies controlled by the Group. The Group controls an entity when the Group is exposed to or entitled to variable returns from its involvement with the entity, and can affect those returns through its power over the entity. Subsidiaries acquired during the financial year are consolidated from the date of their acquisition and divested subsidiaries are included up to their date of sale.

Business combinations are treated using the acquisition method of accounting. Consideration transferred, and the identifiable acquired assets and assumed liabilities of the acquired business are measured at fair value at acquisition date. Consideration transferred includes the fair value of an asset or liability arising from a contingent consideration arrangement. The costs of acquisition are charged to the income statement during the period in which they are incurred and the related services are received. The net assets and accepted and contingent liabilities acquired in business combinations are measured at fair value at the time of the acquisition. The non-controlling interest in the acquired business is recognised on an acquisition basis either at fair value or based on their relative share of the amounts of identifiable net assets of the acquired business.

Where the consideration transferred with the non-controlling interest and the fair value of the previously held interest exceed the fair value of the acquired net assets, the excess is recorded as goodwill on the balance sheet. If the sum of the consideration, the amount of the non-controlling interest and previously held interest is less than the fair value of the acquired net assets, the difference is recorded in the income statement.

All intra-Group transactions, receivables and liabilities and income and expenses are eliminated. Profits and losses due to intra-Group transactions leading to the recognition of an asset are also eliminated. The accounting policies applied by subsidiaries have been revised to match the Group policies, where necessary.

Changes in parent company's ownership in the subsidiaries that do not lead to a loss of control are treated as equity transactions. When shares are purchased from non-controlling shareholders, the difference between the consideration paid and the balance sheet value of the share acquired of the net assets of the subsidiary is recognised in equity. Profit or loss from the sale of shares to non-controlling shareholders is also recognised in equity.

When control or major influence by the Group ceases to exist, any remaining interest is measured at fair value on the date of the loss of control, and the change in balance sheet value is recognised in the income statement. This fair value serves as the original balance sheet value when the remaining interest is later recognised as an associated company, a joint venture or financial assets. In addition, the amounts of said entity previously recognised in other comprehensive income are treated as if the Group had directly disposed of the associated assets and liabilities. This may mean that amounts previously recognised as other comprehensive income are reclassified to the income statement.

ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

Associates are companies in which the Group holds between 20% and 50% of the voting rights, and in which the Group has significant influence, but which is does not control.

A joint arrangement is an arrangement in which two or more parties have joint control. Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities related to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group's joint arrangements are joint ventures.

Investments in associates and joint ventures are consolidated using the equity method. When using the equity method, the investment is initially recognised at acquisition cost, and this amount is increased or decreased to recognise the investor's share of the subsequent profits or losses of the investee after the time of acquisition. The Group's investment in associates and joint ventures includes any goodwill identified on the acquisition.

If the interest in an associate company is reduced, but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified as profit or loss.

The Group's share of associates' post-acquisition profits or losses is recognised under operating profit on the income statement. The balance sheet value of the investment is adjusted accordingly. If the Group's share of the loss of an associate is equal to or exceeds its interest in the associate, including any other unsecured receivables, the Group will not recognise further losses if it does not have a legal or factual obligation to do so, and it has not made payments on behalf of the associate.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group companies are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros (EUR), which is the parent company's functional currency, and the parent company's and the Group's presentation currency.

Foreign currency transactions are translated using the exchange rates prevailing on the date of the transaction. Foreign currency receivables and liabilities are translated using the exchange rate prevailing on the end of the reporting period. Exchange differences arising from translation are recognised in the income statement and presented in the operating profit. Exchange gains and losses from forward exchange agreements protecting financial transactions and foreign currency-denominated loans are included in financial income and expenses, excluding exchange rate changes of derivative financial instruments that are qualifying cash flow hedges. These exchange rate differences have been recognised in other comprehensive income.

The income statements and balance sheet items of the Group companies outside the euro area are accounted for in the currency that is the currency of the operating region of the company in question. The income statements of Group companies outside the euro area are translated into euros at the average exchange rate for the reporting period and the balance sheets at the closing exchange rate. Differences resulting from the translation are recognised as part of translation differences in other comprehensive income. The translation differences arising from the elimination of the acquisition costs of subsidiaries outside the euro area and the hedge profits derived from the corresponding net investments are also recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange rate differences in equity are recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of the foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The exchange differences arising from this are recognised in other comprehensive income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at the cost of purchase or construction less accumulated depreciation and impairment losses.

If the tangible fixed asset consists of several parts with different useful lives, each part is treated as a separate asset. The costs arising from replacing the part are capitalised. Other subsequent expenditure is included in the acquisition cost only if it is probable that the future benefit connected to the asset will benefit the Group, and the acquisition cost of the asset can be reliably determined. All other repair and maintenance costs are recognised in the income statement as an expense as incurred.

Depreciation is recorded using a straight-line method over the estimated useful lives of the assets as follows:

- Buildings .... 25–50 years
- Machinery and equipment .... 5–30 years
- Other tangible assets .... 5–10 years

No depreciation is carried out on land and water. Asset items that cannot be recognised under property, plant and equipment due to their nature or depreciation periods are recognised as other tangible assets.

The residual value and useful lives of assets are reviewed annually at the closing of the accounts and, if necessary, adjusted so that the balance sheet value is equal to the recoverable amount.

The depreciation of property, plant and equipment ends when the asset item is classified as available for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Gains and losses on the disposal or transfer of property, plant or equipment are included in other operating income or expenses.

Leases – the Group as the lessee, in accordance with IAS 17 Leases in 2018:
Lease contracts concerning tangible assets in which the Group had a significant share of the risks and rewards related to ownership were classified as finance leases. Finance leases were recognised on the balance sheet at the fair value of the leased asset on the day the lease period began, or at a lower value that corresponded to the present value of the minimum lease payments. Depreciation of assets acquired from finance leases was recognised for the period of their useful life or a shorter leasing period. Lease payments were allocated between a finance charge and debt amortisation over the lease period, so that the interest rate for the outstanding liability in each financial year remained constant. Financial lease liabilities were included in interest-bearing debts.

Leases where the risks and rewards related to ownership remained with the lessor were treated as operating leases, where rental payments were recognised as expenses in the income statement during the lease period.

As of 1 January 2019, a right-of-use asset and a corresponding lease liability have been recognised for lease contracts in accordance with IFRS 16 Leases.

RIGHT-OF-USE ASSETS

The Group has leased properties, machinery and equipment. The lease contracts are made for a fixed period or are valid until further notice. The contract period for leases valid until further notice is assessed on a case-by-case basis. The contracts may include options to extend the lease.

As of 1 January 2019, a right-of-use asset and a corresponding liability have been recognised for leases when the leased asset is available for use by the Group. Assets and liabilities arising from leases are initially measured at present value.

Right-of-use assets are measured at acquisition cost, which includes the following items:
- The original amount of the lease liability (see 'Lease liabilities' for more information)
- Lease payments made before the beginning of the contract less any incentives received
- Initial direct costs
- Restoration costs.

Lease payments are discounted using the interest rate implicit in the lease. If this interest rate is unknown, the lessee's incremental borrowing rate will be used. This is the rate that the lessee would have to pay to borrow the necessary funds over a similar term and with a similar security.

Depreciation for right-of-use assets is usually recognised on a straight-line basis over the useful life of the asset, or the lease period if shorter. If it is reasonably certain that the Group will exercise the purchase option, the useful life will be used as the depreciation period for the asset. The company assesses the impairment of right-of-use assets in accordance with IAS 36 Impairment of Assets.

Payments related to short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis. Leases with a term of 12 months or less are considered to be short-term leases. Atria does not apply the IFRS 16 standard to intangible assets in accordance with IAS 38.

INTANGIBLE ASSETS

Goodwill

Goodwill represents the Group's share of the difference between the consideration transferred and the identifiable acquired assets and assumed liabilities measured at fair value on the acquisition date. Goodwill is tested annually for impairment. For this purpose, goodwill has been allocated to cash-generating units. The Group's cash-generating units are classified based on subsidiaries' operations and location. These are Atria Finland, Atria Sweden, Atria Denmark, Atria Estonia and Atria Russia. Goodwill is recognised on the balance sheet at cost less impairment losses. An impairment loss recognised for goodwill is not reversed.

Other intangible assets

An Intangible asset is initially capitalised on the balance sheet at cost if the cost can be measured reliably and it is probable that the company will receive future economic benefit from the asset.

Intangible assets with a limited useful life are amortised on a straight-line basis over their estimated useful lives. Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment.

The depreciation periods are as follows:
- Customer and supplier relationships .... 3–8 years
- Trademarks... 5–20 years
- Other intangible assets*........................ 5–10 years

* Includes software and subscription fees, among other items

IMPAIRMENT OF NON-CURRENT ASSETS

On each balance sheet date, the Group reviews non-current assets for any indications of impairment. If there are such indications, the amount recoverable from the asset is estimated. The amount of cash recoverable from goodwill and intangible assets with indefinite useful lives is assessed annually and whenever there are indications of impairment. The recoverable amount is the higher of the present value of the future cash flows (value in use) and the fair value of the asset less costs of disposal. If the recoverable amount cannot be assessed per item, the impairment need is observed on the level of cash-flow generating units – that is, at the lowest unit level that is mainly independent of other units and at which cash flows can be distinguished from other cash flows.

Impairment loss is recognised if the balance sheet value of the asset is higher than the recoverable amount. Impairment loss is recognised immediately in the income statement. If the impairment loss concerns a cash-generating unit, it is first allocated to reduce the goodwill and then to reduce the other assets of the unit pro rata. The useful life of the depreciated asset is re-evaluated in connection with the recognition of an impairment loss. An impairment loss recognised for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the amount recoverable from the asset. However, the impairment loss may not be reversed in excess of what the asset's balance sheet value would be without the recognition of the impairment loss. An impairment loss recognised for goodwill is never reversed.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value, whichever is lower. The acquisition cost is determined using the average price method. The acquisition cost for finished and unfinished products consists of raw materials, direct labour costs, other direct costs, and the appropriate share of manufacturing-related variable overheads and fixed overheads at a normal level of operations. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

BIOLOGICAL ASSETS

The Group's biological assets are living animals. They are measured at fair value less estimated sales-related expenses. Productive animals are included in tangible assets and other animals are included in inventories.

The fair value of productive animals has been measured at cost less an expense corresponding to a reduction of value in use caused by ageing. There is no available market price for productive animals. The fair value of slaughter animals is equal to their market price, which is based on the company's slaughter animal procurement/sales.

FINANCIAL ASSETS

Classification

In accordance with IFRS 9 Financial Instruments, the Group's financial assets are classified in the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. The classification is based on business models used for the management of the financial assets and on the contractual cash flows of the financial assets.

The purchases and sales of financial assets are recognised on the transaction date. Financial assets are classified as non-current assets when they fall due more than 12 months from the closing date. If the financial assets are intended to be kept for less than 12 months, they are classified as current assets. The Group derecognises financial assets when it has lost its right to receive the cash flows, or when it has substantially transferred the risks and rewards of ownership to an external party.

Financial assets recognised at amortised cost:
Trade receivables, loan receivables and other receivables recognised at amortised cost are recognised less expected impairment loss. Trade receivables recognised at fair value in other comprehensive income are recognised at fair value. Changes in fair value are recognised in other comprehensive income, excluding impairment losses, which are recognised through profit or loss. Non-current trade receivables and interest-bearing loan receivables are primarily payment time provided to secure the supply of meat raw material and loans to primary production customers. These items are subject to the general impairment model. If there is no significant increase in credit risk, the estimated amount of credit losses is based on the expected credit losses of 12 months and, in other cases, on credit losses expected for the entire lifetime. Atria's trade receivables from consumer goods customers are short-term and do not include significant financial components. These trade receivables are subject to a simplified method in which the estimated amount of credit losses is based on the expected credit losses over the receivables' lifetime.

Some trade receivables in the Group are sold to finance companies. The sold trade receivables are derecognised on the balance sheet when the finance company has settled the payment for the receivables and when all material risks and benefits related to the ownership have transferred to the buyer. Trade receivables that may be sold are classified as financial assets recognised at fair value in other comprehensive income.

Equity investments recognised at fair value through other comprehensive income:
The 'other financial assets' account includes equity investments in other companies (both listed and unlisted shares). The shares are not held for trading. In connection with the original recognition, the Group has made an irreversible selection of their inclusion in this group. Listed shares are recognised at fair value, which is based on their stock market price. Unlisted shares are recognised though valuation methods, or at acquisition price if it essentially corresponds to the fair value. When the shares are disposed of, the balance included in other comprehensive income is reclassified in retained earnings and will not be recognised through profit or loss.

At fair value through profit or loss:
Derivatives not subject to hedge accounting are recognised at fair value through profit or loss. Derivatives are initially recognised on the balance sheet at acquisition price, which is equal to their fair value, and later at the fair value of the end date of the review period. Both unrealised and realised profit or loss attributable to changes in fair value are recognised through profit or loss during the period in which they occur.

Cash and cash equivalents consist of cash, bank deposits withdrawable on demand and other cash. Credit facilities related to Group accounts are included in non-current financial liabilities.

FINANCIAL LIABILITIES

The Group's financial liabilities are classified either in financial liabilities recognised at amortised cost or in financial liabilities recognised at fair value through profit or loss. Financial liabilities are classified as current unless the Group has an absolute right to postpone the payment of the debt to a date at least 12 months from the end date of the review period. Financial liabilities (or parts thereof) are derecognised on the balance sheet only when the debt no longer exists – that is, when the obligation specified in the contract has been fulfilled or revoked, or has expired.

Financial liabilities recognised at amortised cost:
Loans taken out by the Group are included in financial liabilities recognised at amortised cost. They are initially recognised at fair value, using the effective interest rate method. Following the initial recognition, loans are recognised at amortised cost. Interest on loans is amortised over the loan's maturity period through profit or loss, using the effective interest rate method.

Financial liabilities recognised at fair value through profit or loss:
Financial liabilities recognised at fair value through profit or loss include derivatives that do not meet the criteria for hedge accounting. Both unrealised and realised profit or loss attributable to changes in the fair value of derivatives are recognised through profit or loss during the period in which they occur.

LEASE LIABILITIES

The Group has leased properties, machinery and equipment. When a contract is established, the Group determines whether the contract is a lease contract or includes a lease contract. A lease is a contract or part of a contract that conveys the right to use the underlying asset for a period of time in exchange for consideration. Lease contracts are made for a fixed period or are valid until further notice. The contract period for leases valid until further notice is assessed on a case-by-case basis. The contracts may include options to extend the lease.

As of 1 January 2019, a right-of-use asset and a corresponding liability have been recognised for leases when the leased asset is available for use by the Group. Liabilities arising from leases are initially measured at present value.

Lease liabilities include the net fair value of the following lease payments:

- Fixed payments
- Variable payments that are based on an index or price level and that are initially measured using the index or price on the contract date
- Amounts that the Group is expected to pay based on residual value guarantees
- The execution price of a purchase option if it is reasonably certain that the Group will exercise the option
- Payments arising from the premature termination of a lease if the exercise of this option has been taken into account in the lease period
- Lease payments based on options to extend a lease if it is reasonably certain these options will be exercised.

Lease payments are discounted using the interest rate implicit in the lease. If this interest rate is not known, the lessee's incremental borrowing rate will be used. This is the rate of interest that the lessee would have to pay to borrow the funds necessary for an asset of a similar value to the right-of-use asset over a similar term and with a similar security in a similar economic environment.

To determine the incremental borrowing rate, the Group uses, as far as possible, financing that it has recently been provided by an external party, adjusted for changes in financial circumstances that have occurred since the financing was granted.

The Group is exposed to possible increases in lease payments based on an index or price level. These are not taken into account in lease liabilities until their materialisation. When changes in lease payments based on an index or price level are materialised, lease liabilities are reviewed and are adjusted against the right-of-use asset.

Lease payments to be made are allocated to equity and financial expenses. Financial expenses are recognised through profit or loss over the lease period so that the interest rate for the remaining liabilities remains the same for each reporting period.

Payments related to short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis. Leases with a term of 12 months or less are considered to be short-term leases. Atria does not apply the IFRS 16 standard to leases of intangible assets in accordance with IAS 38.

HEDGE ACCOUNTING

Derivative contracts are initially recognised at fair value on the contract date and are subsequently remeasured at fair value at the end of each reporting period. The recognition of changes in the fair value of derivatives depends on whether the derivative instrument qualifies for hedge accounting and if so, on the hedged item. Derivatives not subject to hedge accounting are defined as hedges of interest rate, currency or electricity price risks associated with a recognised asset or liability, or a highly probable forecast transaction (cash flow hedge).

When a derivative is subject to hedge accounting, the Group documents the relationship between each hedging instrument and the hedged asset, as well as the risk management objective and the strategy applied to it, at the beginning of the hedging arrangement. Through this process, the hedging instrument is connected to the assets and liabilities or the forecast transactions related to the instrument. Risk management objectives and strategies for undertaking various hedge transactions are also documented. The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is 12 months or less. Derivatives held for trading are classified as current assets or liabilities.

Valuation principles:

The fair value of forward exchange agreements is calculated by applying the forward rate on the balance sheet date. The fair value of interest rate swaps is calculated by discounting the future cash flows using interest rate curves for the currencies in question. Electricity derivatives are measured at fair value using the market prices at the balance sheet date.

Cash flow hedge:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity. The gain or loss related to the ineffective portion is recognised immediately in the income statement under the appropriate item. Gains and losses accumulated in equity are reclassified in the income statement in the periods when the hedged item affects profit or loss (for example, when the forecast purchase that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventories or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial acquisition cost of the asset. The deferred amounts are ultimately recognised in costs of goods sold in the case of inventories, or in depreciation in the case of fixed assets. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised in the income statement only when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement under the appropriate item.

ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets are classified as held for sale if their balance sheet value is to be recovered through a sale transaction rather than through continuing use. This condition is regarded as having been met only when the sale is highly probable, and the asset is available for immediate sale in its present condition and is subject only to terms that are usual and customary. Furthermore, management must be committed to the sale, which should be expected to occur within one year of the date of classification.

Immediately before being classified as held for sale, these assets are measured in accordance with the applicable IFRS standards. Thereafter, the assets are measured at the lower of their balance sheet value and fair value less cost to sell. These assets are no longer depreciated after the classification.

SHAREHOLDERS' EQUITY

Ordinary shares are presented as share capital. Expenses related to the issue or acquisition of equity instruments are presented as a deductible item under equity.

If a Group company acquires shares in the company, the consideration paid for them and the expenses arising directly from the acquisition, taking into consideration the tax effect, are deducted from the shareholders' equity until the shares are either cancelled or reissued. If the shares are reissued, the consideration received for them less transaction costs directly attributable to the shares is included in the shareholders' equity, taking into consideration the tax effect.

PROVISIONS

A provision is entered when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenses required to cover the obligation. The amounts of provisions are reviewed on each balance sheet date and adjusted to correspond to the best estimate at that time. Changes in provisions are recognised in the income statement in the same item in which the original provision was entered.

REVENUE RECOGNITION

Atria sells food products, animal feed, traded animals and services. Sales revenue is recognised based on customer contracts. The contracts specify the contractual obligations and the prices applicable to them. Atria does not have consolidated contractual obligations or obligations to be met over time, advance payments or warranty obligations.

Atria recognises both the revenue and the receivable when control over the goods or service is transferred to the customer. Delivery usually takes place domestically within 24 hours, and control and risks are transferred in connection with delivery. In export deals, the company estimates the time when control transfers to the customer specific to each delivery in accordance with the terms and time of delivery. Sales prices are not adjusted for the time value of money, because the period between the handover of the products and the payment made by the customer is less than a year. Atria always allocates discounts, as well as any refunds following the sale, to the month of delivery, taking the customers' full-year volume into account.

In the recognition of sales revenue, Atria has identified two customer groups: consumer goods customers and primary production customers. Atria presents sales divided into these two revenue streams as part of the segment information in Note 1 and the division of receivables in Note 20. Atria considers these two customer groups to be the most material in terms of understanding the nature of sales revenue and cash flow arising from customer contracts. Most contracts with customers concern the sale of consumer products. Consumer goods customers are primarily central wholesale businesses. In addition, Atria sells traded animals and animal feed to primary production customers.

EMPLOYEE BENEFITS

Pension obligations:

The Group companies have various local pension arrangements in their countries of operation. Pension arrangements are classified as either defined contribution plans or defined benefit pension plans.

In defined contribution plans, the Group makes fixed payments into a separate unit. The Group has no legal or constructive obligation to make additional payments if the recipient of the payments cannot pay the pension benefits in question. All plans that do not fulfil these conditions are defined benefit pension plans.

Payments made into defined contribution plans are recognised in the income statement in the reporting period to which they apply. The Group's pension plans are mainly defined contribution plans. In defined benefit plans the company still has an ongoing obligation for the plan even after the payment for the period has been made. For arrangements classified as defined benefit plans, actuarial estimates acquired on a yearly basis serve as the grounds for recognising an expense and liability or asset in the financial statements. Actuarial gains or losses are recognised as equity refunds or a charge in other comprehensive income in the financial period in which they occur.

Share-based payments:
The Group has an incentive programme for the management where the payments are made in part as company shares and in part as cash. The remuneration awarded under the programme is measured at fair value at the time of awarding, and recognised in the income statement as an expense arising from employee benefits spread over the earning and engagement period. The amount of money paid in the arrangement is remeasured using the review period's closing share price and recognised in the income statement as an expense from employee benefits spread over from the day of awarding until the money is transferred to the recipient. The final amount of the expense depends on the extent to which the conditions of the incentive programme are met.

RESEARCH AND DEVELOPMENT EXPENSES

Research expenditure is recognised as an expense in the income statement. Expenditure related to individual projects is capitalised on the balance sheet when there is enough certainty that the product in question is technically viable and that the product is likely to generate future economic benefits. Capitalised development expenditure is recognised in project-specific expenses over the useful life of the product. The asset is amortised from the time it is ready for use. The Group has no capitalised development expenses.

GOVERNMENT GRANTS

Grants received as compensation for expenses are recognised in the income statement, while expenses connected with the grant are entered as costs. Such grants are recognised under other operating income. The nature of the grants varies between countries, and the grants are only recognised after all the terms and conditions of the grant have been met, so the company does not have a repayment obligation arising from grants received.

