

ATRIA

Good food – better mood.



Atria Plc Financial Statement Release

1 January – 31 December 2021

Atria performed well in the demanding operating environment of 2021

October–December 2021

- Consolidated net sales totalled EUR 403.6 million (EUR 398.6 million).
- Consolidated EBIT was EUR 12.6 million (EUR 15.1 million), or 3.1 per cent (3.8%) of net sales.
- Consolidated adjusted EBIT was EUR 10.3 million (EUR 15.1 million). The EBIT adjustment item consists of a non-recurring refund of an employment pension contribution of EUR 2.3 million in Sweden.
- Consolidated net sales grew, which was mainly due to increased sales to Foodservice, fast food and feed customers.
- Sales to retail were level with the corresponding period of the previous year, and exports to China decreased as the market situation deteriorated towards the end of the year.
- Increased costs weakened EBIT in all business areas.

January–December 2021

- Consolidated net sales totalled EUR 1540.2 million (EUR 1504.0 million).
- Consolidated EBIT was EUR 6.4 million (EUR 40.5 million), or 0.4 per cent (2.7%) of net sales.
- Consolidated adjusted EBIT was EUR 49.2 million (EUR 40.5 million). The EBIT adjustment item consists of translation differences of EUR -45.1 million of the divested Russian subsidiary (OOO Pit-Product) and a refund of an employment pension contribution of EUR 2.3 million in Sweden.
- Increased costs brought down EBIT in all business areas at the end of the year.
- Atria Finland's net sales and EBIT improved clearly. Sales grew in all sales channels, especially Foodservice sales and feed sales improved from the previous year.
- The improvement in Atria Sweden's EBIT was due to good sales development to Foodservice and fast food customers and the non-recurring refund of an employment pension contribution of EUR 2.3 million.
- Atria Denmark & Estonia's EBIT was lower than in the previous year; which was due to sharply rising costs at the end of the year.
- Atria Group's operational structure and segment reporting was changed. The reporting segments are Atria Finland, Atria Sweden and Atria Denmark & Estonia. As a result of the segment change, the Sibylla Rus company operating in the fast food business in Russia is reported as part of the Atria Sweden segment as of 1 January 2021.
- The sale of Atria's Russian subsidiary OOO Pit-Product was completed in April.
- In 2022–2023, Atria will invest approximately EUR 30 million in production restructuring in Sweden; production will be centralised at the Sköllersta plant and the Malmö plant will be closed.
- Occupational safety at Atria has improved significantly during the last four years. In 2017, Atria's LTA frequency was 41 and in 2021, it has improved to 14, a decrease of 66% (Lost Time Accident frequency = number of accidents at work resulting in absence per million working hours).
- Consolidated adjusted earnings per share were EUR 1.27 (EUR 0.81). The Board of Directors proposes that a dividend of EUR 0.63 (EUR 0.50) be paid for each share for the 2021 financial period.

After the review period

- In January 2022, Atria Finland received an export licence for poultry products to South Korea. The first product batch to South Korea will be shipped during February–March 2022.

EUR million	Q4	Q4	Q1-Q4	Q1-Q4
	2021	2020	2021	2020
Net sales				
Atria Finland	293.2	284.5	1,105.7	1,066.3
Atria Sweden	92.7	85.1	351.7	332.2
Atria Denmark & Estonia	26.4	26.6	104.9	106.8
Unallocated*	0.2	14.0	15.0	51.8
Eliminations	-8.9	-11.5	-37.1	-53.0
Net sales, total	403.6	398.6	1,540.2	1,504.0
EBIT before items affecting comparability				
Atria Finland	10.6	14.4	48.1	43.1
Atria Sweden	0.6	1.2	2.7	0.8
Atria Denmark & Estonia	0.0	1.7	5.1	5.3
Unallocated*	-0.9	-2.2	-6.8	-8.7
Adjusted EBIT	10.3	15.1	49.2	40.5
Adjusted EBIT, %	2.5 %	3.8 %	3.2 %	2.7 %
Items affecting comparability of EBIT:				
Atria Sweden				
Refund of an employment pension contribution	2.3	0.0	2.3	0.0
Unallocated				
The effect of the sale of the subsidiary	0.0	0.0	-45.1	0.0
EBIT	12.6	15.1	6.4	40.5
EBIT, %	3.1 %	3.8 %	0.4 %	2.7 %
Profit before taxes	12.3	14.6	4.8	37.3
Earnings per share, EUR	0.34	0.22	-0.24	0.81
Adjusted earnings per share, EUR	0.26	0.22	1.27	0.81

* Net sales and EBIT of the sold subsidiary, OOO Pit-Product and Group costs are reported as "Unallocated".