Government grants – such as grants received for the acquisition of property, plant and equipment – are recognised as a deduction in the balance sheet value of property, plant and equipment when it is reasonably certain that the grant will be received and that the Group company fulfils the prerequisites for receiving the grant. Grants are recognised as income in the form of lower depreciation during the useful life of the asset.

INCOME TAXES

The consolidated income statement includes the current taxes of Group companies based on taxable profit for the financial period in line with local tax regulations, as well as adjustments to previous years' taxes and changes in deferred taxes. Taxes are entered in the income statement unless they are related to other comprehensive income or items recognised directly in equity. In such cases, the tax is also entered in other comprehensive income or directly in equity. Taxes based on taxable profit for the financial year are calculated using the current tax rate in each country.

Deferred taxes are recognised for all temporary differences between the balance sheet value and the tax base. The largest temporary differences arise from the depreciation of property, plants and equipment, and fair value measurements in connection with acquisitions. No deferred tax is recognised for non-deductible goodwill impairment, and no deferred tax is recognised for the undistributed profits of subsidiaries if the difference is unlikely to dissolve in the foreseeable future.

Deferred tax is calculated using the tax rates provided on the balance sheet date. Deferred tax assets are recognised to the amount for which it is likely that taxable profit will be generated in the future against which the temporary difference can be utilised. Deferred tax assets are recognised for confirmed losses made by Group companies to the extent in which it is likely that the assets can be utilised to offset future taxable profits.

1. SEGMENT INFORMATION, EUR 1,000

The Group's operating segments are based on the Group's internal organisational structure and internal financial reporting, which Atria's Board of Directors uses in strategic and operative decision-making. The Board of Directors assesses the performance of the operating segments based on net sales, EBIT and return on capital employed. The Group has four geographical segments, which differ essentially from one another in terms of the functioning of the markets. They are Atria Finland, Atria Sweden, Atria Denmark & Estonia and Atria Russia In addition, Group costs are now reported separately in unallocated items. Group costs consist of personnel and administration costs as well as other costs that are not allocated to the business areas. A segment's assets and liabilities are items that can be directly attributed or reasonably allocated to the segment. Transactions between the segments take place at market prices.

The Group has two major customers, and the value of the trade with each of them constitutes between 10% and 15% of the Group's net sales.
The net sales in question are reported in the operating segments Finland, Denmark & Estonia and Russia.

Operating segments	Atria Finland	Atria Sweden	Atria Denmark & Estonia	Atria Russia	Unallocated	Eliminations	Group
Financial period ended on 31 Dec 2019							
Net sales							
Revenue from consumer products	774,266	271,891	90,876	73,829			1,210,862
Revenue from primary production	238,188		2,223				240,411
Revenue from Group companies	21,364	17,481	3,480			-42,325	0
Total net sales	1,033,818	289,372	96,579	73,829	0	-42,325	1,451,273
EBIT	40,006	-6,142	4,353	-4,049	-3,055		31,113
Financial income and expenses							-5,555
Income from joint ventures and associates							625
Income taxes							-9,223
Profit for the period							16,960
Assets	502,528	264,569	106,906	68,456		-13,765	928,694
Liabilities	255,281	167,416	47,596	37,870		-13,765	494,398
Investments	21,752	13,281	2,915	2,161			40,109
Depreciation and impairment*	33,899	11,360	4,282	4,719			54,260
* Including depreciation on right-of-use assets	6,747	1,564	146	281			8,738

1. SEGMENT INFORMATION, EUR 1,000

Operating segments	Atria Finland	Atria Sweden	Atria Denmark & Estonia	Atria Russia	Unallocated	Eliminations	Group
Accounting period ended on 31 Dec 2018							
Net sales							
Revenue from consumer products	770,815	267,278	90,633	75,121			1,203,847
Revenue from primary production	232,065		2,593				234,658
Revenue from Group companies	16,320	20,634	4,179			-41,133	0
Total net sales	1,019,200	287,912	97,405	75,121	0	-41,133	1,438,505
EBIT	36,704	-7,111	5,313	-4,009	-2,712		28,185
Financial income and expenses							-6,213
Income from joint ventures and associates							369
Income taxes							-4,540
Profit for the period							17,801
Assets	482,425	257,459	110,146	65,969		-16,418	899,581
Liabilities	229,212	188,386	29,933	40,283		-16,418	471,396
Investments	20,586	15,707	4,436	4,090			44,819
Depreciation and impairment	26,916	10,072	4,211	4,204			45,403

2. NET SALES, EUR 1,000

	2019	2018
Sale of goods	1,443,662	1,430,690
Services, rents and other sales	7,611	7,815
Total	1,451,273	1,438,505

In the recognition of sales revenue, Atria has identified two customer groups: consumer goods customers and primary production customers. Atria presents sales divided into these two revenue streams as part of the segment information in Note 1 and the division of receivables in Note 20.

3. RESEARCH AND DEVELOPMENT EXPENSES, EUR 1,000

	2019	2018
Research and development costs recognised as expenditure	15,261	13,692
% of net sales	1.1	1.0

4. REMUNERATIONS PAID TO AUDITORS, EUR 1,000

	2019	2018
Firm of authorised public accountants:		
Auditing fees	328	343
Reports and statements	7	3
Other services	8	6
Total	343	352

5. OTHER OPERATING INCOME, EUR 1,000

	2019	2018
Proceeds from sales of fixed assets	93	251
Grants received	180	604
Other	2,974	3,012
Total	3,247	3,867

6. OTHER OPERATING EXPENSES, EUR 1,000

	2019	2018
Depreciation and impairment of intangible assets	3,553	3,646
Other*	1,796	705
Total	5,349	4,351

* Includes EUR 1.4 million in costs arising from efficiency measures at Atria Sweden.

7. PERSONNEL EXPENSES, EUR 1,000

	2019	2018
Expenses from employee benefits:		
Salaries	194,600	191,530
Pension costs – defined-contribution plans	27,911	27,402
Pension costs – defined-benefit plans	195	387
Other staff-related expenses	22,488	22,611
Total	245,194	241,930
Information on employee benefits for managerial employees is presented in note 32.		
Expenses from employee benefits by function:		
Costs of goods sold	192,266	191,150
Sales and marketing expenses	30,492	29,505
Administrative expenses	22,436	21,275
Total	245,194	241,930
Group personnel on average by business area (FTE):		
Finland	2,333	2,321
Sweden	840	847
Denmark & Estonia	435	423
Russia	846	869
Total	4,454	4,460

8. DEPRECIATION AND IMPAIRMENT, EUR 1,000

	2019	2018
Depreciation and write-offs by function:		
Costs of goods sold	41,566	35,712
Sales and marketing expenses	3,848	2,955
Administrative expenses	5,293	3,090
Other operating expenses (Note 6)	3,553	3,646
Total*	54,260	45,403

* Depreciation on right-of-use assets caused depreciation to increase by EUR 8.7 million.

9. FINANCIAL INCOME AND EXPENSES, EUR 1,000

	2019	2018
Financial income:		
Interest income from financial assets measured at amortised cost	1,790	1,773
Exchange rate gains from financial liabilities and loan receivables measured at amortised cost	5,152	5,309
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments – not in hedge accounting	4,335	8,566
Total	11,277	15,648
Financial expenses:		
Interest expenses from financial liabilities measured at amortised cost	-4,394	-4,542
Interest expenses from lease liabilities (Notes 14, 25)	-666	
Exchange rate losses from financial liabilities and loan receivables measured at amortised cost	-4,727	-10,298
Changes in the value of interest rate swaps for cash flow hedges - transfer from other comprehensive income items	-351	-1,023
Other financial expenses	-1,283	-928
Impairment from loan receivables measured at amortised cost (Note 20)	-373	-1,481
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments – not in hedge accounting	-5,038	-3,589
Total	-16,832	-21,861
Total financial income and expenses	-5,555	-6,213
Items related to financial instruments and recognised in other items of total comprehensive income before taxes:		
Cash flow hedges	-4,465	5,198
Translation differences	4,576	-9,631
Total	111	-4,433

10. INCOME TAXES, EUR 1,000

	2019	2018
Taxes in the income statement:		
Tax based on the taxable profit for the period	8,663	8,719
Retained taxes	-25	-6
Deferred tax	585	-4,173
Total	9,223	4,540
Balancing of taxes in income statement and profit before taxes:		
Profit before taxes	26,183	22,341
Taxes calculated with the parent company's 20.0 per cent tax rate	5,237	4,468
Effect of foreign subsidiaries' deviating tax rates	-286	-590
Retained taxes	-53	-182
Effect of income from joint ventures/associates	-125	-74
Effect of tax-free income	-158	-11
Effect of costs that are non-deductible in taxation	756	526
Unrecognised deferred tax assets	2,028	1,302
Changes in tax rate	263	-976
Write-down of deferred tax assets (Note 18)	1,400	
Other changes	161	77
Total	9,223	4,540

Taxes recognised in other items of total comprehensive income	Before tax	Tax effect	After tax
2019:			
Cash flow hedges	-4,465	895	-3,570
Actuarial losses from pension obligations	-676	145	-531
Translation differences	4,576		4,576
Total	-565	1,040	475
2018:			
Cash flow hedges	5,199	-1,037	4,162
Actuarial losses from pension obligations	-294	63	-231
Translation differences	-9,631		-9,631
Total	-4,726	-974	-5,700

11. EARNINGS PER SHARE, EUR 1,000

	2019	2018
Profit (+)/loss (-) for the financial period attributable to the owners of the parent company	15,086	16,362
Weighted average of shares for the period (1000 pcs)	28,158	28,156
Basic earnings per share	0.54	0.58
Earnings per share adjusted by the dilution effect	0.54	0.58

Basic earnings per share are calculated by dividing the parent company's shareholder's profit for the period by the weighted average number of outstanding shares.

When calculating the earnings per share adjusted by the dilution effect, the dilution effect from all potential dilutive conversions of ordinary shares is taken into account in the weighted average number of shares.

12. PROPERTY, PLANT AND EQUIPMENT, EUR 1,000

2019	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisitions in progress	Total
Acquisition cost 1 Jan	8,802	477,256	675,837	13,132	11,958	1,186,985
Increases		4,101	31,710	3,409	19,165	58,385
Decreases	-18	-40	-21,031	-272	-22,094	-43,455
Exchange differences	367	3,247	-180	1,171	306	4,911
Acquisition cost 31 Dec	9,151	484,564	686,336	17,440	9,335	1,206,826
Accumulated depreciation and impairment 1 Jan	0	-243,599	-534,643	-8,173	-26	-786,441
Decreases			20,531	-1,512		19,019
Depreciation		-11,381	-25,661	-1,933		-38,975
Impairment		-35	-268	-11		-314
Exchange differences		-687	-525	-822		-2,034
Accumulated depreciation and impairment 31 Dec	0	-255,702	-540,566	-12,451	-26	-808,745
Balance sheet value 1 Jan 2019	8,802	233,657	141,194	4,959	11,932	400,544
Balance sheet value 31 Dec 2019	9,151	228,862	145,770	4,989	9,309	398,081

2018	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisitions in progress	Total
Acquisition cost 1 Jan	9,372	476,311	653,654	11,778	16,662	1,167,777
Increases		6,995	33,681	2,393	20,206	63,275
Decreases			-1,109	-1,039	-25,342	-27,490
Exchange differences	-570	-6,050	-10,389		432	-16,577
Acquisition cost 31 Dec	8,802	477,256	675,837	13,132	11,958	1,186,985
Accumulated depreciation and impairment 1 Jan	0	-234,219	-517,986	-6,881	-26	-759,112
Decreases		11	1,521			1,532
Depreciation		-11,462	-25,599	-1,983		-39,044
Impairment		-63	-258	-12		-333
Exchange differences		2,134	7,679	703		10,516
Accumulated depreciation and impairment 31 Dec	0	-243,599	-534,643	-8,173	-26	-786,441
Balance sheet value 1 Jan 2018	9,372	242,092	135,668	4,897	16,636	408,665
Balance sheet value 31 Dec 2018	8,802	233,657	141,194	4,959	11,932	400,544

In the financial statements for 2018, machinery and equipment included financial lease assets recognised in accordance with IAS 17. The acquisition cost recognised on based the financial leases was EUR 1.5 million, and accumulated depreciation was EUR 0.5 million. The balance sheet value of the assets was EUR 1.1 million. Assets acquired in 2019 through financial leases have been recognised in accordance with IFRS 16. Following the change in accounting policies on 1 January 2019, assets presented as property, plant and equipment decreased by EUR 1.1 million. Right-of-use assets recognised in accordance with IFRS 16 based on financial leases are presented in Note 14.
The tangible assets used as loan collateral amount to EUR 7.2 million (9.7 million).

13. BIOLOGICAL ASSETS, EUR 1,000

	2019	2018
Biological assets:		
Productive	694	631
Consumable	4,099	3,356
At the end of the period	4,793	3,987
Amounts of biological assets at the end of the period:		
Boars, sows, gilts / qty	3,746	2,909
Pigs for fattening / qty	28,887	28,318
Chicken eggs and chicks / 1,000 qty	3,198	2,781
Production of agricultural products during the period:		
Pork / 1,000 kg	5,187	5,183
Chicks / 1,000 qty	43,312	43,760

The fair value of productive biological assets is based on the original acquisition price less a cost corresponding to the reduction of value in use due to the ageing of animals. The fair value of slaughter animals equals their market price, which is based on the company's slaughter animal procurement/sales in the local market.

14. RIGHT-OF-USE ASSETS, EUR 1,000

Acquired right-of-use assets 2019	Real estate	Machinery and Equipment	Total
Adoption of the standard, opening balance 1 Jan *	30,377	9,612	39,989
Increases	452	1,600	2,052
Depreciation	-5,834	-2,904	-8,738
Balance sheet value 31 Dec 2019	24,995	8,308	33,303

In 2019, the aggregate cash flow from operating leases under IFRS 16 totaled EUR 9.2 million, of which EUR 0.7 million is presented in operating cash flow and EUR 8.5 million in cash flow from financing activities.

* More information about the adoption of the standard is provided in the accounting policies on pages 57–58.

Liabilities related to leases are presented in Note 25.

Other variable payments related to leases that have not been included the value of the asset	790
Rents recognised as costs during the financial period:	
- from short-term leases	1,221
- from low-value leases	1,048

15. GOODWILL AND OTHER INTANGIBLE ASSETS, EUR 1,000

2019	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Acquisition cost 1 Jan	177,834	74,206	18,933	39,675	310,648
Increases				4,615	4,615
Decreases				-48	-48
Exchange differences	-1,861	-482	-78	99	-2,322
Acquisition cost 31 Dec	175,973	73,724	18,855	44,341	312,893
Accumulated depreciation and impairment 1 Jan	-15,244	-7,656	-9,496	-28,915	-61,311
Depreciation on decreases					0
Depreciation		-1,005	-2,139	-3,088	-6,232
Exchange differences	50	136	19	-99	106
Cumulative depreciation 31 Dec	-15,194	-8,525	-11,616	-32,102	-67,437
Balance sheet value 1 Jan 2019	162,590	66,550	9,437	10,760	249,337
Balance sheet value 31 Dec 2019	160,779	65,199	7,239	12,239	245,456

2018	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Acquisition cost 1 Jan	182,171	76,590	19,110	33,830	311,701
Increases				6,267	6,267
Decreases				-238	-238
Exchange differences	-4,337	-2,384	-177	-184	-7,082
Acquisition cost 31 Dec	177,834	74,206	18,933	39,675	310,648
Accumulated depreciation and impairment 1 Jan	-15,371	-6,777	-7,223	-26,436	-55,807
Depreciation on decreases				212	212
Depreciation		-1,014	-2,310	-2,702	-6,026
Exchange differences	127	135	37	11	310
Cumulative depreciation 31 Dec	-15,244	-7,656	-9,496	-28,915	-61,311
Balance sheet value 1 Jan 2018	166,800	69,813	11,887	7,394	255,894
Balance sheet value 31 Dec 2018	162,590	66,550	9,437	10,760	249,337

Goodwill and intangible assets with indefinite useful lives are allocated to the Group's cash-generating units as follows:

	Goodwill		Trademarks	
	2019	2018	2019	2018
Atria Finland	28,438	28,438	2,500	2,500
Atria Sweden	96,637	98,429	33,695	34,325
Atria Denmark	35,704	35,723	13,277	13,285
Atria Estonia			2,857	2,857
Atria Russia			3,062	2,687
Total	160,779	162,590	55,391	55,654

Impairment testing:

Key assumptions for 2019	Atria Finland	Atria Sweden	Atria Denmark	Atria Estonia	Atria Russia brand
Long-term net sales growth rate	1.0%	1.0%	1.0%	1.0%	2.5%
Discount rate defined before taxes	4.3%	4.9%	3.7%	3.9%	12.7% *)

Key assumptions for 2018	Atria Finland	Atria Sweden	Atria Denmark	Atria Estonia	Atria Russia brand
Long-term net sales growth rate	1.0%	1.0%	1.0%	1.0%	2.5%
Discount rate defined before taxes	4.6%	4.4%	4.2%	4.1%	12.9% *)

* After tax

The recoverable amount of a cash-generating unit is defined on the basis of value-in-use calculations. These calculations, which use cash flow forecasts based on management-approved budgets and strategic targets, are defined before taxes and extend over a five-year period. Cash flows after this period are extrapolated by using the growth rates presented above.

The most important assumptions used in Atria's impairment testing for cash flow forecasts are growth in net sales and long-term EBIT margin. The growth and profitability assumptions used are based on the net sales growth rates and profitability levels that business areas will experience in the near future. EBIT margins are expected to be close to the Group's targeted level of 5%.

Growth rate assumptions are moderate in all market areas. Russia's higher growth projection is due to its higher inflation rate and the relatively high growth projection for meat consumption. Due to the relatively stable development of the food industry and moderately optimistic growth forecasts, it is unlikely that the growth rate assumptions will generate impairment losses in the future.

As regards EBIT margins, impairment losses must be recognised in Finland if the long-term level remains below 90% of the assumed level. In Sweden, the EBIT percentage should be 34%, in Denmark 59%, and in Estonia 66% below the assumption before the need for impairment arises.

Discount rates would result in impairment losses (all cash flow forecasts being equal) if they increased by 10.2 percentage points in Finland, 1.6 percentage points in Sweden, 2.9 percentage points in Denmark and 3.7 percentage points in Estonia. Clearly higher discount rates would mean that the market situation has changed, and this change would be likely to affect Atria's cash flows as well. Therefore, the above-mentioned increases in discount rates do not directly mean that there would be a need for impairment.

A separate test was conducted on a brand with an indefinite useful life for Atria Russia. An increase of 5.8% in the discount rate would lead to the recognition of an impairment loss.

16. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES, EUR 1,000

	2019	2018
Effect on the Group's earnings		
Associates	154	249
Joint ventures	471	120
Total	625	369
Balance sheet values in the consolidated statement of financial position		
Associates	4,175	4,080
Joint ventures	10,861	10,391
Total	15,036	14,471

Material investment in a joint venture:	2019	2018

Honkajoki Oy is a recycling facility for animal-based raw materials in Honkajoki, Finland. The company has the subsidiaries Findest Protein Oy, GMM Finland Oy and Remsoil. Atria Plc owns 50% of the company and has joint control in the company with HKScan Finland. Honkajoki Group's figures, which are reported according to the Finnish Accounting Standards (FAS), have been consolidated using the equity method.

	2019	2018
Summary of Honkajoki Group's results:		
Net sales	40,312	39,178
EBIT	1,374	487
Profit before taxes	1,152	260
Profit for the period	880	253
Summary of Honkajoki Group's balance sheet:		
Assets		
Non-current assets	27,101	28,408
Current assets	9,057	8,150
Total assets	36,157	36,558
Liabilities		
Non-current liabilities	7,683	9,025
Current liabilities	7,326	7,263
Total liabilities	15,009	16,288
Net assets	21,148	20,270
Balancing of the summary of financial information for Honkajoki Group:		
Profit for the period	880	254
Share of non-controlling interest	-3	20
Income from joint venture (50%)	438	137
Net assets 1 Jan	20,270	20,772
Profit for the period	880	254
Other changes	-2	
Distribution of dividend		-756
Net assets 1 Jan	21,148	20,270
Share of non-controlling interest	222	219
Share of joint venture (50%)	10,463	10,026

Non-material investments in joint ventures:	2019	2018
Balance sheet value in the consolidated statement of financial position	398	365
Effect on earnings in the consolidated income statement	33	-17

Non-material investments in associates		
Balance sheet value in the consolidated statement of financial position	4,175	4,080
Effect on earnings in the consolidated income statement	154	249

The joint ventures and associates are listed in Note 33.

17. OTHER FINANCIAL ASSETS, EUR 1,000

Other financial assets are classified as financial assets recognised at fair value through comprehensive income. Other financial assets include unlisted shares.

	2019	2018
Other financial assets 1 Jan	1,198	1,196
Increases	0	6
Decreases	0	-4
Other financial assets 1 Dec	1,198	1,198

18. DEFERRED TAX ASSETS AND LIABILITIES, EUR 1,000

	2019	2018
Deferred tax assets:		
Tax asset to be realised in more than 12 months	3,913	4,877
Tax asset to be realised within 12 months	135	238
Total	4,048	5,115
Deferred tax liabilities:		
Tax liability to be realised in more than 12 months	40,595	42,520
Tax liability to be realised within 12 months	79	216
Total	40,674	42,736

Deferred tax assets by balance sheet item:	2019	2018
Intangible and tangible assets	63	175
Inventories	160	62
Trade and other receivables	629	725
Interest-bearing and non-interest-bearing liabilities	1,033	897
Recognised losses	2,163	3,256
Total	4,048	5,115
Deferred tax liabilities by balance sheet item:		
Intangible and tangible assets	40,403	42,349
Inventories	172	20
Trade and other receivables	1	7
Interest-bearing and non-interest-bearing liabilities	98	360
Total	40,674	42,736
Change in deferred taxes:		
Recognised in the income statement	-585	4,173
Recognised in other items of total comprehensive income	1,040	-991
Exchange differences	540	405
Total	995	3,587

Deferred tax assets for unused tax losses are recognised to the amount for which it is likely that tax benefits will be obtained on the basis of taxable profit. Deferred tax assets unrecognised for the period were EUR 2.0 million (1.3 million).

Of the deferred tax assets recognised for confirmed losses, EUR 2.2 million (3.2 million) are related to Russia. During the financial year, Atria Russia's deferred tax assets were written down in the amount of EUR 1.4 million.

Tax legislation in Russia was amended on 1 January 2017 as follows: although confirmed losses no longer expire, only losses up to 50% of the taxable profit can be deducted from the taxable income in 2017–2020. The validity of the law was continued in 2019. The legislative amendment has been confirmed until 2021.

The gradual decrease in the corporation tax rate in Sweden in 2019, 2020 and 2021 has been taken into account in deferred taxes.

19. INVENTORIES, EUR 1,000

	2019	2018
Materials and supplies	46,269	42,880
Unfinished products	4,903	4,272
Finished products	55,842	55,208
Other inventories	3,178	3,554
Total	110,192	105,914

During the financial year, EUR 1.9 million (EUR 1.4 million) was recognised as an expense to lower the balance sheet value of inventories to a value comparable with the net realisable value.

20. TRADE RECEIVABLES, LOANS AND OTHER RECEIVABLES, EUR 1,000

	2019	2018
Non-current:	Balance sheet values	Balance sheet values
Trade receivables from primary production customers	2,623	2,725
Loan receivables from primary production customers	1,632	4,322
Other receivables	463	390
Derivative instruments – in hedge accounting	498	2,293
Derivative financial instruments – not in hedge accounting		47
Total	5,216	9,777
Current:		
Trade receivables from consumer goods customers	58,390	57,183
Trade receivables from primary production customers	23,364	23,281
Loan receivables from primary production customers	3,145	4,066
Other loan receivables	476	485
Other receivables	10,717	8,699
Derivative instruments – in hedge accounting	839	3,434
Derivative financial instruments – not in hedge accounting	212	787
Accrued credits and deferred charges	7,415	6,028
Total	104,558	103,963
Current and non-current total	109,774	113,740

Fair values do not deviate significantly from balance sheet values. The maximum credit risk for loans and other receivables is equivalent to their balance sheet value.

Material items in accrued credits and deferred charges consist of prepaid expenses of purchase invoices, lease receivables and tax amortisations.

Financial assets and liabilities by class are presented in Note 29.

Current and non-current receivables are divided between currencies as follows:	2019	2018
EUR	69,054	76,160
SEK	17,741	15,126
RUB	11,557	11,158
DKK	6,737	6,395
USD	2,716	2,972
NOK	150	538
Other	1,819	1,391
Total	109,774	113,740

Receivables from consumer goods customers: Breakdown of trade receivables and expected credit losses in 2019	Trade receivables before provisions	Provision for credit provision change	Trade receivables net	Expected credit losses, %
Not due	50,618	0	50,618	0,0,%
Overdue:				
Less than 30 days	3,882	0	3,882	0,0,%
30–60 days	1,066	-18	1,048	1,7,%
61–90 days	116	0	116	0,0,%
More than 90 days	3,739	-1,013	2,726	27,1,%
Total	59,421	-1,031	58,390	1,7,%

Front page
Atria in brief
Atria's key figures
CEO's review
Responsible Atria

Strategy and business environment

Business area reviews
Atria Finland
Atria Sweden
Atria Denmark & Estonia
Atria Russia

Research and development

Financial statements and Corporate governance statement
Financial statements and report by the Board of Directors
Auditors' report
Corporate Governance Statement
Financial communications
Contact information

Provision for credit risk from trade receivables 1 Jan 2019	436
Provision increase*	1,031
Realised credit losses	-179
Cancelled provisions	-20
Exchange differences	24
Total 31 Dec 2019	1,292

* Credit loss provision was increased by EUR 0.8 million due to financial difficulties of an individual customer.

Breakdown of trade receivables and expected credit losses in 2018	Trade receivables before provisions	Provision for credit provision change	Trade receivables net	Expected credit losses, %
Not due	50,749	-2	50,747	0.0%
Overdue:				
Less than 30 days	5,040	0	5,040	0.0%
30–60 days	731	0	731	0.0%
61–90 days	116	0	116	0.0%
More than 90 days	894	-345	549	38.6%
Total	57,530	-347	57,183	0.6%

Provision for credit risk from trade receivables 1 Jan 2018	152
Provision increase	347
Realised credit losses	-42
Cancelled provisions	-21
Total 31 Dec 2018	436

Receivables from primary production customers:

Breakdown of trade receivables and expected credit losses in 2019	Trade receivables before provisions	Provision for credit provision change	Trade receivables net	Expected credit losses, %
Not due	20,984	-276	20,708	1.3%
Overdue:				
Less than 30 days	2,067	0	2,067	0.0%
30–60 days	256	0	256	0.0%
61–90 days	218		218	0.0%
More than 90 days	2,656	82	2,738	-3.1%
Total	26,181	-194	25,987	0.7%

Provision for credit risk from trade receivables 1 Jan 2019	2,372
Provision increase	194
Realised credit losses	-150
Total 31 Dec 2019	2,416

Breakdown of trade receivables and expected credit losses in 2018	Trade receivables before provisions	Provision for credit provision change	Trade receivables net	Expected credit losses, %
Not due	21,210	-65	21,145	0,3%
Overdue:				
Less than 30 days	1,954	0	1,954	0,0%
30–60 days	332	0	332	0,0%
61–90 days	117	0	117	0,0%
More than 90 days	3,009	-551	2,458	18,3%
Total	26,622	-616	26,006	2,3%

Provision for credit risk from trade receivables 1 Jan 2018	1,790
Provision increase	616
Realised credit losses	-34
Total 31 Dec 2018	2,372

Loan receivables:
At the end of the financial year, the fair value of the interest rate swaps was EUR 4.8 million (8.2 million). An impairment of EUR 0.4 million (1.5 million) was recognised for loan receivables during 2019.

Advances received:
At the end of the financial year, advances from primary production customers amounted to EUR 1.8 million (1.5 million) (Note 28).

21. CASH AND CASH EQUIVALENTS, EUR 1,000

	2019	2018
Cash in hand and at banks	4,395	3,982

22. SHAREHOLDERS' EQUITY, EUR 1,000

Shares and share capital

Shares are divided into A and KII series, which differ in terms of voting rights. Holders of series A shares have one vote per share, and holders of series KII shares have ten votes per share. Holders of series A shares are entitled to a dividend of EUR 0.17, after which holders of series KII shares are paid a dividend of up to EUR 0.17. If dividend funds remain after this, series A and series KII shares entitle their holders to an equal right to a dividend. All issued shares have been paid in full. The shares have no nominal value or maximum number.

Number of outstanding shares (1,000)	A series	KII series	Total
1 Jan 2018	18,952	9,204	28,156
No changes during the financial year			
31 Dec 2018	18,952	9,204	28,156
Share incentives	3		3
31 Dec 2018	18,955	9,204	28,159

Reserves included in shareholders' equity:

Treasury shares

The treasury shares reserve contains the acquisition cost of own shares held by the Group. In 2008 and 2009, the Group's parent company, Atria Plc, acquired 145,102 series A shares on the stock exchange for an acquisition cost of EUR 1.3 million. Of the acquired shares, 35,620 shares were transferred in 2008, 3,280 shares were transferred in 2010 and 2,572 shares were transferred in 2019 to key persons as a part of the Group's share incentive plan. At the end of the year, the parent company held a total of 108,740 treasury shares (111,312).

Other funds	2019	2018
Hedging fund		
Effective portion of currency and commodity derivatives.	1,088	5,641
Effective portion of interest rate derivatives	-878	-966
Deferred tax	-40	-935
Total	170	3,740

The 'Other funds' item includes a hedge fund in which the effective portions of changes in the fair value of the derivative financial instruments used for hedging are recognised. Hedge accounting results for currency and commodity derivatives are transferred from equity to the income statement for adjustment of purchase expenses and, correspondingly, the hedging result for interest rate derivatives is transferred for adjustment of interest expenses.

Invested unrestricted equity fund

This reserve contains other equity investments and the share subscription price to the extent that it is not recognised in share capital according to a separate decision, as well as the value of shares earned before 2012 on the basis of the share incentive plan, calculated at the share price on the grant date.

Translation differences

The following are recognised: the translation differences from the translation of the financial statements of foreign subsidiaries, as well as the translation of fair value adjustments of goodwill, assets and liabilities arising in conjunction with the acquisition of the said companies. Profits and losses arisen from hedges of net investments in foreign operations are also recognised as translation differences when the hedge accounting criteria are met.

Parent company's distributable shareholders' equity	2019	2018
Invested unrestricted equity fund	248,730	248,730
Retained earnings	17,206	61,064
Treasury shares	-1,246	-1,277
Profit for the period	2,233	-32,595
Total	266,923	275,920

Dividend per share paid for the period	2019	2018
Dividend/share, EUR	0.40	0.50
Dividend distributed by the parent company	11,263	14,078

The Board of Directors proposes to the Annual General Meeting to be held on 29 April 2020 that a dividend of EUR 0.42 per share be distributed, totalling EUR 11,828,214.30.

23. SHARE-BASED PAYMENTS, EUR 1,000

Atria Plc has a long-term incentive scheme for key persons for 2018–2020. The scheme has been approved by the Board of Directors. The share-based incentive scheme aims to encourage Atria's management to acquire company shares and to increase the company's value through their decisions and activities over the long term.

The scheme is based on a share bonus and a cash bonus, and is divided into three one-year periods. The possible bonus in the scheme is based on the company's earnings per share (70%) and organic growth (30%). The bonuses for each period are paid in equal instalments over three years following the earning period, partly as company shares and partly in cash. The cash proportion aims to cover any taxes and tax-like payments incurred by the person due to the bonus. If the person's employment relationship or service contract ends prior to the payment of the bonus, the bonus is not usually paid. The share-based incentive scheme covers a maximum of 40 people. The bonuses to be paid for the 2019 earning period are estimated at EUR 0.1 million.

Earning period:	2019	2018
Grant date	12 Feb 2019	15 Mar 2018
Earning period begins	1 Jan 2019	1 Jan 2018
Earning period ends	31 Dec 2019	31 Dec 2018
Maximum number of shares granted as remuneration	45,000	39,000
Earnings criteria:		
- EPS	70.0%	70.0%
- Organic growth	30.0%	30.0%
Achievement of earnings criteria, %	5.7%	19.8%
Share incentives earned, pieces	2,565	7,716
Share price listed on grant date, EUR	8.16	12.93
Share price listed on balance sheet date, EUR	10.04	6.58

24. LOANS, EUR 1,000

	2019 Balance sheet value	2018 Balance sheet value
Non-current:		
Loans from financial institutions	136,868	136,392
Pension fund loans	4,000	6,000
Other liabilities	0	9,700
Total	140,868	152,092

	2019	2018
Current:		
Loans from financial institutions	1,401	5,082
Commercial papers	40,000	65,000
Pension fund loans	2,000	3,550
Other liabilities	10,453	431
Total	**53,854**	**74,063**
Loans total	**194,722**	**226,155**

The fair values of loans do not deviate significantly from the balance sheet values. Financial liabilities by class are presented in Note 29.

	2019	2018
With fixed interest rates	16.0%	18.0%
With variable interest rates	84.0%	82.0%
Average interest rate	1.52%	1.33%

Long-term loans mature as follows:	2019	2018
2020		10,884
2021	2,092	2,092
2022	32,092	32,092
2023	81,092	106,092
2024	25,092	
2025		
Later	500	932
Total	**140,868**	**152,092**

Short-term and long-term loans by currency:	2019	2018
EUR	89,966	89,707
SEK	82,953	116,110
DKK	14,506	9,304
RUB	7,255	10,835
Other	42	199
Total	**194,722**	**226,155**

Part of the euro-denominated debt has been converted into foreign-currency-denominated debt with forward exchange agreements.

Reconciliation of loans	2018	Withdrawals	Payments	Exchange differences	2019
Loans from financial institutions	136,448	581	-122	-39	136,868
Pension fund loans	9,550		-3,550		6,000
Bank account limits	5,026	14,088	-17,712		1,402
Commercial papers	65,000	235,000	-260,000		40,000
Other liabilities	10,131	322			10,453
Total	226,155	249,990	-281,384	-39	194,722

25. LEASE LIABILITIES, EUR 1,000

	2019	2018
Lease liabilities:	In accordance with IFRS 16	In accordance with IAS 17
Long-term	24,996	662
Short-term	8,612	390
Total	33,608	1,052

The impacts of the adoption of the IFRS 16 standard are presented as part of the accounting principles on pages 57–58.

Interest expenses recognised for lease liabilities totalled EUR 0.7 million during the financial period. A maturity analysis of payments related to lease liabilities is presented in Note 29.

26. PENSION OBLIGATIONS, EUR 1,000

	2019	2018
The defined benefit pension obligation on the balance sheet is determined as follows:		
Present value of funded obligations	6,817	6,313
Fair value of assets	0	0
Deficit (+) / Surplus (-)	6,817	6,313
Pension obligation in the balance sheet	6,817	6,313
Benefits paid	-196	-198
Interest expenses	142	150
Pension costs in the profit and loss account	-53	-48

	2019	2018
Items recognised in other items of total comprehensive income due to reassessment	676	294
Pension costs in total comprehensive income	676	294
Changes to liabilities in the balance sheet:		
Liability of the ITP2 pension arrangement at the beginning of the financial period	6,313	6,320
Pension costs in the income statement and total comprehensive income	622	246
Exchange differences	-119	-252
At the end of the period	6,817	6,313
Actuarial assumptions used (%):		
Discount rate	1.50	2.35
Inflation rate	1.80	2.00

The Group's Swedish companies have defined benefit pension arrangements (ITP2). Most of the ITP2 pension arrangements are managed by the occupational pension insurance company Alecta as multiple-employer arrangements, so the funds and liabilities within them cannot be allocated to an individual company. For this reason, the ITP2 pension arrangements managed by Alecta are treated as defined contribution plans in the financial statements. The remaining ITP2 pension arrangements are financed through the FPG/PRI system, and they are treated as defined-benefit plans as of the 2011 accounting period.

27. OTHER NON-CURRENT LIABILITIES AND PROVISIONS, EUR 1,000

	2019	2018
Other liabilities*	5,986	6,143
Derivative instruments – in hedge accounting	972	987
Accruals and deferred income	70	230
Total	7,028	7,360

* Other liabilities include the current value, EUR 5.7 million (5.9 million), of the call option related to the minority share acquisition of the subsidiary Well-Beef Kaunismaa Ltd in 2016.

Other non-current liabilities are mainly in euros. Financial liabilities by class are presented in Note 29.

Provisions	2019
Provisions 1 Jan	0
The cost of Atria Sweden's efficiency measures	
- Other operating expenses	687
Provisions 31 Dec	687

28. CURRENT TRADE AND OTHER PAYABLES, EUR 1,000

	2019	2018
Trade payables	111,246	89,615
Advances received (Note 20)	1,859	1,561
Other liabilities	46,919	44,175
Derivative instruments – in hedge accounting	182	24
Derivative financial instruments – not in hedge accounting	1,783	1,496
Accruals and deferred income	48,193	49,369
Total	210,182	186,240

Material items in accrued liabilities consist of personnel expenses and the amortisation of debt interests. Financial liabilities by class are presented in Note 29.

Current liabilities consist of the following currencies:		
EUR	142,808	128,394
SEK	49,576	44,288
RUB	9,928	4,886
DKK	6,245	7,097
PLN	1,057	1,009
NOK	94	331
USD	425	223
Other	49	12
Total	210,182	186,240

29. FINANCIAL RISK MANAGEMENT

The treasury policy approved by the Board of Directors defines the general principles of financial risk management. The Board has delegated the management of financial risks to the Treasury Committee, while the practical management of financial risks is centralised in the Group's Treasury unit. The goal of financial risk management is to reduce the impact that price fluctuations in the financial markets and other uncertainty factors have on earnings, the balance sheet and cash flow, as well as to ensure sufficient liquidity. Treasury, together with the business areas, aims to identify, assess and hedge against all risks in accordance with the treasury policy. The main risks related to financing are interest rate risk, currency risk, liquidity and refinancing risk, and credit risk. Commodity risks and capital structure management are also discussed at the end of this section.

Interest rate risk

Interest rate risk is managed by dividing financing into instruments with floating and fixed interest rates and by hedging with interest rate derivatives. During the financial year, the Group used interest rate swaps for interest rate risk management. The Group links interest rate risk management to the interest cover indicator, which is the forecast 12-month rolling EBITDA divided by the forecast net interest expenses. The lower the EBITDA is in relation to net financial costs, the larger the share of debt that must have a fixed interest rate. The Group's interest-bearing debt on the balance sheet date was EUR 228.3 million (EUR 227.2 million). Interest-bearing liabilities includes loans of EUR 194.7 million (EUR 226.2 million) and lease liabilities of EUR 33.6 million (EUR 1.1 million). Fixed-rate loans amounted for EUR 31.1. million (EUR 40.8 million), or 16.0% (18.0%) of the total. The ratio of debt with fixed and floating interest rates is at the level defined by the Group's treasury policy.

The interest rate risk is mainly related to the Group's interest-bearing liabilities, because the amount of money market investments is low, as is the related interest rate risk. The Group's cash flows from operating activities are to a large extent independent of fluctuations in interest rates. On the balance sheet date, Atria Plc had one interest rate swap subject to hedge accounting.

1. An interest rate swap amounting to EUR 30 million, where Atria pays a fixed interest rate of 0.897% and receives the 6-month Euribor rate. The company will use the interest rate swap to hedge a EUR 30 million loan with a floating interest rate that matures on 23 June 2022 and is included in fixed interest rate debt.

The sensitivity analysis of net interest rate expenses is based on a 1% change in interest rates, which is considered to be reasonably realistic. It is calculated for year-end interest-bearing, variable-rate net liabilities that are expected to remain the same over the financial period. The interest rate swap is taken into account in the calculation. In simulations, the same change in interest rate is used for all currencies. On 31 December 2019, variable-rate net liabilities excluding lease liabilities, was EUR 159.3 million (EUR 182.4 million). At the end of 2019, an increase of 1 percentage point in interest rates corresponded to a change of EUR +/-1.6 million in the Group's annual interest rate expenses (EUR +/-1.8 million). The effect on equity would be EUR 0.8 million (EUR 0.9 million) with an increase of 1% and EUR -0.8 million (EUR -1.0 million) with a decrease of 1%.

Currency risk

Atria Group operates in many currency zones and is exposed to currency-related risks. Currency risks arise from forecast transactions, assets and liabilities recognised on the balance sheet, and from net investments in foreign subsidiaries. The subsidiaries hedge the currency risk related to commercial operational items according to their currency risk policy for each business area. Each currency risk policy has been approved by the Treasury Committee.

In Finland and Sweden, hedge accounting is applied to the currency hedges mentioned above. Currency risk is monitored according to the 12-month rolling cash flow forecast, and hedges are carried out for periods of 1 to 6 months using forward exchange agreements. The cash flows hedged during this time are expected to occur and affect profit or loss. Transaction risks arise from, for example, the euro-denominated meat raw material imports of Atria's companies in Sweden, as well as from Atria Russia's USD-denominated meat raw material imports and euro-denominated purchases of goods other than meat. In Atria's Finnish operations, currency flows and risks are relatively low and are mainly related to USD and SEK-denominated exports.

The Group's net investments in the operations of foreign subsidiaries are exposed to currency risks. The Treasury Committee decides on net investment hedges on a case-by-case basis. On the balance sheet date, there were no derivative agreements in force for net investment hedging. The parent company grants financing to the subsidiaries in their home currencies and has hedged the currency-denominated loan receivables from the subsidiaries through currency loans and forward exchange agreements.

During the financial year, translation differences recognised in the consolidated statement of comprehensive income amounted to EUR +4.6 million (EUR -9.6 million). At the end of the year, the value of net investments exposed to fluctuations of the rouble was EUR 47.9 million (EUR 43.2 million).

If, at the end of the financial year, the euro had been 10% weaker/stronger than the Swedish krona (all other factors being equal), profit before taxes would have been EUR 0.6 million higher/lower due to the Swedish subsidiaries' unhedged euro-denominated net position of accounts receivable and accounts payable (EUR 0.5 million). The effect on equity would have been EUR 0.7 million (EUR 0.8 million). Sensitivity analyses also take into account the effects of currency derivatives, which offset the effects of change in exchange rates.

Liquidity and refinancing risk

Atria Plc's Treasury raises the majority of the Group's interest-bearing capital. Liquidity and refinancing risks are managed through a balanced loan maturity distribution and by having sufficient committed credit facilities with sufficiently long periods of validity at hand, by using several financial institutions and instruments to raise financing and by keeping a sufficient amount of cash funds. Atria uses commercial papers for short-term financing and liquidity management. Unused committed credit facilities totalled EUR 85.0 million (EUR 85.0 million) at the end of the year, and EUR 160.0 million of the EUR 200 million commercial paper programme had not been used at the end of the financial year (EUR 135.0 million). The average maturity of the Group's loans and committed credit facilities was 3 years 2 months (3 years 2 months).

The main covenant used in loan agreements is a minimum equity ratio covenant of 28%. The Group's equity ratio has been around 40% for many years, and the Group will continue to ensure an equity ratio higher than the level required by the covenant. According to the terms of loan agreements, the implementation of covenants is reported to financiers either quarterly or semi-annually.

According to the Group management's view, there was no significant liquidity accumulation in financial assets or financial sources.

The table below shows the maturity analysis for financial liabilities and derivative financial instruments (undiscounted figures). The capital levies and revenue of derivative liabilities and assets are related to forward exchange agreements, and interest payments are related to interest rate swaps.

		Maturity 31 Dec 2019			
EUR 1, 000		< 1 year	1–5 years	> 5 year	Total
Loans	Instalments	53,854	140,459	409	194,722
	Interest payments	2,346	5,540	24	7,910
Lease liabilities	Instalments	9 416	23 710	2 272	35 398
Derivative financial instruments *)	Electricity derivatives	77	94		172
	Interest rate swaps	366	547		913
	Currency derivatives **)				
	- Capital payments	171,797			171,797
	- Capital income	-173,697			-173,697
Other payables	Instalments	3,574	5,986		9,560
Trade payables	Payments	111,246			111,246
Accrued liabilities	Payments	47,835	70		47,905
Total	Total payments	400,512	176,406	2 705	579,623
	Total income	-173,697	0	0	-173,697
	Net payments	226,815	176,406	2 705	405,926

		Maturity 31 Dec 2018			
EUR 1, 000		< 1 year	1–5 years	> 5 year	Total
Loans	Instalments	74,062	151,250	842	226,155
	Interest payments	2,286	7,050	92	9,428
Rahoitusleasingvelat	Instalments	390	662		1 052
Derivative financial instruments *)	Electricity derivatives	3	21		24
	Interest rate swaps	353	886		1,240
	Currency derivatives **)				
	- Capital payments	172,438			172,438
	- Capital income	-185,517	1,243		-185,517
Other payables	Instalments	5,564	6,144		11,798
Trade payables	Payments	89,614			89,614
Accrued liabilities	Payments	48 990	230		49,220
Total	Total payments	393,791	166,245	933	560,969
	Total income	-185,517	0	0	-185,517
	Net payments	208,274	166,245	933	375,452

* There is an agreement on the offsetting right with all derivative counterparties.
The figures for derivative liabilities and assets presented in the table are gross amounts.
If the figures were offset, derivative liabilities would amount to EUR -1.4 million (EUR 4.1 million).

** Forward exchange agreements implemented in gross amounts.

Credit risk

Credit risk is managed at Group level in accordance with the Group's risk management policy approved by the Board of Directors. The credit risk related to financing (counterparty risk) is managed by selecting only well-established highly rated counterparties with good credit ratings. The Group's liquid assets are only invested with counterparties that meet the criteria mentioned above. This is also the procedure when entering into financing and derivative agreements. The credit risk related to derivatives is also reduced by the fact that all payments related to interest rate derivatives are net payments. Atria has only made derivatives with banks that are among Atria's main lenders.

The credit risk of the Group's operative business is related to our customers, of which the main ones are large retail chains. Part of the Group's trade receivables are related to feed and animal trading in primary production. The credit risk related to this is higher, but also more dispersed. The Group's trade receivables are also dispersed over several market areas and many customers. To secure the supply of domestically produced meat raw material in Finland, Atria has granted financing to meat producers. The interest-bearing loan receivables are primarily related to these loans.

Credit loss risk is managed with securities, such as credit insurance policies and bank guarantees, as well as with advance invoicing. Each business area has been assigned a separate credit policy that takes into account the special features of the market area. Credit risk is examined and monitored on a case-by-case basis for major customers and customer groups. More detailed information about trade receivables is provided in Note 20.

Commodity risk

The Group is exposed to commodity risks, with the most significant commodities being meat raw material and electricity. Fluctuations in the price of meat raw material affect profitability in the short term, but efforts are made to pass on the price increases to sales prices as soon as possible.

Fluctuations in the price of electricity are hedged with forward electricity agreements according to the Group's electricity procurement policy. The hedging levels in the policy are shown in the table below.

Period	Hedging level minimum	Hedging level maximum
1–12 months	70%	100%
13–24 months	40%	80%
25–36 months	0%	50%
37–48 months	0%	40%
49–60 months	0%	30%

Hedge accounting in accordance with the IFRS is applied to electricity hedges. The valuation differences, EUR -4.5 million (EUR +5.0 million), of the effective portion of electricity derivatives that meet the criteria for hedge accounting were recognised in the equity hedge fund.

If the market price for electricity derivatives changed by +/-10% from the level of 31 December 2019, the effect on equity would be EUR +/-1.3 million (EUR +/-1.6 million), on the assumption that all hedges are 100% effective.

Capital structure management

In capital structure management, the Group aims to ensure normal operating conditions under all circumstances and to maintain an optimal capital structure in terms of capital costs.

The Group monitors the development of its capital structure primarily through the equity ratio, for which the Group has set a target level of 40%. Based on this equity ratio, the company estimates that the availability and total cost of new capital are optimal.

Equity ratio is affected by the balance sheet total and equity. The company is able to affect the balance sheet total and, thereby, the capital structure through the management of working capital, the amount of investments and the sale of business operations or assets. Correspondingly, the company can affect the amount of its own equity through dividend distribution and share issues.

The equity ratio was 46.9% (31 December 2018: 47.7%). The equity ratio decreased due to lease liabilities recognised in line with IFRS 16. The lease liabilities totalled EUR 33.6 million on 31 December 2019.

In the assessment of investments and divestments, the Group uses the Group's weighted average cost of capital (WACC) as reference. This way, the Group seeks to ensure that its assets generate at least an amount corresponding to the average cost of its capital.

Values of financial assets and liabilities by category:

EUR 1,000

2019 Balance sheet item	Recognised at acquisition cost	Recognised at fair value through profit or loss	Recognised at fair value in total comprehensive income	Derivatives in hedge accounting	Balance sheet total
Non-current assets					
Trade receivables	2,623				2,623
Other financial assets			1,198		1,198
Loan receivables	1,632				1,632
Other receivables*	436				436
Derivative financial instruments				498	498
Accrued credits and deferred charges*	21				21
Current assets					
Trade receivables	79,648		2,106		81,754
Loan receivables	3,621				3,621
Other receivables*	4,410				4,410
Derivative financial instruments		212		839	1,051
Accrued credits and deferred charges*	7,415				7,415
Cash and cash equivalents	4,395				4,395
Total financial assets	104,201	212	3,304	1,337	109,054
Non-current liabilities					
Loans	140,868				140,868
Lease liabilities	24,996				24,996
Other liabilities**	5,986				5,986
Derivative financial instruments				972	972
Accruals and deferred income**	70				70
Current liabilities					
Loans	53,101				53,101
Lease liabilities	8,612				8,612
Trade payables	111,246				111,246
Other liabilities **)	4,327				4,327
Derivative financial instruments		1,783		182	1,965
Accruals and deferred income **)	48,192				48,192
Total financial liabilities	397,398	1,783	0	1,154	400,335

* Do not include VAT or income tax assets

** Do not include VAT or income tax liabilities

Values of financial assets and liabilities by category:

EUR 1,000

2018 Balance sheet item	Recognised at acquisition cost	Recognised at fair value through profit or loss	Recognised at fair value in total comprehensive income	Derivatives in hedge accounting	Balance sheet total
Non-current assets					
Trade receivables	2,725				2,725
Other financial assets			1,198		1,198
Loan receivables	4,322				4,322
Other receivables*	390				390
Derivative financial instruments		47		2,293	2,340
Current assets					
Trade receivables	77,935		2,529		80,464
Loan receivables	4,551				4,551
Other receivables*	2,533				2,533
Accrued credits and deferred charges*	6,027				6,027
Derivative financial instruments		787		3,434	4,221
Cash and cash equivalents	3,982				3,982
Total financial assets	102,465	834	3,727	5,727	112,753
Non-current liabilities					
Loans	152,092				152,092
Lease liabilities	662				662
Derivative financial instruments				987	987
Other liabilities**	6,144				6,144
Accruals and deferred income**	230				230
Current liabilities					
Loans	73,632				73,632
Lease liabilities	390				390
Trade payables	89,614				89,614
Other liabilities**	4,362				4,362
Accruals and deferred income**	49,369				49,369
Derivative financial instruments		1,496		24	1,520
Total financial liabilities	376,495	1,496	0	1,011	379,002

* Do not include VAT or income tax assets

** Do not include VAT or income tax liabilities

Fair value hierarchy:

EUR 1,000

Balance sheet item	31 Dec 2019	Level 1	Level 2	Level 3
Non-current assets				
Financial assets at fair value through total comprehensive income				
- Unlisted shares	1,198			1,198
Derivative financial instruments	498		498	
Current assets				
Derivative financial instruments	1,051		1,051	
Total	2,747	0	1,549	1,198
Non-current liabilities				
Derivative financial instruments	972		972	
Current liabilities				
Derivative financial instruments	1,965		1,965	
Total	2,937	0	2,937	0

Balance sheet item	31 Dec 2018	Level 1	Level 2	Level 3
Non-current assets				
Financial assets at fair value through total comprehensive income				
- Unlisted shares	1,198			1,198
Derivative financial instruments	2,340		2,340	
Current assets				
Derivative financial instruments	4,221	0	4,221	
Total	7,759	0	6,561	1,198
Non-current liabilities				
Derivative financial instruments	987		987	
Current liabilities				
Derivative financial instruments	1,520		1,520	
Total	2,507	0	2,507	0

Level 1: Prices listed on active markets for identical assets and liabilities
The fair value of financial instruments traded in active markets is based on market prices listed on the closing date. Markets are regarded as active if listed prices are readily and regularly available from the stock exchange, broker, industry group, price information service or supervisory authority, and these prices represent actual and regularly occurring market events between independent parties. The current purchase price is used as the listed market price for financial assets.

Level 2: Fair values can be determined either directly (i.e. as prices) or indirectly (i.e. derived from prices).
A fair value is established through valuation techniques for financial instruments that are not traded in active markets (such as OTC derivatives). These valuation techniques make maximum use of observable market information, when available, and rely as little as possible on company-specific assessments. If all significant input required for determining the fair value of the instrument is observable, the instrument is on level 2.

Level 3: Fair values are not based on verifiable market prices.
If one or more significant piece of input information is not based on observable market information, the instrument is classified on level 3. Assessments by external parties are used for the measurement of financial instruments and, if such assessments are not available, the company's own calculations/assessments are used.

Changes in financial instruments belonging to level 3

Unlisted shares	2019	2018
Opening balance 1 Jan	1,198	1,196
Increases		6
Decreases		-4
Closing balance 31 Dec	1,198	1,198

Derivative financial instruments:

Fair values of derivative instruments, EUR 1,000	Derivative assets 31 Dec 2019	Derivative liabilities 31 Dec 2019	Net fair value 31 Dec 2019	Net fair value 31 Dec 2018
Forward exchange agreements				
Cash flow hedges under hedge accounting	52	125	-73	-21
Other hedges	137	1,763	-1,626	-810
Interest rate swaps, due in more than one year				
Cash flow hedges under hedge accounting		878	-878	-966
Electricity derivatives				
Cash flow hedges under hedge accounting	1,333	171	1,162	5,703
Other hedges	27		27	148
Total	1,549	2,937	-1,388	4,054

Nominal values of derivative financial instruments, EUR 1,000	31 Dec 2019	31 Dec 2018
Forward exchange agreements		
Cash flow hedges under hedge accounting	6,090	3,514
Other hedges	104,620	134,034
Interest rate swaps		
Cash flow hedges under hedge accounting	30,000	30,000
Electricity derivatives		
Cash flow hedges under hedge accounting	11,993	13,559
Other hedges	62	250
Total	152,765	181,358

30. OTHER LEASES, EUR 1,000

	2019	2018
Group as lessee:		
Minimum lease payments based on non-cancellable other leases in accordance with IAS 17		
Within one year		12,960
Within more than one year and a maximum of five years		4,498
After more than five years		2,948
Total		20,406
Rents recognised as cost		15,374

See Note 25 for lease liabilities in accordance with IFRS 16 in 2019.

31. CONTINGENT LIABILITIES, EUR 1,000

	2019	2018
Debts with mortgages or other collateral given as security:		
Loans from financial institutions	1,388	1,490
Pension fund loans	4,213	4,277
Total	5,601	5,767
Mortgages and other securities given as comprehensive security:		
Real estate mortgages	1,388	2,517
Corporate mortgages		1,073
Total	1,388	3,590
Contingent liabilities not included in the balance sheet		
Guarantees	84	86

Front page
Atria in brief
Atria's key figures
CEO's review
Responsible Atria
Strategy and business environment
Business area reviews
Atria Finland
Atria Sweden
Atria Denmark & Estonia
Atria Russia
Research and development
Financial statements and Corporate governance statement
Financial statements and report by the Board of Directors
Auditors' report
Corporate Governance Statement
Financial communications
Contact information

32. RELATED PARTY TRANSACTIONS, EUR 1,000

Atria Group's related parties include the members of the Board of Directors and the Supervisory Board, the CEO, the Deputy CEO and other members of the Management Team, their immediate families and the companies in which they have a controlling interest. Other related parties include the Group's joint ventures and associated companies, as well as the shareholding co-operatives Itikka Co-operative, Lihakunta and Pohjanmaan Liha Co-operative and the subsidiaries of these companies.

Group companies, Group joint ventures and associates are presented in more detail in Note 33.

All business transactions that are entered into with related parties and are not eliminated in the consolidated financial statements are recognised as related party transactions.

Transactions with related parties and related party assets and liabilities	Joint ventures and associates	Other related parties	Total
1 Jan–31 Dec 2019			
Sale of goods	5,280	8,779	14,059
Sale of services	14	169	183
Rental income	4,696		4,696
Purchase of goods	16,588	12,968	29,556
Purchase of services	55,442	75	55,517
Rental costs	5,781	5,187	10,968
31 Dec 2019			
Trade receivables	302	732	1,034
Other receivables	115	323	438
Interest-bearing liabilities		10,024	10,024
Trade payables	4,994		4,994

Transactions with related parties and related party assets and liabilities	Joint ventures and associates	Other related parties	Total
1 Jan–31 Dec 2018			
Sale of goods	5,762	8,180	13,942
Sale of services	15	152	167
Rental income	4,508	112	4,620
Purchase of goods	16,800	11,562	28,362
Purchase of services	53,055	111	53,166
Rental costs	5,900	5,238	11,138
31 Dec 2018			
Trade receivables	576	552	1,128
Other receivables	186		186
Interest-bearing liabilities		9,770	9,770
Trade payables	4,629	227	4,856

The sale of goods and services to related parties is based on the Group's valid price lists. The majority of services purchased were the logistics services of Tuoretie Oy.

Employee benefits and fees of the Group's key managerial personnel (on an accrual basis)	2019	2018
Short-term employee benefits	3,205	2,643
Post-employment benefits (group pension benefits)	334	283
Total	3,539	2,926

The Group's key managerial personnel consists of the members of the Board of Directors and the Supervisory Board, the CEO, the Deputy CEO and other members of the Group's Management Team.

For the CEO and Deputy CEO, the retirement age is 63 years.

Group pension benefits have been arranged for the members of Atria Group's Management Team who are within the scope of Finnish social security. The retirement age under the group pension insurance is 63 years for the members of the Management Team. The pension plan is a defined contribution plan, and the annual contribution is based on the insured's monthly salary (monetary salary and fringe benefits).

Incentive schemes for management:

Long-term incentive plan
Atria Plc has a long-term incentive scheme for key persons for 2018–2020.
The scheme has been approved by the Board of Directors. The share-based incentive scheme aims to encourage Atria's management to acquire company shares and to increase the company's value through their decisions and activities over the long term.

The scheme is based on a share bonus and a cash bonus, and is divided into three one-year periods. The possible bonus in the scheme is based on the company's earnings per share (70%) and organic growth (30%). The bonuses for each period are paid in equal instalments over three years following the earning period, partly as company shares and partly in cash. The cash proportion aims to cover any taxes and tax-like payments incurred by the person due to the bonus. If the person's employment relationship or service contract ends prior to the payment of the bonus, the bonus is not usually paid. The share-based incentive scheme covers a maximum of 40 people. The bonuses to be paid for the 2019 earning period are estimated at EUR 0.1 million.

Short-term incentive scheme

The maximum amount of bonus for the short-term incentive plan of Atria Plc is 25% to 50% of the annual salary, depending on the effect on the result and the level of competence required to perform the duties. The criteria in the bonus scheme are Group-level and business area-specific operating profit and net sales targets. In addition to the CEO and other members of the Management Team, Atria Plc's bonus scheme covers around 40 people.

Salaries, benefits and pension contributions for the members of the Supervisory Board, Board of Directors, CEO and Deputy CEO	Salaries and remuneration	Supplementary pension contributions	Total
Members of the Supervisory Board:			
Kaikkonen Jukka, Chair	23		23
Anttikoski Juho, Deputy Chair	13		13
Other members of the Supervisory Board	76		76
Total	111	0	111
Members of the Board of Directors:			
Paavola Seppo, Chair	69		69
Rantsi Jyrki, Deputy Chair	61		61
Ginman-Tjeder Nella	29		29
Korhonen Pasi	35		35
Moisio Jukka	27		27
Paxal Kjell-Göran	42		42
Ritola Ahti	53		53
Sivula Harri	29		29
Total	345	0	345
CEO:			
Gröhn Juha	599	137	736
Deputy CEO:			
Back Tomas	333	77	409

33. GROUP COMPANIES, GROUP JOINT VENTURES AND ASSOCIATES

Atria Group's most important subsidiaries are food manufacturers Atria Finland Ltd, Atria Sverige AB, Atria Danmark A/S, OOO Pit-Product and Atria Eesti AS; animal procurement and trading company A-Tuottajat Oy; and feed manufacturer A-Rehu Oy.

Group companies by business area	Domicile	Ownership interest (%)	Share of votes (%)
Atria Finland:			
Ab Botnia-Food Oy *)	Finland	100.0	100.0
A-Liha Jyväskylä Oy	Finland	100.0	100.0
A-Lihatukkurin Oy	Finland	100.0	100.0
A-Logistics Ltd	Finland	100.0	100.0
A-Pekoni Nurmo Oy	Finland	100.0	100.0
A-Pihvi Kauhajoki Oy	Finland	100.0	100.0
A-Pihvi Kuopio Oy	Finland	100.0	100.0
A-Rehu Oy	Finland	51.0	51.0
A-Sikateurastamo Oy	Finland	100.0	100.0
Atria Plc	Finland		
Atria Finland Ltd	Finland	100.0	100.0
Atria-Chick Oy	Finland	100.0	100.0
Atria-Lihavalmiste Oy	Finland	100.0	100.0
Atria-Meetvursti Oy	Finland	100.0	100.0
Atria-Tekniikka Oy	Finland	100.0	100.0
Atria-Tuoreliha Oy	Finland	100.0	100.0
Atria-Valmisruoka Oy	Finland	100.0	100.0
A-Farmers Ltd	Finland	97.9	99.0
Best-In Oy	Finland	100.0	100.0
Kauhajoen Teurastamokiinteistöt Oy	Finland	100.0	100.0
Well-Beef Ltd	Finland	70.0	70.0
Kiinteistö Oy Tievapolku 3	Finland	100.0	100.0
Liha ja Säilyke Oy	Finland	100.0	100.0
Mestari Forsman Oy *)	Finland	100.0	100.0
Rokes Oy	Finland	100.0	100.0
Sahalahden Broiler Oy	Finland	100.0	100.0
Suomen Kalkkuna Oy	Finland	100.0	100.0

Group companies by business area	Domicile	Ownership interest (%)	Share of votes (%)
Atria Sweden:			
Atria Concept SP Z.o.o	Poland	100.0	100.0
Atria Concept UK Ltd	UK	100.0	100.0
Atria Korea LLC	Republic of Korea	100.0	100.0
Atria Norge AS	Norway	100.0	100.0
Atria Sverige AB	Sweden	100.0	100.0
Atria Sweden AB	Sweden	100.0	100.0
Sibylla Sweden AB	Sweden	100.0	100.0
Atria Denmark & Estonia:			
Atria Danmark A/S	Denmark	100.0	100.0
Atria Denmark Holding A/S	Denmark	100.0	100.0
Atria Eesti AS	Estonia	100.0	100.0
Atria Farmid OÜ	Estonia	100.0	100.0
OÜ Atria *)	Estonia	100.0	100.0
Atria Russia:			
Atria-Invest Oy	Finland	100.0	100.0
OOO Pit-Product	Russia	100.0	100.0
Sibylla Rus LCC	Russia	100.0	100.0

*) Dormant company

The consolidated financial statements include all subsidiaries. The share of non-controlling interest in Atria Group's profit for the period and retained earnings is not material.

Group companies by business area	Domicile	Ownership interest (%)	Share of votes (%)
Group joint ventures:			
Honkajoki Oy *)	Finland	50.0	50.0
Länsi-Kalkkuna Oy	Finland	50.0	50.0
Group associates:			
Domretor Oy	Finland	24.9	24.9
Findest Protein Oy	Finland	33.1	33.1
Finnpig Oy	Finland	49.0	49.5
Foodwest Oy	Finland	24.5	24.5
Kiinteistö Oy Itikanmäen Teollisuustalo	Finland	12.6	12.6
Transbox Oy	Finland	25.7	25.7
Tuoretie Oy	Finland	33.3	33.3

*) Reported as a significant joint venture (Note 16).

34. EVENTS AFTER THE RELEASE DATE OF THE FINANCIAL STATEMENTS

The coronavirus epidemic that expanded in March 2020 and the measures taken to prevent it from spreading are relevant events to Atria after the release date of financial statements. These events have an impact on the well-being of Atria's personnel, the product delivery reliability and on business development.

INCOME STATEMENT, EUR 1,000

	Note	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
NET SALES	2.1	34,871	36,784
Other operating income	2.2	6,041	4,885
Personnel expenses	2.3	-4,041	-3,462
Depreciation and impairment	2.4		
Depreciation according to plan		-20,200	-20,403
Other operating expenses	2.5	-7,267	-6,693
EBIT		9,403	11,111
Financial income and expenses	2.6	-21,110	-55,610
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		-11,706	-44,499
Appropriations	2.7	19,721	17,080
Income taxes	2.8	-5,781	-5,175
PROFIT/LOSS FOR THE PERIOD		2,233	-32,595

BALANCE SHEET, EUR 1,000

Assets	Note	31 Dec 2019	31 Dec 2018
FIXED ASSETS			
Intangible assets	3.1		
Intangible rights		15	19
Other long-term expenditure		7,783	8,324
Total intangible assets		7,798	8,343
Tangible assets	3.1	214,500	217,484
Investments	3.2		
Interests in Group companies		272,158	272,967
Interests in associates		3,520	3,436
Other shares and interests		1,061	1,061
Total investments		276,740	277,464
TOTAL FIXED ASSETS		499,038	503,292
CURRENT ASSETS			
Non-current receivables	3.3	144,439	148,367
Current receivables	3.3	142,348	166,354
Cash in hand and at bank		3,766	3,143
TOTAL CURRENT ASSETS		290,553	317,864
Total assets		789,591	821,156

Liabilities	Note	31 Dec 2019	31 Dec 2018
EQUITY	3.4		
Share capital		48,055	48,055
Treasury shares		-1,247	-1,277
Invested unrestricted equity fund		248,730	248,730
Retained earnings		17,206	61,064
Profit/loss for the period		2,233	-32,595
TOTAL EQUITY		314,978	323,976
ACCRUED APPROPRIATIONS	3.5		
Depreciation difference		80,431	80,382
LIABILITIES			
Non-current liabilities	3.6	139,878	151,728
Current liabilities	3.7	254,305	265,070
TOTAL LIABILITIES		394,182	416,798
Total liabilities		789,591	821,156

CASH FLOW STATEMENT, EUR 1,000

	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Payments received from sales	34,180	37,446
Other business revenue	6,041	4,885
Payments on operating expenses	-9,702	-11,319
Cash flow from operating activities before financial items and taxes	30,518	31,013
Dividends received	7,407	622
Interest received and other financial income	11,356	16,373
Interest paid and financial expenses	-11,316	-16,516
Tax paid	-6,644	-4,702
Cash flow from operating activities	31,322	26,790
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-16,671	-17,033
Other investments	-27,510	-9,512
Change in Group receivables	31,352	-26,289
Change in loan receivables	150	0
Cash flow from investments	-12,678	-52,833
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of long-term loans	0	35,000
Repayment of long-term loans	-2,000	-50,300
Withdrawal of short-term loans	40,821	64,892
Repayment of short-term loans	-64,892	-36,767
Change in Group liabilities	2,162	22,257
Received or given Group contributions	17,120	8,050
Change in treasury shares	31	
Dividends paid	-11,263	-14,078
Cash flow from financing activities	-18,020	29,053
CASH FLOW FROM OPERATING ACTIVITIES	31,322	26,790
CASH FLOW FROM INVESTMENTS	-12,678	-52,833
CASH FLOW FROM FINANCING ACTIVITIES	-18,020	29,053
TOTAL	623	3,010
Change in cash and cash equivalents		
Cash and cash equivalents 1 Jan	-3,143	-134
Cash and cash equivalents 31 Dec	3,766	3,143
Change	623	3,010

1. ACCOUNTING POLICIES

General principles applied in preparing the financial statements

Atria Plc's financial statements have been prepared in accordance with the Finnish Accounting Act and other rules and regulations pertaining to the compilation of financial statements (FAS).

Information concerning the Group

Atria Plc is the parent company of Atria Group, and its domicile is in Kuopio, Finland. Copies of Atria Plc's financial statements are available from the company's head office at Itikanmäenkatu 3, Seinäjoki, postal address P.O. Box 900, FI-60060 ATRIA, Finland.

Valuation principles

On the balance sheet, tangible and intangible assets are entered at their direct acquisition cost less depreciation according to plan and value adjustments. Depreciation is implemented on a straight-line basis over the service life of the assets. Contributions received for the acquisition of tangible assets are recognised as a decrease in acquisition costs. These contributions are not significant.

Depreciation periods:

Buildings	Seinäjoki	40 years
	Other locations	25 years
Machinery and equipment	Seinäjoki	10 years
	Other locations	7 years
Software		5 years
Other long-term items		10 years

Items presented in foreign currencies

Items presented in foreign currencies have been converted into euros at the exchange rate quoted by the European Central Bank. The exchange differences of the realised currency-denominated loans are presented under financial items.

Financial assets and liabilities

Financial instruments are measured primarily in accordance with chapter 5, section 2 of the Accounting Act. Receivables at nominal value, although at a maximum probable value. Securities and others of the kind falling under the scope of financial assets at acquisition cost or, if their probable normal value on the closing date is less than that, at this value. Liabilities at nominal value or, if the debt is tied to an index or some other basis for comparison, at the value higher than the nominal value pursuant to the changed basis for comparison.

Derivative financial instruments

Of financial instruments, derivatives are measured at fair value in accordance with the alternative practice presented in chapter 5, section 2a of the Accounting Act. Derivatives are accounted for as hedging. The company enters into derivative contracts mainly to hedge against fluctuations in interest rates and currency exchange rates. The derivatives used are forward exchange agreements and interest rate swaps. The company recognises derivatives at fair value on the balance sheet when the derivative contract enters into force (other financial assets and liabilities). Interest rate swaps have been recognised in accordance with this principle since the 2018 financial year. Derivatives are measured at fair value on the balance sheet date, and gains and losses arising from the valuation difference are recognised in financial income and expenses in the income statement.

2. NOTES TO THE INCOME STATEMENT, EUR 1 000

	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
2.1 NET SALES	34,871	36,784

The company's rental income is presented as net sales because this corresponds to the present nature of the company's operations.

2.2 OTHER OPERATING INCOME

Service charges from Group companies	5,958	4,854
Other	82	32
Total	6,041	4,885

2.3 PERSONNEL EXPENSES

Average number of personnel		
Office personnel in Finland	19	17
Personnel expenses		
Salaries:		
CEO, Executive Vice President and Deputy CEO and members of the Board	1,228	1,355
Members of the Supervisory Board	75	75
Other salaries	1,708	1,265
Total	3,011	2,696
Pension costs	902	671
Other staff-related expenses	129	95
Total	1,030	766
Total personnel expenses	4,041	3,462

Pension commitments of the members of the Board of Directors and the CEO:
The company's statutory pensions are defined contribution plans and have been arranged through an insurance company (see Note 32 to the consolidated financial statements).

2.4 DEPRECIATION AND IMPAIRMENT	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Depreciations of tangible and intangible assets	20,200	20,403

Depreciation specification per balance sheet item is presented in section 3.1.

2.5 OTHER OPERATING EXPENSES

Other operating expenses	7,267	6,693
Including administration, marketing, energy, cleaning, operational and other costs, as well as fees paid to auditors.		
Fees paid to auditors / PricewaterhouseCoopers Oy		
Auditing fees	174	179
Other fees	0	6
Total	174	185

2.6 FINANCIAL INCOME AND EXPENSES

Return on long-term investments		
From Group companies	7,351	
From other companies	56	622
Total	7,407	622
Other interest and financial income		
From Group companies	3,412	3,143
From other companies	7,950	11,640
Total	11,362	14,783
Interest expenses and other financial expenses		
To Group companies	69	152
Impairment of investments in fixed assets *)	28,234	54,000
To other companies	11,576	16,864
Total	39,879	71,016
Total financial income and expenses	-21,110	-55,610

	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Interest expenses and other financial expenses include exchange rate gains/losses (net)	15	-7

* In accordance with chapter 5, section 13 of the Accounting Act, the company has reduced the value of shares in Atria Invest Oy, which invests in Russian subsidiaries, on Atria Plc's balance sheet. The impairment is due to the Russian operations' performance capability, which failed to meet expectations. The impairment does not affect Atria Group's financial statements. On Atria's consolidated financial statements, the value of the Russian business was written down in 2013.

2.7 APPROPRIATIONS

Difference between depreciation according to plan and depreciation implemented in taxation	-49	-40
Group contributions received	19,770	17,120
Total	19,721	17,080

2.8 INCOME TAXES

Income taxes on operations	5,781	5,175

3. NOTES TO THE BALANCE SHEET, EUR 1000

3.1 INTANGIBLE AND TANGIBLE ASSETS	31 Dec 2019	31 Dec 2018
Intangible assets:		
Intangible rights		
Acquisition cost 1 Jan	1,483	1,483
Increases	0	0
Decreases	0	0
Acquisition cost 31 Dec	1,483	1,483
Cumulative depreciation 1 Jan	-1,464	-1,460
Depreciation on decreases	0	0
Depreciation for the period	-4	-4
Cumulative depreciation 31 Dec	-1,467	-1,464
Balance sheet value 31 Dec	15	19
Other long-term expenditure		
Acquisition cost 1 Jan	33,822	29,367
Increases	2,115	4,455
Decreases	-17	0
Acquisition cost 31 Dec	35,920	33,822
Cumulative depreciation 1 Jan	-25,498	-23,214
Depreciation on decreases	0	0
Depreciation for the period	-2,639	-2,284
Cumulative depreciation 31 Dec	-28,137	-25,498
Balance sheet value 31 Dec	7,783	8,324
Total intangible assets	7,798	8,343
Tangible assets:		
Land and water		
Acquisition cost 1 Jan	1,197	1,197
Increases	0	0
Decreases	-17	0
Acquisition cost 31 Dec	1,179	1,197
Buildings and structures		
Acquisition cost 1 Jan	321,144	319,291
Increases	2,025	1,852
Decreases	-40	0
Acquisition cost 31 Dec	323,129	321,144
Cumulative depreciation 1 Jan	-176,153	-169,524
Depreciation on decreases	0	0
Depreciation for the period	-6,659	-6,629
Cumulative depreciation 31 Dec	-182,812	-176,153
Balance sheet value 31 Dec	140,316	144,991

	31 Dec 2019	31 Dec 2018
Machinery and equipment		
Acquisition cost 1 Jan	371,528	357,945
Increases	12,223	13,611
Decreases	-8	-29
Acquisition cost 31 Dec	383,743	371,528
Cumulative depreciation 1 Jan	-306,407	-295,101
Depreciation on decreases	0	0
Depreciation for the period	-10,747	-11,306
Cumulative depreciation 31 Dec	-317,155	-306,407
Balance sheet value 31 Dec	66,588	65,121
Other tangible assets		
Acquisition cost 1 Jan	3,754	2,913
Increases	40	841
Decreases	0	0
Acquisition cost 31 Dec	3,794	3,754
Cumulative depreciation 1 Jan	-2,110	-1,929
Depreciation on decreases	0	0
Depreciation for the period	-150	-180
Cumulative depreciation 31 Dec	-2,260	-2,110
Balance sheet value 31 Dec	1,534	1,645
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	4,531	8,231
Changes +/-	350	-3,699
Acquisition cost 31 Dec	4,882	4,531
Total tangible assets	214,500	217,484
Non-depreciated acquisition cost of machinery and equipment	66,588	65,121

The share of items other than production machinery and equipment is not significant in amount. The acquisition costs of completely depreciated and scrapped items are presented as decreases.

3.2 INVESTMENTS

	31 Dec 2019	31 Dec 2018
Group companies:	Parent company holding, %	Parent company holding, %
Ab Botnia-Food Oy, Seinäjoki	100	100
Atria Concept UK Ltd, Great Britain	100	100
Atria Denmark Holding A/S, Denmark	100	
Atria Eesti AS, Estonia	100	100
Atria Korea LLC, Republic of Korea	100	100
Atria Sweden AB, Sweden	100	100
Atria Finland Ltd, Kuopio	100	100
Atria-Invest Oy, Seinäjoki	100	100
A-Farmers Ltd, Seinäjoki	97.9	97.9
Best-In Oy, Kuopio	100	100
Kauhajoen Teurastamokiinteistöt Oy, Kauhajoki	100	100
Kiinteistö Oy Tievapolku 3, Helsinki	100	100
Liha ja Säilyke Oy, Forssa	63.2	63.2
Mestari Forsman Oy, Seinäjoki	100	100
OÜ Atria, Estonia	100	100
Rokes Oy, Forssa	100	100
Suomen Kalkkuna Oy, Seinäjoki	100	100
Joint ventures and associates:		
Foodwest Oy, Seinäjoki	24.5	20.4
Honkajoki Oy, Honkajoki	50.0	50.0
Kiinteistö Oy Itikanmäen Teollisuustalo, Seinäjoki	12.6	12.6
Länsi-Kalkkuna Oy, Säkylä	50.0	50.0
Transbox Oy, Helsinki	18.6	18.6
Tuoretie Oy, Seinäjoki	33.3	33.3

3.3 RECEIVABLES	31 Dec 2019	31 Dec 2018
Non-current receivables:		
Loan receivables	5	155
Receivables from Group companies:		
Loan receivables	144,434	148,212
Total non-current receivables	144,439	148,367
Current receivables:		
Trade receivables	67	3
Other receivables	-4	19
Accrued credits and deferred charges	383	154
Receivables from Group companies:		
Trade receivables	1,795	1,168
Other receivables	119,483	147,056
Accrued credits and deferred charges	20,623	17,953
Total current receivables	142,348	166,354
Material items included in accrued credits and deferred charges:		
- Group contributions	19,770	17,120
- amortised interest	857	834
- valuation of forward contracts	37	31
- other	343	123
Total	21,006	18,107

3.4 EQUITY	31 Dec 2019	31 Dec 2018
Share capital 1 Jan	48,055	48,055
Share capital 31 Dec	48,055	48,055
Total restricted equity	48,055	48,055
Treasury shares 1 Jan	-1,277	-1,277
Share incentives	31	
Treasury shares 31 Dec	-1,247	-1,277
Invested unrestricted equity fund 1 Jan	248,730	248,730
Invested unrestricted equity fund 31 Dec	248,730	248,730
Retained earnings 1 Jan	28,469	75,142
Distribution of dividends	-11,263	-14,078
Retained earnings 31 Dec	17,206	61,064
Profit/loss for the period	2,233	-32,595
Retained earnings 31 Dec	19,440	28,469
Total unrestricted equity	266,923	275,921
Total equity	314,978	323,976

At the end of the financial year on 31 December 2019, the company held a total of 108,740 treasury shares, which represenets 0.4% of the shares and 0.1% of the voting rights. The number of treasury shares transferred as share incentives was 2,572.

Calculation of distributable funds:	31 Dec 2019	31 Dec 2018
Invested unrestricted equity fund	248,730	248,730
Retained earnings	17,206	61,064
Profit/loss for the period	2,233	-32,595
Treasury shares	-1,247	-1,277
Total	266,923	275,921

The breakdown of the share capital is as follows:

	2019		2018	
	Number of	EUR 1,000	Number of	EUR 1,000
Series A (1 vote per share)	19,063,747	32,408	19,063,747	32,408
Series KII (10 votes per share)	9,203,981	15,647	9,203,981	15,647
Total	28,267,728	48,055	28,267,728	48,055

3.5 ACCRUED APPROPRIATIONS	31 Dec 2019	31 Dec 2018
Depreciation difference	80,431	80,382

3.6 NON-CURRENT LIABILITIES		
Loans from financial institutions	135,000	135,000
Pension fund loans	4,000	6,000
Accruals and deferred income	878	1,028
Total non-current liabilities	139,878	142,028

3.7 CURRENT LIABILITIES	31 Dec 2019	31 Dec 2018
Loans from financial institutions	50,771	65,142
Pension fund loans	2,000	2,000
Trade payables	3,757	2,285
Other payables	1,373	1,130
Accruals and deferred income	3,587	3,900
Liabilities to Group companies:		
Other non-current liabilities	0	1,550
Trade payables	587	537
Other payables	192,227	188,515
Accruals and deferred income	3	11
Total current liabilities	254,305	265,070

	31 Dec 2019	31 Dec 2018
Material items included in accruals and deferred income:		
- accruals of salaries and social security payments	790	716
- interest accruals	357	382
- valuation of forward contracts	1,764	1,323
- amortised taxes	582	1,444
- other	96	47
Total	3,590	3,911

4. OTHER NOTES, EUR 1000

4.1 SECURITIES GIVEN, CONTINGENT LIABILITIES AND OTHER LIABILITIES	31 Dec 2019	31 Dec 2018
Contingent liabilities and other liabilities not included in the balance sheet		
Guarantees		
On behalf of Group companies	48,480	44,618
On behalf of others	0	0
Total	48,480	44,618
Other leases		
Minimum rents paid based on other leases		
Within one year	636	661
Within more than one year and a maximum of five years	691	831
After more than five years	2,374	2,531
Total	3,702	4,023

4.2 VAT LIABILITIES

The company has made property investments referred to in the Value Added Tax Act. The remaining verification liability of these investments was assessed for each verification period on 31 December 2019.

Year of completion of the investment	31 Dec 2019	31 Dec 2018
	Remaining amount of verification liability	
2010	0	36
2011	177	355
2012	181	272
2013	260	347
2014	371	463
2015	1,047	1,257
2016	1,138	1,327
2017	783	895
2018	432	486
2019	650	0
Total	5,039	5,438

The company is obligated to verify reductions in VAT on property investments if the taxable use of the properties decreases during the verification period.

4.3 INTEREST RATE SWAPS

To be hedged:
A loan of EUR 30 million, 17 June 2015 – 23 June 2022, interest 6-month Euribor

Hedging derivative:
Interest rate swap with a nominal value of EUR 30 million, 23 June 2016 - 23 June 2022; the company receives a six-month Euribor rate and pays a fixed interest rate; the fair value of the agreement on the closing date is EUR -878,000.

The cash flow from the interest rate swap is recognised in the income statement with the same periods as the interest flows from the hedged loan from the closing date until 23 June 2022.

4.4 DERIVATIVE FINANCIAL INSTRUMENTS

Fair values of derivative instruments:	Derivative assets 31 Dec 2019	Derivative liabilities 31 Dec 2019	Net fair value 31 Dec 2019	Net fair value 31 Dec 2018
Forward exchange agreements (maturity less than a year)	37	-1,764	-1,728	-1,292
Interest rate swaps		-878	-878	-966
Total	37	-2,642	-2,605	-2,258

Nominal values of derivative financial instruments:	31 Dec 2019	31 Dec 2018
Forward exchange agreements	97,690	123,720
Interest rate swaps	30,000	30,000
Total	127,690	153,720

The grounds employed to determine the fair value of derivative financial instruments are consistent with the Group's principles. Detailed information concerning derivatives (including risk management and hierarchy levels) are presented in Note 29 to the consolidated financial statements.

Fair value hierarchy:

Balance sheet item	31 Dec 2019	Level 1	Level 2	Level 3
Current assets				
Derivative financial instruments	37		37	
Non-current liabilities				
Interest rate swaps	-878		-878	
Current liabilities				
Derivative financial instruments	-1,764		-1,764	

Balance sheet item	31 Dec 2018	Level 1	Level 2	Level 3
Current liabilities				
Derivative financial instruments	31		31	
Non-current liabilities				
Interest rate swaps	-966		-966	
Current liabilities				
Derivative financial instruments	-1,323		-1,323	

Level 1 Input for identical assets and liabilities, prices quoted on functional markets

Level 2 Quoted prices belonging to levels other than level 1, observable for assets and liabilities either directly or indirectly.

Level 3 Assets and liabilities subject to input not based on verifiable market prices.

On the balance sheet date, 31 December 2019, the company had EUR 1.1 million (1.1 million on 31 December 2018) in other financial assets, in addition to derivatives, consisting of unlisted shares. These belong to level 3.

Signatures to the financial statements and annual report

Seinäjoki, 19 March 2020

Seppo Paavola
Chairperson

Nella Ginman-Tjeder

Pasi Korhonen

Jukka Moisio

Kjell-Göran Paxal

Jyrki Rantsi

Ahti Ritola

Harri Sivula

Juha Gröhn
CEO

Note to the financial statements

A report on the audit performed has been issued today.

Seinäjoki, 19 March 2020
PricewaterhouseCoopers Oy
Firm of authorised public accountants

Samuli Perälä
Authorised public accountant

To the Annual General Meeting of Atria Plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position and financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Board of Directors.

What we have audited

We have audited the financial statements of Atria Plc (business identity code 0841066-1) for the period of 1 January to 31 December 2019. The financial statements comprise:

- the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies
- the parent company's balance sheet, income statement, statement of cash flows and notes.

BASIS FOR OPINION

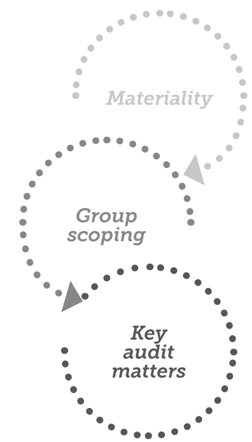
We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 4 to the Financial Statements.



OUR AUDIT APPROACH

Overview

- Overall group materiality: 2,600,000 euros.
- Audit scope: The audit scope included the parent company of the Group and subsidiaries in Finland, Sweden, Russia, Estonia and Denmark.

The following items have been recognised as key audit matters:

- Revenue recognition
- Valuation of goodwill and trademarks
- Valuation of inventory
- Valuation of subsidiary shares and loan receivables (applies only to the parent company)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	2,600,000 euros
How we determined it	Overall group materiality is 2,600,000 euros. Materiality has been determined taking into consideration net sales, gross profit and profit before taxes.
Rationale for the materiality benchmark applied	We chose profit before taxes as the main benchmark because, in our view, it is the benchmark commonly used by users of the financial statements to measure the performance of the group. We have also chosen net sales and gross margin as benchmarks as we consider these to be relevant for the users of the financial statements when assessing the performance of the group.

How we tailored our group audit scope
We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Atria group had four reportable segments during the financial year: Atria Finland, Atria Sweden, Atria Russia and Atria Denmark and Estonia. Our audit procedures addressed all four reportable segments. Our audit scope included the parent company and subsidiaries in Finland, Sweden, Russia, Estonia and Denmark.

We have pre-defined the types of audit procedures aimed at the financial information of each part of the group. In cases where a group component auditor has performed the audit work, we have instructed their work with group audit instructions which have included e.g. our risk assessment, materiality, audit approach and centralized audit procedures.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Revenue recognition *Refer to the Accounting policies for the consolidated financial statements and Notes 1 and 2* Atria has identified two client segments: consumer product clients and primary production clients. Sales revenue is recognised based on customer contracts. The contracts specify the contractual obligations and the prices applicable to them. Revenue recognition is considered a key audit matter in the audit of the group due to the financial significance of net sales in the financial statements.	Our audit procedures included for example the following procedures: • We evaluated the internal control activities and controls over revenue recognition and assessed the appropriateness of the accounting policies related to revenue recognition by comparing those to the applicable accounting standards. • We tested the cut-off of individual sales transactions by comparing to delivery documents and by checking significant credit notes issued after year-end. • We tested discounts and rebate accruals on a sample basis. • We tested a sample of other revenue transactions based on the results of data analysis procedures.
Valuation of goodwill and trademarks *Refer to Accounting policies for the consolidated financial statements and Note 15* The group tests annually goodwill and the intangible assets with indefinite useful lives for possible impairment. Goodwill in the Atria Group consolidated balance sheet totalled to 161 million euros and trademarks with indefinite useful lives to 53 million euros at 31 December 2019. Impairment testing for goodwill and other intangible assets are subject to significant management judgement. The fair value of intangible assets is determined based on estimates of future cash flows. Key assumptions in these estimates include e.g. growth in net sales, profitability levels, and discount rates. The valuation of goodwill and trademarks is considered a key audit matter in the audit of the group due to its financial significance as well as due to the high degree of management judgement involved in the impairment testing.	Our audit procedures included for example the following procedures: • We discussed the accounting policies and significant management's estimates and assumptions. • Where possible, we compared the key variables of discount rate and long-term growth rate of net sales to information generally available at the market. • We reconciled the estimates of future cash flows to the strategy information approved by the board of directors. • We tested the appropriateness of the key assumptions applied to the cash flow estimates and consistency of accounting policies in relation to previous accounting periods. • We assessed the historical accuracy of management's estimates including growth of net sales and profit margin by comparing these to actual results for the period. • We tested mathematical accuracy of the calculations. • We performed sensitivity analyses for the key variables e.g. to test information provided in note 15 regarding sensitivity of the calculations.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of inventories *Refer to Accounting policies for the consolidated financial statements and Note 19* Inventories are measured at the lower of cost or probable net realisable value. The cost for finished and unfinished products consists of raw materials, direct labour costs, other direct costs and the appropriate share of manufacturing-related variable overheads and fixed overheads at a normal level of operations. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. Valuation of inventories is considered a key audit matter in the audit of the group due to its financial significance and as it includes judgement as described in the accounting principles.	Our audit procedures included for example the following procedures: • We evaluated the internal key controls of inventories and the purchasing process. • We tested the appropriateness of the accounting principles relating to valuation of inventories. • We tested price variances of single inventory items on a sample basis. • We tested the appropriateness of key assumptions used in the valuation of inventory and the mathematic accuracy of the calculations.
Valuation of subsidiary shares and loan receivables *Refer to Notes to the parent company financial statements 3.2 and 3.3* Value of shares in subsidiaries in the Atria Plc financial statements at 31 December 2019 totalled 272 million euros and loan receivables from group companies 144 million euros. Valuation of shares in subsidiaries and loan receivables in accordance with the Accounting Act is subject to management judgement. These valuations include significant management judgement in relation to for example subsidiaries projected future cash flows. Valuation of subsidiary shares and loan receivables is considered a key audit matter in the audit of the parent company due to its financial significance as well as due to the high degree of management judgement involved in the valuation.	Our audit procedures included for example the following procedures: • We assessed the book value of Atria Plc's shares in subsidiaries based on the subsidiary's equity and the management estimates of the projected future cash flows. • We discussed with the management the most significant assumptions used in the valuation of shares in subsidiaries and assessed the assumptions of the valuation calculations. • We evaluated the reliability of estimates from previous years by comparing those to the actual results for the period.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the audit of the consolidated financial statements or the parent company financial statements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

APPOINTMENT

PricewaterhouseCoopers Oy or auditors employed by it were first appointed as auditors by the annual general meeting on 10 May 1999.

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Seinäjoki 19 March 2020
PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant

Contents

1. Corporate Governance Statement

Atria Plc ("Atria" or "the company") is a Finnish public company, and the responsibilities and obligations of its governing bodies are determined by Finnish law. The parent company, Atria Plc, and its subsidiaries constitute the international Atria Group. The company is domiciled in Kuopio.

Responsibility for the administration and operations of Atria Group lies with the governing bodies of the parent, Atria Plc. These are the General Meeting, Supervisory Board, Board of Directors and CEO.

Atria's decision-making and corporate governance are in compliance with the Finnish Limited Liability Companies Act, Securities Markets Act, Auditing Act and Accounting Act, as well as other regulations applied to publicly listed companies, Atria Plc's Articles of Association, the rules of procedure for Atria's Board of Directors and committee. In addition, Atria is obligated by, for example, EU-level regulations, Nasdaq Helsinki Ltd's rules as well as instructions and guidelines of the Finnish Financial Supervisory Authority. In 2019, Atria complied with the Corporate Governance Code published by the Securities Market Association and valid since 1 January 2016, and from 1 January 2020, Atria complies with the Corporate Governance Code valid since 1 January 2020. The Corporate Governance Code is publicly available on the Securities Market Association's website at www.cgfinland.fi. In accordance with the Comply or Explain principle, the company departs from the recommendations of the Code as follows (exceptions are explained in the relevant sections):

- As an exception to recommendation 6 of the Code, the term of each Board member is three years in accordance with Atria's Articles of Association.
- As an exception to recommendation 10 of the Code, only three of the eight Board members are independent of the company.
- As an exception to recommendation 17 of the Code, one of the three members of the Nomination and Remuneration Committee is independent of the company.

Atria Plc has prepared this Corporate Governance Statement in accordance with the Corporate Governance Code valid since 1 January 2020. The Corporate Governance Statement is presented as a separate report from the Report by the Board of Directors and is available on the company's website at www.atria.fi/en/group/investors/corporate-governance.

1.1 Articles of Association

The Articles of Association and the pre-emptive purchase clause can be found in their entirety on the company's website at www.atria.fi/en/group/investors/corporate-governance.

1.2 Shareholder Agreement

Lihakunta and Itikka Co-operative, two of Atria's shareholders, have agreed to ensure that they are both represented on the Supervisory Board in proportion to their holdings of Series KII shares in the company. The parties will also ensure that all members of the Supervisory Board are nominated by the parties, unless it has been agreed in separate cases that some of the members of the Supervisory Board are elected from persons nominated by other shareholders. It has also been agreed that the Chairman of the Supervisory Board and the Deputy Chairman of the Board of Directors are nominated by one party and the Chairman of the Board of Directors and the Deputy Chairman of the Supervisory Board by the other party.

Regarding the distribution of Board positions, it has been agreed that each of the parties may nominate three ordinary members and their deputy members to the Board of Directors. The agreement also includes stipulations on the mutual proportion of shareholding and on the procedures followed when either party acquires more Series KII shares directly or indirectly. According to the agreement, the acquisition of Series A shares is not considered in the evaluation of the mutual proportion of shareholding.

Furthermore, Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative, which hold shares in Atria, have shareholder agreement where they have agreed to ensure that Pohjanmaan Liha Co-operative has one representative on the Supervisory Board. The agreement also includes stipulations on Pohjanmaan Liha co-operative`s shareholding.

The company is not aware of any other shareholder agreements.

Despite the above, as stated in section 3 below, the General Meeting decides on the number of members of the company's Supervisory Board and of the Board of Directors and their election.

2. General Meeting

The General Meeting is Atria Plc's highest decision-making body. At the General Meeting, shareholders decide, among other things, on approval of the financial statements and the use of the profit shown in the balance sheet; discharge from liability to the members of the Board of Directors and the Supervisory Board and the CEO; the number of members on the Supervisory Board and the Board of Directors, election and remuneration of the members as well as election and fees of the auditor.

The Annual General Meeting is held annually by the end of June on a date designated by the Board of Directors, and the agenda includes matters that are to be handled by the Annual General Meeting in accordance with the Limited Liability Companies Act and the Articles of Association and any other proposals stated on the notice of meeting. Extraordinary General Meetings may be convened as needed.

Under the Limited Liability Companies Act, a shareholder has the right to have a matter falling within the competence of the General Meeting dealt with by the General Meeting if the shareholder so demands in writing from the Board of Directors well in advance of the meeting, so that the matter can be mentioned in the notice. Where applicable, the shareholder must submit a request to have the matter dealt with by the Annual General Meeting by the date set by the company, which is published on the company's website at www.atria.com. The request, with accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, P.O. Box 900, FI-60060 ATRIA, Finland.

The General Meeting is convened by the Board of Directors. It is held in the company's domicile, Kuopio, or in Helsinki. The notice to convene the General Meeting is communicated by publishing the notice on the Company's website and by a company announcement at the earliest three (3) months and at the latest three (3) weeks before the General Meeting, however, no later than nine (9) days prior to the record date for the General Meeting. In addition, the Board of Directors may decide to publish the notice, or notification of delivering notice, in one or more Finnish national newspapers determined by the Board of Directors, or in any other manner it may decide.

The 2019 Annual General Meeting was held in Helsinki on 26 April 2019. A total of 218 A shareholders representing 9,292,046 shares and votes and 3 KII shareholders representing 9,203,981 shares and 92,039,810 votes attended the meeting either in person or by proxy. The minutes of the meeting and other documents related to the meeting are available on Atria's website at www.atria.fi/en/group/investors/annual-general-meeting.

3. Shareholders' Nomination Board

Atria Plc has a Shareholders' Nomination Board. By its decision of 3 May 2012, the Annual General Meeting established the Nomination Board and approved its written rules of procedure. The rules of procedure were amended by the decision of the Annual General Meeting on 6 May 2014 and again on 27 April 2017. In accordance with the rules of procedure, the Nomination Board prepares proposals to the next Annual General Meeting regarding the remuneration of the members of the Board of Directors and the Supervisory Board as well as the election of the members of the Board of Directors.

Shareholders or their representatives who own Series KII shares are elected for the Nomination Board, as well as the largest holder of Series A shares who does not own Series KII shares, or a representative of such a shareholder. The right to nominate a representative to the Nomination Board is determined on the basis of the shareholder register maintained by Euroclear Finland Ltd in accordance with the situation on the first banking day of the September preceding the Annual General Meeting. The Chairman of the Board of Directors shall also be appointed to the Nomination Board as an expert member.

If a shareholder does not wish to exercise his or her right to nominate a member, the right will be transferred to the next largest Series A shareholder as per the shareholder register who would not otherwise have the right to nominate a member. Some shareholders are obligated to notify the company of certain changes in shareholding (flagging obligations) when necessary under the Finnish Securities Markets Act. Such shareholders may present a written request to the company's Board of Directors by the end of August for the holdings of corporations or foundations controlled by the shareholder, or the shareholder's holdings in several funds or registers, to be combined when calculating voting rights.

The Nomination Board is convened by the Chairman of the Board of Directors, and the Nomination Board elects a Chairman from amongst its members. The Nomination Board shall present its proposal to the Board of Directors by the first day of the February preceding the Annual General Meeting.

On 3 October 2019, the following members were appointed to the Nomination Board by Atria's KII shareholders and the largest A shareholder: Juho Anttikoski (Itikka Co-operative), Pasi Korhonen (Lihakunta), Ola Sandberg (Pohjanmaan Liha Co-operative) and Timo Sallinen (Varma Mutual Pension Insurance Company). Juho Anttikoski was elected Chairman of the Nomination Board, and Seppo Paavola, Chairman of Atria's Board of Directors, is an expert member of the Nomination Board.

The Nomination Board, which prepared the proposal for the 2020 Annual General Meeting, convened twice. On 23 January 2020, the Nomination Board submitted its proposal to Atria's Board of Directors for the Annual General Meeting to be held on 29 April 2020. The proposals were published as a company announcement on 23 January 2020.

Name	Year of birth	Education	Main occupation	Attendance at meetings	Share ownership on 31 December 2019
Juho Anttikoski	1970		Farmer	2/2	4,000
Pasi Korhonen	1975		Farmer	2/2	
Ola Sandberg	1981	Agrologist	Farmer	2/2	50
Timo Sallinen	1970	MSc (Econ.)	Investment Director (listed investments)	2/2	

4. Supervisory Board

In accordance with Atria Plc's Articles of Association, the company has a Supervisory Board elected by the General Meeting. The Supervisory Board consists of a minimum of 18 and a maximum of 21 members, who are elected for terms of three years. The Supervisory Board elects a Chairman and a Deputy Chairman from amongst its members for terms of one year. The Supervisory Board meets four times a year on average.

The duties of the Supervisory Board are specified in the Limited Liability Companies Act and Atria's Articles of Association. The duties of the Supervisory Board are as follows:

- Supervising the administration of the company by the Board of Directors and the CEO.
- Providing instructions to the Board of Directors on matters that are of far-reaching consequence or important in principle.
- Submitting its statement on the financial statements and the auditors' report to the Annual General Meeting.

The Board of Directors has estimated that all membes of the Supervisory Board are dependent of Atria because they are either full-time farmers who have, or are in the management of, another company that has a significant customer, supplier or partnership relationship with Atria Group for that entrepreneur/company.

All members of the Supervisory Board belong to the Board of Directors or the Supervisory Board of the significant shareholder Itikka Co-operative, the significant shareholder Lihakunta or the Pohjanmaan Liha Co-operative. The Board of Directors has estimated that those members of Atria's Supervisory Board who are simultaneously members of the Board of Directors of Itikka Co-operative or Lihakunta, significant shareholders of the company, are dependent of the significant shareholders. Membership of the Supervisory Board of a significant shareholder alone has not been considered to cause dependence.

The company has a Supervisory Board, because shareholders of the company representing more than 50% of the votes granted by the company's shares have expressed their

On 31 December 2019, the 19 members of Atria Plc's Supervisory Board are the following:

Name	Born	Member from	Education	Main occupation	Attendance at meetings	Share ownership on 31 December 2019	Independence of the company and significant shareholder
Jukka Kaikkonen (Chairman)	1963	2013	Agrologist	Farmer	4/4	500	Dependent of the company and significant shareholder (Lihakunta)
Juho Anttikoski	1970	2009		Farmer	4/4	4,000	Dependent of the company
Mika Asunmaa	1970	2005		Farmer	4/4	11,000	Dependent of the company and significant shareholder (Itikka Co-operative)
Lassi-Antti Haarala	1966	2006	Agrologist	Farmer	4/4	6,000	Dependent of the company and significant shareholder (Itikka Co-operative)
Jyrki Halonen	1961	from 26 April 2019	Farm Engineer	Farmer	3/3	660	Dependent of the company
Jussi Hantula	1955	2012	Agrologist	Farmer	4/4	791	Dependent of the company
Veli Hyttinen	1973	2010	Agrologist	Farmer	4/4	1,500	Dependent of the company and significant shareholder (Lihakunta)
Pasi Ingalsuo	1966	2004	Agrologist	Farmer	4/4	4,000	Dependent of the company and significant shareholder (Itikka Co-operative)
Jussi Joki-Erkkilä	1977	2016		Agricultural entrepreneur	4/4	0	Dependent of the company
Marja-Liisa Juuse	1963	2015		Farmer	4/4	250	Dependent of the company
Juha Kiviniemi	1972	2010	MSc (Agr.)	Farmer	4/4	300 Company authority 184	Dependent of the company and significant shareholder (Itikka Co-operative)
Ari Lajunen	1975	2013	MSc (Agr.)	Farmer	4/4	0	Dependent of the company and significant shareholder (Lihakunta)
Juha Nikkola	1976	2018	MSc (Agr.)	Farmer	4/4	100	Dependent of the company and significant shareholder (Itikka Co-operative)
Mika Niku	1970	2009		Farmer	4/4	300	Dependent of the company and significant shareholder (Lihakunta)
Pekka Ojala	1964	2013	Agrologist	Farmer	4/4	100	Dependent of the company
Heikki Panula	1955	2005	MSc (Agr.)	Farmer	4/4	500	Dependent of the company
Risto Sairanen	1960	2013		Farmer	4/4	0	Dependent of the company and significant shareholder (Lihakunta)
Ola Sandberg	1981	2018	Agrologist	Farmer	4/4	50	Dependent of the company
Timo Tuhkasaari	1965	2002		Farmer	4/4	600	Dependent of the company

satisfaction with the current model based on the Supervisory Board, because it brings a far-reaching perspective on the company's operations and decision-making. The company believes that understanding its business requires a deep familiarity with and commitment to meat operations from its Supervisory Board members.

In 2019, Atria Plc's Supervisory Board met four (4) times, and the average attendance of the members was 100%.

5. Board of Directors

In accordance with the Articles of Association, Atria's Board of Directors has a minimum of 5 and a maximum of 9 members. The term of office of a member of Atria's Board of Directors differs from the term of one year specified in recommendation 6 of the Corporate Governance Code. Per the Articles of Association, the term of a member of the Board of Directors is three (3) years. Shareholders representing more than 50% of the votes have stated that the term of three (3) years is appropriate for the long-term development of the company and have not seen the need to shorten the term from that specified in the Articles of Association. As an exception to recommendation 10 of the Corporate Governance Code, three of the eight Board members are independent of the company. The company believes that understanding its business requires a deep familiarity with and commitment to meat operations from the majority of its Board members.

The Chairman and Deputy Chairman of the Board of Directors are appointed in accordance with the shareholder agreement of the shareholders of the company, Lihakunta and Itikka Co-operative.

5.1 Duties of the Board of Directors

Atria's Board of Directors is responsible for the company's administration and the appropriate organisation of its operations. The Board of Directors ensures that the control of the company's accounting and asset management has been organised appropriately. To this end, the Board of Directors has adopted written rules of procedure concerning the duties of the Board, the matters to be dealt with, meeting practices and the decision-making procedure. According to these rules, the Board of Directors controls and monitors the operations and management of the company and discusses and decides on significant matters related to the company's strategy, investments, organisation and financing. The rules of procedure lay down the following key duties for the Board of Directors:

- Approving the strategic goals and guidelines for the Group and its business areas.
- Approving the budgets and business plans for the Group and its business areas.
- Deciding on the investment plan for each calendar year and approving major investments that exceed one million euros.
- Approving major M&A and restructuring operations.
- Approving the Group's operating principles for important elements of management and supervision.
- Discussing and adopting interim reports and financial statements.
- Monitoring and evaluating the Group's financial reporting system.
- Preparing the items to be dealt with at General Meetings and ensuring that they are implemented.
- Approving the internal control audit plan and monitoring and evaluating the effectiveness of internal control and audit and risk management systems.
- Appointing and dismissing the CEO and deciding on his or her remuneration and other benefits.
- Approving, at the CEO's proposal, the hiring of his or her direct subordinates and the principal terms of their employment contracts.
- Approving the organisational structure and the key principles of incentive schemes.
- Monitoring and evaluating the CEO's performance.
- Monitoring and evaluating the independence of the auditor, in particular the provision of non-audit services by the auditor.
- Monitoring and evaluating the company's financial reporting system as well as the audit of financial statements and consolidated financial statements.
- Deciding on other matters that are important in view of the size of the Group and that are not part of day-to-day operations, such as considerable expansion or contraction of business or other material changes in operations, taking of long-term loans, and the sale and pledging of fixed assets.
- Monitoring and evaluating how contracts and other legal transactions between the company and its related parties fulfil the requirements of being part of the company's normal operations and market conditions.
- Deciding on other matters which, under the Limited Liability Companies Act, fall within the remit of the Board of Directors.
- Performing the Audit Committee's duties referred to in recommendation 16 of the Corporate Governance Code.

The Board of Directors regularly assesses its operations and working methods through self-evaluation once a year.

5.2 Meeting practices and information flow

The Board of Directors meets at regular intervals about 10 times during the term in accordance with a separate meeting schedule confirmed in advance by the Board, and when necessary. In 2019, the Board of Directors met fourteen (14) times. The average meeting attendance of the members of the Board of Directors was 100%.

During the meetings of the Board of Directors, the CEO gives a review of the financial situation of the Group by business area. The review also covers forecasts, investments, organisational changes and other issues that are important for the Group.

5.3 On 31 December 2019, the members of the Board of Directors were the following:

Name	Seppo Paavola, Chair	Jyrki Rantsi, Deputy Chair
Year of birth	1962	1968
Education	Agrologist (secondary school graduate)	Agrologist
Main occupation	Farmer	Farmer, pork producer
Relevant work experience	• Farm advisor, Rural Centre of Central Ostrobothnia 1991–1996 • Agricultural entrepreneur 1996–present	Agricultural entrepreneur
Member of the Board since	2012	2013
Concurrent key positions of trust	• Member of the Supervisory Board of Itikka Co-operative 2000–present, Deputy Chair 2008–2011 and Chair 2012–present • Chair of the Board of Directors of Perhonjokilaakso Co-operative Bank (former Kaustinen Co-operative Bank) 2002–present • Member of the Board of Directors of Pellervo 2012–present	• Member of the Board of Directors of Finnpig Oy 2013–present • Chair of the Board of Directors of A-Farmers Ltd 2018–present
Past key positions of trust	• Member of the Supervisory Board of Atria Plc 2006–2012 and Deputy Chair 2009–2012 • Member of the Co-operative Advisory Committee of Pellervo Confederation 2012–2017	• Chair of the Board of Directors of Lihakunta 2015–2019 • Member of the Board of Directors of Lihakunta 2013–2019 • Deputy Chair of the Board of Directors of Lihakunta 2013–2015 • Deputy Chair of the Board of Directors of A-Farmers Ltd 2015–2017
Independence	Dependent of the company	Dependent of the company
Shareholding on 31 December 2019	4,400	700
Share-based rights in the company	None	None
Attendance in meetings	14/14	14/14

Name	Nella Ginman-Tjeder	Pasi Korhonen
Year of birth	1959	1975
Education	M.Sc. (Econ.)	
Main occupation	Eira Hospital, Managing Director	Farmer
Relevant work experience	• Ifolor Oy, Managing Director 2007–2014 • American Express, Country Manager 2004–2007	Farmer
Member of the Board since	2016	2016
Concurrent key positions of trust	• Member of the Board of Directors of Viking Malt Oy 2014–present • Member of the Board of Directors of Stiftelsen Arcada 2010–present • Member of the Board of Directors of Oy Indmeas Ab 2008–present	• Chair of the Board of Directors of Lihakunta 2019–present • Member of the Board of Directors of Lihakunta 2013–present • Member of the Board of Directors of Kainuun maa- ja metsäsäätiö 2013–present
Past key positions of trust	• Member of the Board of Directors of Tulikivi Corporation 2013–2015	• Deputy Chair of the Board of Directors of Lihakunta 2016–2019 • Councillor ot the Sotkamo Municipal Council 2015–2017
Independence	Independent of the company and significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2019	0	0
Share-based rights in the company	None	None
Attendance in meetings	14/14	14/14

Name	Jukka Moisio	Kjell-Göran Paxal
Year of birth	1961	1967
Education	M.Sc. (Econ.), MBA	Agrologist
Main occupation	Several positions of trust	Farmer, piglet and pork producer
Relevant work experience	• CEO of Huhtamäki Oyj 2009–2019 • Ahlstrom Oyj 1991–2008 (various duties)	• Feed salesman, Oy Foremix Ab 1990–1997 • Primary Production Manager, Pohjanmaan Liha Co-operative 1990–1997
Member of the Board since	2014	2012
Concurrent key positions of trust	• Member of the Board of Directors of Paulig Oy 2019–present • Member of the Board of Directors of Sulapac Oy 2019–present • Member of the Supervisory Board of Finnish Fair Co-operative 2008–present	• Chair of the Board of Directors of Pohjanmaan Liha Co-operative 2010–present • Member of the Board of Directors of A-Farmers Ltd 2003–present • Chair of the Board of Directors of Oy Foremix Ab 2010–present • Member of the Board of Directors of A-Rehu Oy 2010–present • Chair of the Board of Directors of Ab WestFarm Oy 2010–present • Member of the Board of Directors of Osuuskunta Pohjanmaan Liha Co-operative 2002–present • Member of the Board of Directors of Oy Foremix Ab 2004–present
Past key positions of trust		• Deputy member of the Board of Directors of the Central Union of Swedish-Speaking Agricultural Producers in Finland 1999–2001 • Deputy Chair of the Board of Directors of Pohjanmaan Liha Co-operative, 2002–2009
Independence	Independent of the company and significant shareholders	Dependent of the company
Shareholding on 31 December 2019	0	2,566
Share-based rights in the company	None	None
Attendance in meetings	14/14	14/14

		
Name	Ahti Ritola	Harri Sivula
Year of birth	1964	1962
Education	B.Ba. (Business Administration)	M.Sc. (Admin.)
Main occupation	Farmer and beef producer	Professional board member
Relevant work experience	Entrepreneur in agriculture, real estate and commerce since 1985	• Tokmanni Group Corporation, Acting Managing Director 2017–2018 • Managing Director of GS1 2015–2017 • CEO, Restel Ltd 2010–2014 • CEO of Onninen Oy, 2006–2010 • Deputy CEO of Kesko Corporation/Division Manager Kesko Food, 1987–2006
Member of the Board since	2018	2009
Concurrent key positions of trust	• Chair of the Board of Directors of A-Rehu Oy, 2019–present • Member of the Itikka Co-operative 2013–present and Chair 2018–present	• Member of the Board of Directors of Tokmanni Oy 2011–present • Member of the Board of Directors of Leipurin Oy 2014–present • Member of the Board of Directors of Makua Foods Oy 2015–present • Member of the Board of Directors of Kamux Oyj 2016–present • Member of the Board of Directors of Dieta Oy 2016–present
Past key positions of trust	• Itikka Cooperative: member of the Representative Council 2001–2012, member of the Supervisory Board since 2012–2013, • Member of the Supervisory Board of Atria Plc since 2013–2018, • Member of the Representative Council of the South Ostrobothnia Cooperative Bank 2004–2017	• Member of the Board of Directors of GS1 Finland Oy 2016–2018 • Member of the Board of Directors of TyöHelo Oy 2017–2018 • Member of the Board of Directors of Olvi Oyj 2007–2011 • Member of the Board of Directors of Norpe Oy 2010–2013 • Member of the Board of Directors of Leipurin Oyj 2010–2013 • Member of the Supervisory Board of Nets 2011–2013
Independence	Dependent of the company and significant shareholders	Independent of the company and significant shareholders
Shareholding on 31 December 2019	400 (company authority)	10,000
Share-based rights in the company	None	None
Attendance in meetings	14/14	14/14

The Board of Directors has estimated that of its members, Seppo Paavola, Jyrki Rantsi, Ahti Ritola, Pasi Korhonen and Kjell-Göran Paxal are dependent of Atria because they are either full-time farmers who have, or are in the management of, another company that has a significant customer, supplier or partnership relationship with Atria Group for that entrepreneur/company. With respect to Harri Sivula, the Board of Directors has concluded that, although Sivula has been a member of Atria's Board of Directors for more than ten years, Sivula is, based on an overall assessment, independent of the company.

Of the Board members, Ahti Ritola is a member of the Board of Directors of Itikka Co-operative, a significant shareholder, and Pasi Korhonen is a member of the Board of Directors of Lihakunta, a significant shareholder, and are thus dependent of a significant shareholder. Jyrki Rantsi has been a member of the Board of Directors of Lihakunta, a significant shareholder, until 17 December 2019 but not anymore 31 December 2019 and has therefore been dependent of a significant shareholder in 2019. Seppo Paavola is a member of the Supervisory Board of Itikka Co-operative, a significant shareholder. Membership of the Supervisory Board of a significant shareholder alone has not been considered to cause dependence of the significant shareholder.

The members of the Board of Directors are obliged to provide the Board with sufficient information to assess their skills and independency and to notify the Board of any changes to the information.

5.4 Principles concerning diversity of the Board of Directors and the Supervisory Board

For Atria, diversity is one factor in the company's responsible business operations. When planning who will be on Atria's Board of Directors and/or Supervisory Board, diversity is considered from several different viewpoints, and the scope and development needs of the company's business operations are considered.

The aim of the selection of the members of the Board of Directors and/or the Supervisory Board is to ensure that their diverse expertise and composition support the development of Atria's current and future business. A constructively questioning and challenging Board of Directors and Supervisory Board bring added value to the company's operations and diversify the work of the Board of Directors and Supervisory Board. Atria intends to promote the selection of the best qualified people with merit in various sub-areas of the value chain as a whole in such a way that candidates of both genders have equal chances of being elected to the Board of Directors or the Supervisory Board. Atria's goal is that the Board of Directors and the Supervisory Board have both genders represented, and if the two member candidates are equally qualified, the representative of the minority gender be given priority. In addition to the factors stated above, the candidates are also evaluated on their ability to commit sufficient time to fulfilling their duties.

5.4.1. Diversity of the Board of Directors

An aim is for the Board as a whole to possess diverse, substantive expertise in various parts of Atria's value chain, broad-ranging corporate and business experience, and the competence and understanding of international business as required to realise the company's strategy. It is not necessary for every member of the Board to be competent in all of the aforementioned matters. Instead, the aim is for each member of the Board to contribute some expertise in some of the aforementioned sub-areas. The Board's diversity is further supported by the other forms of expertise, training and experience that Board members can contribute from various professional fields and sectors, as well as consideration of the age and gender distribution of Board members. In addition to the factors stated above, the candidates are also evaluated on their ability to commit sufficient time to fulfilling their duties.

5.4.2 Diversity of Supervisory Board members

In the selection of the members of the Supervisory Board, diversity is intended to be considered in the knowledge of the members of the meat sector and its different production types. In addition, the diversity of the Supervisory Board is supported by the fact that the residence and production areas of the members represent different geographical areas of Finland. Account is also taken of the age and gender distribution of the members of the Supervisory Board and of any other competence supporting the Board's work.

5.4.3. Realisation of diversity principles

In order to achieve the goals set out in the diversity principles, the company has actively sought and seeks to communicate its goals to Atria's shareholders. During the financial period 2019, one member of the Board of Directors was a woman and the other were men, that is, the share of the less represented gender of Board members was 12.5%. Similarly, during the financial period 2019, one member of the Supervisory Board was a woman and the other were men, that is, the share of the less represented gender of Supervisory Board members was 5.2%. The minimum goal set by the company for the representation of both genders is thus fulfilled. In addition, the company's other goals for a diverse representation of Board and Supervisory Board members have been met, taking into account the Board members' in-depth knowledge of meat, commercial and industrial operations and the Supervisory Board members' knowledge of the meat sector, various production types and representation of different geographical areas.

6. Board Committees

The Board of Directors may decide to set up committees to handle duties designated by the Board. The Board of Directors approves the rules of procedure for the committees.

The Board of Directors has one committee, the Nomination and Remuneration Committee. The Board of Directors appoints the members of the Committee from amongst its members according to the rules of procedure of the Committee. The Committee has no autonomous decision-making power. Decisions are made by the Board of Directors on the basis of the Committee's preparations and proposals. The Committee regularly reports on their work to the Board of Directors, which supervises the operations of the Committee.

The aim of the Nomination and Remuneration Committee is to prepare the CEO's and Deputy CEO's elections as well as the management's terms of employment, ensure the objectivity of decision-making, enhance the achievement of the company's goals through bonus schemes, increase the company's value and ensure that bonus schemes are transparent and systematic. The aim of the Nomination and Remuneration Committee is also to ensure that the merit pay systems are linked to the company's strategy and the results obtained.

The Nomination and Remuneration Committee has three (3) members. According to its rules of procedure, the Nomination and Remuneration Committee consists of the Chairman, Deputy Chairman and one member of the Board of Directors elected by the Board itself. As an exception to recommendation 17 of the Corporate Governance Code, one (1) of the three members of the Nomination and Remuneration Committee is independent of the company and significant shareholders. The Nomination and Remuneration Committee consists of members of the Board of Directors, most of whom are dependent of the company and significant shareholders.

The Chairman of the Nomination and Remuneration Committee is Seppo Paavola and the other members are Jyrki Rantsi and Nella Ginman-Tjeder. In 2019, the Nomination and Remuneration Committee met four (4) times, and the average attendance of the members was 100% as follows: Seppo Paavola 4/4, Jyrki Rantsi 4/4 and Nella Ginman-Tjeder 4/4.

According to the rules of procedure, the duties of the Nomination and Remuneration Committee are as follows:
- Making the preparations for the nomination of the CEO and Deputy CEO.
- Making preparations to search for successors to the CEO and Deputy CEO.
- Preparing the terms of employment of the CEO and Deputy CEO and bringing them before the Board of Directors.
- Preparing the remuneration, fees and other employment benefits of the directors that report to the CEO and bringing them before the Board of Directors.
- Preparing the forms and criteria of the bonus and incentive schemes of top management and bringing them before the Board of Directors.
- Preparing the content and group assignments of the pension programmes of the company's management and bringing them before the Board of Directors.
- Submitting its statement on the bonus arrangements for the entire personnel before their approval and assessing their functionality and the achievement of the systems' goals.
- If required, discussing possible interpretation problems related to the application of the approved bonus schemes and recommending a solution.
- If required, reviews information to be published in the financial statements and, where applicable, in other bonus-related documents.
- Preparing the Remuneration Policy and Report for the General Meeting and presenting the Remuneration Policy and Report at the General Meeting and answering related questions regarding the remuneration of the CEO and Deputy CEO.
- Performing other duties separately assigned to it by the Board of Directors.

The Chairman of the Nomination and Remuneration Committee convenes the Committee as needed. At the meetings, the matters belonging to the duties of the Committee are reviewed. The Nomination and Remuneration Committee may invite other people to join its meetings if deemed necessary and may use external experts to assist the Committee in fulfilling its duties.

As noted in section 4 above, Atria's General Meeting has established a separate Shareholders' Nomination Committee to prepare proposals concerning the election and remuneration of the members of the Board of Directors as well as the remuneration of the members of the Supervisory Board for the next Annual General Meeting.

7. CEO

The company's CEO is responsible for managing the company's day-to-day administration in accordance with the instructions and orders issued by the Board of Directors, as well as informing the Board of Directors of the development of the company's operations and financial performance. The CEO ensures the legality of the company's accounting and the reliability of asset management. The CEO is appointed by the Board of Directors, which decides on the terms of his or her employment.

Since March 2011, Atria's CEO has been Juha Gröhn, MSc (Food Sc.).

8. Management Team

Atria Group has a Management Team chaired by the CEO. The Management Team assists the CEO in planning the operations and in operational management. The duties of the Management Team include, among others, preparing strategic plans and putting them into practice, handling significant projects and organisational changes as well as reviewing and implementing the Group's risk management measures in their respective areas of responsibility.

In 2019, the Management Team met eight (8) times.

ATRIA GROUP'S MANAGEMENT TEAM

On 31 December 2019, the members of the Atria Group's Management Team were the following:

Name	Juha Gröhn, CEO	Tomas Back, CFO and Deputy CEO of Atria Plc, Executive Vice President, Atria Denmark	Mika Ala-Fossi, Executive Vice President, Atria Finland
Joined Atria in	1990	2007	2000
Year of birth	1963	1964	1971
Education	M.Sc. (Food Sc.)	M.Sc. (Econ.)	Meat industry technician
Relevant work experience	• Atria Plc, CEO since 2011–present • Managing Director of Atria Scandinavia Ab; Vice President of Atria Plc 2010–2011 • Managing Director of Atria Finland Ltd; Vice Managing Director of Atria Plc 2006–2010 • Director for Meat Industry and Vice Managing Director, Atria Ltd 2004–2006 • Director for Steering and Vice Managing Director, Atria Ltd 2003–2004 • Director for Slaughterhouse Industry and Vice Managing Director, Atria Ltd 1999–2003 • Director, Meat Products and Convenience Food Industries, Atria Ltd 1993–1998 • R&D Manager Itikka-Lihapolar 1991–1993 • ForemanLihapolar 1990–1991	• CFO and Deputy CEO of Atria Plc, Executive Vice President, Atria Denmark 2018–present • Executive Vice President, Atria Scandinavia 2011–2017 • Executive Vice President, Atria Baltic 2010–2011 • CFO, Atria Plc 2007–2011 • CFO, Huhtamäki Americas / Rigid Europe 2003–2007 • Financial Manager/CFO, Huhtamäki Oyj 1996–2002 • Financial Manager, Huhtamäki Finance Oy, Lausanne 1990–1995	• Executive Vice President, Atria Finland 2011–present • Director, Convenience Food and Meat Product Business 2007–2011 • Director, Poultry Business, Atria Finland 2006–2007 • Production Manager, Atria Ltd 2003–2006 • Unit Manager, Atria Ltd 2000–2003 • Foreman, Liha-Saarioinen Oy 1997– 2000
Concurrent key positions of trust	• Member of the Board of Directors in Finnish Food and Drink Industries' Federation (ETL) since 2012– • Member of the Board of Directors in East Office of Finnish Industries Ltd • Member of the Board of Directors in Laihian Mallas since 2018–		• Member of the Board of Directors of Länsi-Kalkkuna Oy 2007–present • Chair of the Board of Directors of Honkajoki Oy 2015–present and member of the Board of Directors 2011–present
Past key positions of trust	• Chair of the Board of Directors in Finnish Food and Drink Industries' Federation (ETL) 2013–2015	• Member and Deputy Chair of the Board of Directors of the Swedish Meat Industry Association 2012–2018 • Member of the Board of Directors of the Swedish Food Federation 2012–2018 • Member of the Board of Directors of the Svensk Fågel Service Ab 2017–2018	• Member of the board of Directors of Lihatiedotus ry since 2011–2019 • Chair of the Board of Directors of Länsi-Kalkkuna 2015–2019
Shareholding on 31 December 2019	21,160	2,038	1,098

ATRIA GROUP'S MANAGEMENT TEAM



Nimi	Jarmo Lindholm, Executive Vice President, Atria Sweden	Olle Horm, Executive Vice President, Atria Estonia	Ilari Hyyrynen, Executive Vice President, Atria Russia
Joined in Atria	2002	2012	2018
Year of birth	1973	1967	1965
Education	M.Sc. (Econ.)	Engineer	MBA
Relevant work experience	• Executive Vice President, Atria Sweden 2018–present • Executive Vice President, Atria Russia 2011–2017 • Group Vice President, Product Leadership, Atria Plc 2010–2011 • Group Vice President, Product Group Management and Product Development, Commercial Director, Atria Finland Ltd 2005–2010 • Marketing Manager, Atria Ltd 2002–2005 • Account Manager, Marketing Manager, AC Nielsen 2000–2002 • Customer Service Manager & e-Business, Unilever Finland 1998–2000	• Executive Vice President, Atria Estonia 2018–present • Executive Vice President, Atria Baltic 2012–2017 • Chair of the Board, Maag Meat Industry 2009–2012 • Chair of the Board, Skanska EMV AS 2008–2009 • Chair of the Board, Rakvere Lihakombinaat AS 2000–2008 • Head of transportation and equipment department, EMV AS 1998–1999 • Management and development duties, EK AS 1992–1998	• Executive Vice President, Atria Russia 2018–present • Country director, Russia, Tikkurila Plc 2014–2018 • Managing Director, Tikkurila Polska S.A. 2012–2014 • Director, BU North, Tikkurila Plc 2010–2012 • Tikkurila Ltd/ Plc, several positions 2003–2010 • Dynea Overlays Ltd, Sales Manager 2002–2003 • Akzo Nobel Coatings Ltd, Sales Manager 1998–2002 • Kausalan Tapetti ja Väri Ltd, Salesman 1988–1998
Concurrent key positions of trust	• Member of the Board of Directors of the Swedish Food Federation since 2018–present	• Member of the Board of Directors of the Estonian Food Industry Federation • Member of the Board of Directors of the Estonian Pig Breaders Association	• Member of the Board of Directors of the East Office of Finnish Industries Oy since 2018
Past key positions of trust	• Member of the Board of East Office of Finnish Industries Oy, 2012–2018		
Shareholding on 31 December 2019	1,178	-	-

Front page
Atria in brief
Atria's key figures
CEO's review
Responsible Atria

Strategy and business environment

Business area reviews
Atria Finland
Atria Sweden
Atria Denmark & Estonia
Atria Russia

Research and development

Financial statements and Corporate governance statement
Financial statements and report by the Board of Directors
Auditors' report
Corporate Governance Statement
Financial communications
Contact information

ATRIA GROUP'S MANAGEMENT TEAM



Name	Pasi Luostarinen, Executive Vice President Marketing & Market Insight	Lars Ohlin, Executive Vice President Human Resources	Merja Leino, Executive Vice President Sustainability
Joined in Atria	2000	2007	1996
Year of birth	1966	1958	1960
Education	M.Sc. (Econ.)	BA (International Business Administration)	PhD (Food Chemistry)
Relevant work experience	• Executive Vice President Marketing & Marketing Insight, Atria Plc 2016–present • Senior Vice President Marketing & Product Development, Atria Finland 2011–2016 • Group Vice President Strategy /Senior Vice President Marketing & Product Development, Atria Plc and Atria Finland 2009–2011 • Group Vice President Brand Management & Cold Cuts / Senior Vice President Meatproducts, Atria Plc and Atria Finland 2007–2011 • Group Vice President Marketing & Product Development, Atria Plc 2006–2007 • Marketing Director, Atria Plc, Atria Finland and Atria Sweden 2000–2006 • Marketing Director, Valio 1997–2000 • Trade Development Manager, British American Tobacco Nordic 1996–1997 • Key Account Manager/ Category Manager, Fazer Makeiset Oy 1993– 1996 • Product Manager, Oy Mallasjuoma 1991–1993	• Executive Vice President Human Resources, Atria Plc 2016–present • Senior Vice President Human Resources, Atria Scandinavia 2014–2016 • General Manager, Ridderheims & Falbygdens (Atria Deli) 2010–2014 • Business Development Director, Atria Scandinavia 2007–2010 • Business Development Director, Sardus 2000–2007 • Business Area Director, Nationalencyklopedin 1997–2000 • Vice Managing Director, Forte 1995–1997 • Market Development Director, Master Foods Finland and Baltics 1992–1995 • Human Resource Director, Master Foods Sweden and Finland 1988–1992 • Product manager, Master Foods Sweden 1987–1988 • Product manager, Findus/Nestlé 1984–1987	• Executive Vice President, Sustainability, Atria Plc 2019–present • Senior Vice President, Convenience Food Business, Quality, Food Safety and Sustainability, Atria Finland 2016–2019 • Senior Vice President, Poultry Business, Quality, Food Safety and Sustainability, Atria Finand 2011–2016 • Group Vice President, Quality, Product Safety and Food Business (poultry and convenience food), Atria Plc 2007–2011 • Director, Poultry Business, Quality and Product Safety, Atria Finland 2000–2007 • Director, Consumer Packed Meat, Quality Development and Product Safety, Atria Finland 1999–2000 • Product Development Director, Atria Finland 1996–1999 • National coordinator, Elintarviketalouden Osaamiskeskus 1995–1996 • Packaging Developer/Packaging Manager, Unilever 1993–1995 • Resercher, University of Turku 1991–1993 • Product Developer, Huhtamäki, Jalostaja 1987–1991
Concurrent key positions of trust	• Member of the Board of the Directors of the Tango Festival in Seinäjoki 2019–present and Vice Chair 2019–present		• Chairman of the Board of Directors ,Foodwest Oy 2005–present • Member of the Supervisory Board, Finnish 4H organization 2005–present
Past key positions of trust			• Member of the Board of Directors, Foodwest Oy 1996–2005
Shareholding on 31 December 2019	2,122	668	1,946

9. Remuneration

Atria has prepared a Remuneration Statement in accordance with the Corporate Governance Code which came into force on 1 January 2016. The remuneration statement is part of this Corporate Governance Statement. The statement is available on the company's website at www.atria.fi/en/group/investors/corporate-governance.

10. Internal control, risk management and internal audit

10.1 Internal control

The Board of Directors and the CEO are responsible for the company's internal control. The Board of Directors ensures that Atria has defined the operating principles of internal control and that the functioning of the principles is controlled and monitored. The purpose of internal control is to ensure that Atria's operations are efficient and in line with the company's strategy, all financial and operational reports are reliable, the Group's operations are in accordance with the law and regulations, and the company's internal policies and codes of conduct are complied with.

Atria's strategic and annual financial targets guide the Group's operations. The targets have been communicated to all business areas and have been agreed and approved as part of the strategy process or the annual target setting process. Achievement of financial targets is monitored monthly and quarterly in each business area and at Group level.

Atria has Group-level guidelines and rules that apply across all of the Group's business areas and business units. Training and awareness-raising as well as various controls are used to ensure compliance with the guidelines and rules. In addition, business areas and business units may have guidance and training on internal control relating to their operations.

Compliance with management guidelines and the reliability of financial and business reporting is ensured by documenting financial processes, various financial management guidelines, and guided control practices. Control practices are both preventive and detective. Typical control practices include approvals, affirmations, verifications, reconciliations, performance audits, asset safeguards, segregation of duties, and access control.

10.2 Risk management

The purpose of risk management is to support the realisation of Atria's strategy and the achievement of objectives as well as the development of the organisation in the business environment defined in Atria's strategy. Risk management also aims to prevent adverse events and protect business continuity.

Atria defines risk as the effect of uncertainty on the company's objectives. Risks can cause positive or negative deviations from the objectives. Risks may be caused by events within Atria or external conditions or events. For reporting purposes, Atria's risks are divided into four categories: strategic risks, operational risks, hazard risks and financial risks.
Risk management is guided by the Risk Management Policy approved by the Board of Directors and, where applicable, by the ISO 31000 and ISO 31010 standards. The Risk Management Policy specifies Atria's risk management goals, responsibilities and powers, together with the principles of risk assessment and reporting. More detailed instructions on risk assessment and reporting practices are presented in Atria's Risk Management Process Guide.

Risk management is part of Atria's day-to-day business and helps to make decisions that take into account the impact of uncertainty on operations. At Atria Group, risk management is based on a uniform model for risk identification, assessment and reporting and forms an integral part of the annual planning process. Risk-related communications are carried out in accordance with the Group's communications plan. Risks are managed in accordance with the specified approved principles in all business areas and Group operations.

Organisation and responsibilities in risk management

The Board of Directors approves the Risk Management Policy and any changes to it and supervises the implementation of the principles specified in the policy. The Group's CEO is responsible for the appropriate organisation of risk management at Atria, and the CFO sees to the development of risk management and the risk reporting framework.

The members of the Group's Management Team are responsible for identifying and assessing strategic risks and for implementing risk management in their respective areas of responsibility. The management teams of the business areas are responsible for identifying and assessing operational risks and for implementing risk management in their business areas. The Group's Treasury Committee is responsible for identifying and assessing financial risks and for implementing risk management throughout the Group.

When preparing an annual plan for internal audit, key observations from the risk assessments made as part of the Group's planning process are taken into account. Every Atria employee is responsible for identifying and assessing risks associated with their work and any other risks that they encounter, and for drawing attention to and preventing such risks.

Major risks and uncertainties that the Board of Directors is aware of are discussed in more detail in the Report by the Board of Directors under "Risk management at Atria".

10.3 Internal audit

Atria's Group Control function handles internal audits in collaboration with an external service provider. The Board of Directors approves the annual plan for internal audit. The preparation of the audit plan is guided by risk management, issues identified as part of the Group's internal reporting, goals related to improving the quality and efficiency of operations, and current issues in the company's business environment. Where necessary, internal audit also conducts separate studies commissioned by the Board of Directors or the Group's management.

Internal audit ensures and evaluates the functioning of the company's internal control system, the relevance and efficiency of activities, and compliance with guidelines. It also aims to promote the quality of the operations and process, ensure the achievement of Atria's targets and the functioning of risk management, and highlight best practices of various functions and opportunities for developing them.

Internal audit assesses the following areas:
- Accuracy and adequacy of financial information
- Compliance with operating principles, codes of practice and regulations
- Protection of property against losses
- Cost-efficiency and effectiveness of the use of resources
- Implementation of changes
- Opportunities provided by various practices and the utilisation of best practices.

The results of internal auditing are documented and discussed with the audited area of operation and Group management. A summary of the audit results is presented to the Board of Directors at least once a year. Regular discussions are held with the external auditor in order to ensure that the audit activities cover a sufficiently wide range of operations and to avoid overlapping audit activities.

11. Auditing

In accordance with the Articles of Association, the company has one (1) auditor, which must be an audit firm approved by the Finnish Patent and Registration Office. The auditor's term of office ends at the closing of the next Annual General Meeting following the election.

The auditor provides Atria's shareholders with an Auditor's Report document in accordance with the law, in conjunction with the company's financial statements, and reports regularly to the Board of Directors and the management. The auditor participates in a Board meeting at least once a year, on which occasion a discussion of the audit plan and the results of auditing is arranged.

In 2019, Atria Plc's Annual General Meeting elected audit firm PricewaterhouseCoopers Oy as the company's auditor for a term ending at the closing of the next Annual General Meeting following the election. According to the firm, the auditor in charge is Authorised Public Accountant Samuli Perälä. The auditor's fee is paid against an invoice approved by the company.

Auditor's fees for the financial period 2019
In 2019, the Group paid a total of EUR 328,000 in auditor's fees to PricewaterhouseCoopers Oy. For non-audit services, EUR 8,000 was paid in 2019.

12. Insider policy

Atria complies with Nasdaq Helsinki Ltd's Guidelines for Insiders. In addition, Atria's Board of Directors has confirmed the insider guidelines for the company, which supplement other insider regulations and provide guidance on insiders and insider administration. The company's insider guidelines have been distributed to every member of the company's personnel in a senior management position and those involved in preparing financial reports, as well as being made available on the company's intranet.

The Market Abuse Regulation ((EU) No. 596/2014) has been applied since 3 July 2016. Atria has not established a permanent insider register and insider information is managed through project-specific insider lists, which are established and maintained as needed. All project-specific insiders are informed in writing of their insider status and given appropriate insider guidelines.

Atria has determined that the members of the Board of Directors, members of the Supervisory Board, the CEO, the CFO and the Deputy CEO satisfy the definition of personnel in senior management roles whose details must be reported. The company maintains a list of the personnel in senior management roles and their related parties.

The company maintains a register of the senior management whose details must be reported and their related parties and, where applicable, Atria's project-specific insiders. The company's legal department and CFO monitor compliance with the insider guidelines. Personnel in senior management positions and personnel involved in preparing financial reports have a restricted entitlement to enter into transactions involving the company's financial instruments: these personnel may not trade in the company's shares 30 days before the publication of an interim report or financial statement release and, if there are more than 30 days between the end of the review period and the publication of the report/release, during this period.

13. Related-party transactions

The regular business of Atria Group primary production companies is the sale and purchase of animals, grain and feed, also from persons belonging to Atria's related parties. In addition, Atria Group companies buy and sell services and raw materials to companies belonging to Atria's related parties.

The company has defined its related parties and maintains a list of related parties. Necessary guidance has been given to related parties. Each person belonging to Atria's related parties is responsible for ensuring that Atria has up-to-date information about the person's related parties. The company updates the list of related parties at least once a year in the form of a request for information to persons belonging to the related parties. At the same time, entities belonging to Atria's related parties are also checked.

Decision-making guidelines have been prepared for transactions with related parties, which help Atria to internally identify related-party transactions and related requirements and to assess the regularity of the transaction in advance. The guidelines are intended to ensure the careful preparation of related-party transactions, as well as the obtaining of any necessary reports, statements and/or assessments, and decision-making, subject to disqualification provisions.

Atria has an existing monitoring and reporting system for related-party transactions, and the transactions are also subject to regular control measures. Related-party transactions are reported to the Board of Directors on an annual basis in order for the Board to verify the regularity and market-conform of the transactions.

14. Communications

The aim of Atria's investor reporting is to ensure that the market has correct and sufficient information available at all times to determine the value of Atria's shares. An additional aim is to provide the financial markets with comprehensive information to enable active participants in the capital markets to form a justified image of Atria as an investment.

Silent period
Atria has defined a silent period in its investor relations communications, which is 30 calendar days prior to the publication of interim reports and financial statements and, if there are more than 30 days between the end of the review period and the publication of the report/release, this period. During this time, Atria issues no statements on its financial position.

Investor information
Atria publishes financial information in real time on its website at www.atria.com. The site contains annual reports, interim reports, company announcements and press releases. The company's largest shareholders are updated regularly to the web pages. The disclosure policy approved by Atria's Board of Directors describes the key principles and procedures followed by Atria as a listed company in its communications with the media, capital markets and other stakeholders. Atria's disclosure policy is available in full on the company's website at www.atria.fi/en/group/investors/disclosure-policy.

Remuneration statement

1. Remuneration statement

This remuneration statement of Atria Plc ("Atria" or "the company") is complied with the Corporate Governance Code published by the Securities Market Association and valid since 1 January 2016 and is a consistent description of the remuneration of the company's Board of Directors and management pursuant to the Corporate Governance Code.

2. Remuneration of the members of the Supervisory Board

The Annual General Meeting decides on the remuneration of the members of the Supervisory Board annually, on the basis of the proposal prepared to the Annual General Meeting by the Shareholders' Nomination Board. The remuneration paid to the Supervisory Board in 2019 was as follows:
- Meeting compensation: EUR 250/meeting
- Compensation for loss of working time: EUR 250 for meeting and assignment dates
- Fee of the Chairman of the Supervisory Board: EUR 1,500/month
- Fee of the Deputy Chairman of the Supervisory Board: EUR 750/month
- Travel allowance according to the Company's travel policy.

Meeting compensation and compensation for loss of working time is paid for meetings of Supervisory Board and for Chairman and Deputy Chairman for those Board of Director`s meeting where they attend to carry out the tasks of Supervisory Board.

The members of the Supervisory Board have no share incentive plans or share-based bonus schemes, nor are they entitled to any other financial benefits besides the remunerations decided on by the Annual General Meeting.

In 2019, the monthly and meeting fees paid to the members of the Supervisory Board for participating in the work of the Supervisory Board (including fees for work performed in other companies within the same Group) were as follows:

	Atria Plc		A-Tuottajat Oy		A-Rehu Oy		
Name	Monthly fees	Meeting fees	Monthly fees	Meeting fees	Monthly fees	Meeting fees	Total
Anttikoski Juho	9,000	4,250					13,250
Asunmaa Mika		2,000		6 000			8,000
Flink Reijo, until April 2019		250					250
Haarala Lassi Antti		2,500					2,500
Halonen Jyrki, from April 4/2019		2,000					2,000
Hantula Jussi		1,750					1,750
Hyry Hannu, until April 2019		500					500
Hyttinen Veli		2,500			7,800	3,300	13,600
Ingalsuo Pasi		2,250	7,800	5,400			15,450
Joki-Erkkilä Jussi		2,250					2,250
Juuse Marja-Liisa		2,250					2,250
Kaikkonen Jukka	18,000	4,500					22,500
Kiviniemi Juha		1,750					1,,750
Lajunen Ari		2,500					2,500
Nikkola Juha		2,000					2,000
Niku Mika		2,250	6,000				8,250
Ojala Pekka		3,000					3,000
Panula Heikki		1,750					1,750
Sairanen Risto		2,500					2,500
Sandberg Ola		3,000					3,000
Tuhkasaari Timo		2,250					2,250
TOTAL	27,000	48,000	7,800	17,400	7,800	3,300	111,300

3. Remuneration of the members of the Board of Directors

The Annual General Meeting decides on the remuneration of the members of the Board of Directors annually, on the basis of the proposal prepared to the Annual General Meeting by the Shareholders' Nomination Board. Remuneration is handled in the form of monetary compensation. The members of the Board of Directors have no share incentive plans or share-based bonus schemes, nor are they entitled to any other financial benefits besides the remunerations decided on by the Annual General Meeting.

The remuneration paid to the Board of Directors in 2019 was as follows:
- Meeting compensation: EUR 300/meeting
- Compensation for loss of working time: EUR 300 for meeting and assignment dates
- Fee of the Chair of the Board of Directors: EUR 4,700/month
- Fee of the Deputy Chair of the Board of Directors: EUR 2,500/month
- Fee of members of the Board of Directors: EUR 2,000/month
- Travel allowance according to the Company`s travel policy.

Meeting compensation and compensation for loss of working time is paid for members of Board of Directors beside of Board meetings also for meetings of Remuneration and Nomination Committee and those meetings of Supervisory Board where Board members attended.

In 2019 monthly fees and meeting fees paid to the members of the Board of Directors for participating in the procedures of the Board of Directors (including being a member of the Board of another company that is part of the same Group) were the following:

	Atria Plc		A-Tuottajat Oy		A-Rehu Oy		
Name	Monthly fees	Meeting fees	Monthly fee	Meeting fees	Monthly fee	Meeting fees	Total
Ginman-Tjeder Nella	24,000	5,100					29,100
Korhonen Pasi	24,000	10,500					34,500
Moisio Jukka	24,000	3,300					27,300
Paavola Seppo	56,400	12,900					69,300
Paxal Kjell-Göran	24,000	9,600		5,400		3,300,	42,300
Rantsi Jyrki	30,000	10,200	15,600	5,200			61,000
Ritola Ahti	24,000	9,600		600	15,600	3,000	52,800
Sivula Harri	24,000	4,800					28,800
Total	230,400	66,000	15,600	11,200	15,600	6,300	345,100

4. Remuneration of CEO and deputy CEO and other management

The remuneration of Atria Plc's management aims to promote the company's long-term financial success and competitiveness and the favorable development of shareholder value. The bonus scheme for the management consists of a fixed monthly salary, merit pay and pension benefits. The company has a share incentive plan since 1 January 2018.

The Board of Directors' Nomination and Remuneration Committee prepares the following for a decision to be made by the Board of Directors: (i) the terms of the service contracts of the CEO and Deputy CEO; (ii) the remuneration, fees and other employment benefits of the directors who report to the CEO; (iii) the forms and criteria of the bonus and incentive schemes of top management; and (iv) the content and group assignments of the pension programs of the company's management.

Atria Plc's Board of Directors decides on the remuneration, other financial benefits and criteria applied in the merit pay system for the Group's CEO, Deputy CEO and Management Team, as well as the merit pay principles used for other management members.
The directors of each business area and the Group's CEO decide on the remuneration of the members of the management teams of the various business areas according to the one-over-one principle. The performance bonus systems for the management teams of the business areas are approved by the Group's CEO.

The base salary for CEO is EUR 541,415/year containing fringe benefits. The remuneration of the CEO and the Deputy CEO consists of base salary (including fringe benefits), short and long-term variable remuneration, pension and other benefits. The proportion of variable elements of the CEO´s and Deputy CEO´s total remuneration is depending on the Atria share value as parts of the variable remuneration is given in shares. To illustrate, at a share value of EUR 10,00, variable remuneration corresponds to maximum 45% of the CEO's and maximum 36% of the Deputy CEO's total remuneration, respectively. At a share value of EUR 13,50, variable remuneration corresponds to maximum 50% of the CEO's and maximum 40% of the Deputy CEO's total remuneration, respectively. In year 2019 the part of the variable remuneration was 7 % of the CEO`s total remuneration and 3 % of Deputy CEO`s total remuneration.

For the members of Atria Group Management Team there has been agreed a group pension arrangement accepted by the Atria Board of Directors. The retirement age based on the group pension arrangement is for Atria Group Management Team members 63 years. According to the pension arrangement agreement, if the legislation concerning pension changes, the retirement age may be altered. Some of the members of Atria Group Management Team, for example CEO and Deputy CEO, have nevertheless the right to retire at the age of 60. The pension arrangement is payment based and the amount of pension is based on the annual earnings as decided by the Board of Directors (including monetary salary and fringe benefits without cash payments of incentive schemes).

The agreements for CEO and Deputy CEO are valid until further notice. According to the CEO's contract, the period of notice is six months for both parties. If the company terminates the contract, the CEO is entitled to the salary for the period of notice and severance pay, which together correspond to 18 months' salary. There are no terms and conditions for any other compensation based on the termination of employment.

According to the Deputy CEO's contract, the period of notice is six months for both parties. If the company terminates the contract, the Deputy CEO is entitled to the salary for the period of notice and severance pay, which together correspond to 14 months' salary. There are no terms and conditions for any other compensation based on the termination of employment.

5. Incentive schemes for management and key personnel

5.1.1 Long-term share incentive plan
In 2017, Atria Plc's Board of Directors decided on the long-term incentive programme for management and key personnel for the period 2018–2020. The aim of the share incentive programme is to encourage Atria's management to acquire shares in the company and to take action and make decisions that will increase the company's long-term value.

The programme based on share and cash incentives is divided into three year-long earning periods, the second earning period having started 1 January 2019 and expired 31 December 2019. The bonuses payable under the programme are based on the company's earnings per share (EPS) (70%) and organic growth (30%). The bonuses for 2019 will be paid in three equal instalments in 2020, 2021 and 2022, partly in the form of shares in the company and partly in cash. The cash sum is intended to cover the taxes and tax-like fees arising from the bonus. If a person's employment relationship ends before the payment of the bonus, the bonus will not usually be paid. The target group for the share incentive programme can contain a maximum of 40 people. The estimated total value of bonuses payable for the 2019 earning period is approximately EUR 0.1 million.

5.1.2 The ended long-term incentive plan
All payments from the earning period implemented in 2015–2017 were based on the Group's earnings per share (EPS) excluding non-recurring items. Cash bonuses payable under the plan for the entire 2015–2017 earning period was capped at EUR 4.5 million. The plan expired on 31 December 2017, and it covered a maximum of 45 people. The CEO as well as members of the Group's Management Team and the Management Teams of Business Areas were covered by the programme. For the entire 2015–2017 earning period, bonuses worth EUR 2.1 million were accrued. The final bonus payment will be paid in March 2020 and is estimated at EUR 0.2 million.

5.1.3. Short-term incentive plan
The maximum amount of bonus pay under Atria's short-term incentive plan is 25 to 50% of the annual salary, depending on the effect on the results and the level of competence required for the role. The criteria in the bonus pay plan are the performance requirements and net sales at Group level and in the area of responsibility of the person concerned. In addition to the CEO and other members of the Management Team, Atria Plc's merit bonus plans cover approximately 40 people.

The remuneration paid to the CEO and the Management Team in 2019 was as follows:

	Fixed yearly salary	Fringe benefits	Paid merit pays	Supple-mentary pension contribu-tions	Total (EUR)
CEO Juha Gröhn	522,942	18,473	57,838	136,711	735,964
Deputy CEO Tomas Back	294,146	11,382	27,079	76,707	409,314
Other members of the AGMT	1,465,547	121,403	138,403	120,345	1,845,698
TOTAL	2,282,635	151,259	223,320	333,763	2,990,976

5.1.4 The Board of Directors' valid authorisations concerning remuneration
Atria Plc's Annual General Meeting held on 29 April 2020 authorised the Board of Directors to decide on (i) the acquisition of a maximum of 2,800,000 of the company's own series A shares; and (ii) an issue of a maximum of 5,500,000 new series A shares and/ or on the disposal of any series A shares held by the company through a share issue 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, in both cases under terms and conditions which enable the use of the acquired and/or issued shares as part of the company's incentive plan.

Investor reporting

The aim of Atria's investor reporting is to ensure that the market has at all times correct and sufficient information available to determine the value of Atria's share. In addition the aim is to provide the financial markets with versatile information, based on which those active in the capital markets can form a justified image of Atria as an investment object.

Atria has established a silent period for its investor relations communications; this period covers 30 calendar days prior to the publication of interim reports and annual reports and, if there are more than 30 days between the end of the review period and the publication of the report/release, the period in question. Atria will not issue any statements on its financial standing during this period

Investor information
Atria publishes financial information in real time on its web pages at www.atria.com. Here you can find annual reports, interim reports and press and company announcements. The company's largest shareholders and insiders as well as their holdings are updated regularly to the web pages.

Stock exchange releases
Atria Plc published a total of 21 company announcements in 2019. The releases can be found on the Atria Group website www.atria.com.

Disclosure policy
The disclosure policy approved by the Atria Board of Directors describes the key principles followed by Atria as a listed company in its communications with the capital markets and other stakeholders. The disclosure policy is available in full on the company's website.

Atria Plc's IR contact person:
Hanne Kortesoja
Communication and IR manager
Tel: + 358 400 638 839
e-mail: hanne.kortesoja@atria.com

Atria's performance has been monitored by at least the following analysts:

NORDEA
Joni Sandvall
Tel: +358 9 5300 5484
e-mail: firstaname.lastaname@nordea.com

OP Equities
Jussi Mikkonen
Tel: +358 10 252 8780
e-mail: firstaname.lastaname@pohjola.fi

CONTACTS

ATRIA PLC

Head office:
Itikanmäenkatu 3, Seinäjoki
Box 900, FI-60060 ATRIA
Tel. +358 20 472 8111
www.atria.com

ATRIA FINLAND

Headoffice:
Atriantie 1, Seinäjoki
Box 900, FI-60060 ATRIA
Tel. +358 20 472 8111
firstname.lastname@atria.com
www.atria.com

Invoicing address:
Box 1000
FI-60061 ATRIA

Financial administration:
Itikanmäenkatu 3, Seinäjoki
Finland
Box 900, FI-60060 ATRIA

Sales service centre:
Itikanmäenkatu 3,
Seinäjoki, Finland
Box 900, FI-60060 ATRIA

Commercial functions:
Läkkisepäntie 23
FI-00620 Helsinki, Finland

Other offices and plants:
Rahikkatie 95
FI-61850 Kauhajoki, Finland

Ankkuritie 2, Kuopio
PL 147, 70101 Kuopio

Pusurinkatu 48
30100 Forssa

Suluntie 1
40340 Jyväskylä

Isoniementie 79
36420 Sahalahti

ATRIA SWEDEN

Head office:
Löfströms allé 5
SE-172 66 Sundbyberg
Sweden
Tel. +46 10 482 3910
firstname.lastname@atria.com
www.atria.se

Office: Deli & Export
Nellickevägen 20 B
SE-412 63 Göteborg
Sweden
Tel. +46 10 482 36 00

Office: Foodservice
Florettgatan 18
SE-254 67 Helsingborg
Sweden
Tel. +46 10 482 35 10

Offices/plants:
Sockenvägen 40
SE-697 80 Sköllersta
Sweden
Tel. +46 10 482 30 00

Skogholmsgatan 12
SE-213 76 Malmö
Sweden
Tel. +46 10 482 35 00

Furumovägen 110
SE-294 76 Sölvesborg
Sweden
Tel: +46 01 482 30 00

Hjälmarydsvägen 2
SE-573 38 Tranås
Sweden
Tel. +46 10 482 37 00

Maskingatan 1
SE-511 62 Skene
Sweden
Tel. +46 10 482 38 00

Johannelundsgatan 44
SE-506 40 Borås
Sweden
Tel. +46 10 482 38 10

Östanåkravägen 2
SE-342 62 Moheda
Sweden
Tel. +46 10 482 37 10

Fordonsgatan 3
SE-692 71 Kumla
Sweden
Tel. +46 19 57 18 78

Atria Concept
Spółka z o.o
Ul.Czestochowska 24
32-085, Modlnica
Poland
Tel. +48 12 661 20 33

ATRIA DENMARK

Langmarksvej 1
DK-8700 Horsens
Denmark
Tel. +45 76 28 25 00

Aage Jensen Bakken 1
DK-8700 Horsens
Denmark
Tel. +45 76 28 25 00

Anlaegsvej 3,
DK-7323 Give
Denmark
Tel. +45 76 28 25 00

firstname.lastname@atria.com
www.atria.dk

ATRIA ESTONIA

Atria Eesti AS
Metsa str. 19
EE-68206 Valga, Estonia
Tel. +372 767 9900
info.estonia@atria.com,
firstname.lastname@atria.com
www.atria.ee

Other locations:
Pärnu mnt 158
EE-11317 Tallinn, Estonia

ATRIA RUSSIA

OOO Pit -Product
pr. Obukhovskoy
Oborony 70
RUS-192029,
Saint-Petersburg
Russia
Tel +7 812 336 6888
Tel. +7 812 412 8822

office@pitproduct.ru
firstname.lastname@atria.com
www.atriarussia.ru