** Included in other operating income.

*** Included in other operating expenses.

Juha Gröhn, CEO

“Both in terms of growth and earnings, 2021 was strong for Atria. Atria's net sales increased to EUR 1540.2 million. Growth on the previous year was about EUR 36 million. The development was good considering that the sale of Atria's Russian subsidiary, OOO Pit-Product, was completed in April and had a reducing effect on full-year net sales. The Group's net sales, excluding the effect of the divested Russian subsidiary, increased by approximately 5 per cent.



Adjusted EBIT for 2021 was EUR 49.2 million. We can be satisfied with the result. In particular, performance in the first six months of 2021 was good. Although the exceptional circumstances caused by coronavirus have been prolonged, Atria's performance has been good. Everyday life has been performed without significant deviations in the production and delivery of products to our customers. Future-oriented business development work has also progressed as planned.

At the end of the year, sales were in line with expectations, but rising costs reduced profitability. The increase in costs has burdened Atria's domestic market in all business areas and has affected a wide range of raw materials, materials, supplies and services procured by Atria. Energy costs have also been rising. Comparable EBIT for the last three months of the year was EUR 10.3 million. The EUR 5 million drop in EBIT from 2020 was due to cost increases.

The market situation is decisively affected by the situation of the coronavirus pandemic and the resulting restrictions; Foodservice sales decline when eating out is restricted due to the virus. As the restrictions ease, Foodservice sales will quickly return to good levels. Restrictions following the emergence of the omicron coronavirus variant halted the recovering restaurant sales again at the end of the year. The retail sector as a whole has been unsurprising and sales have been stable. In retail, the strongest growth within product groups has been in convenience food sales.

Meat consumption remained stable in Atria's market area during 2021. According to studies, the total consumption of meat and the number of meat eaters have remained at the same level for several years. Consumption of red meat has declined slightly, but consumption of poultry continues to grow strongly.

Pork exports to China have continued, but at lower levels than a year earlier. The price level in China declined in the second half of 2021. We still have to wait for prices to rise and demand to strengthen.

Investments in the poultry plant at the Nurmo unit proceed according to plans.

The well-being and safety of our personnel is important to us, and our goal is a motivated, committed and well-being staff. We have worked long-term to improve occupational safety and that work has paid off. We have been able to reduce the number of accidents at work resulting in sick leaves by two-thirds since 2017. At the beginning of 2022, the high spreading rate of the omicron variant has increased the risk of disturbances. The most important operational issues at the moment are to adapt to rising costs and to manage pricing.”

October–December 2021

Atria Group's net sales for the fourth quarter totalled EUR 403.6 million (EUR 398.6 million). Consolidated adjusted EBIT was EUR 10.3 million (EUR 15.1 million). Consolidated EBIT was EUR 12.6 million (EUR 15.1 million), or 3.1 per cent (3.8%) of net sales. EBIT includes a non-recurring refund of an employment pension contribution of EUR 2.3 million in Sweden. Consolidated net sales grew, which was mainly due to increased sales to Foodservice customers in all business areas and feed customers in Finland. Sales to retail were level with the corresponding period of the previous year. In Sweden and Russia, sales of Sibylla products were better year-on-year. The market situation for exports to China clearly deteriorated.

EBIT was lower than in the corresponding period of the previous year due to higher prices for several materials, supplies, commodities and external services in all business areas. Meat producer prices were higher year-on-year.

Ilari Hyyrynen, CEO of Atria's subsidiary Sibylla Russia and member of the Atria Group Management Team, resigned to take a position with another employer.

January–December 2021

Atria Group's net sales for January–December totalled EUR 1540.2 million (EUR 1504.0 million). Adjusted EBIT was EUR 49.2 million (EUR 40.5 million). Consolidated EBIT was EUR 6.4 million (EUR 40.5 million). EBIT includes a translation difference entry of EUR -45.1 million of the divested Russian subsidiary (OOO Pit-Product) and a non-recurring refund of an employment pension contribution of EUR 2.3 million in Sweden. Atria Group's net sales increased during January–June owing to good sales to the retail sector and exports. With the lifting of coronavirus restrictions, sales to Foodservice and fast food customers strengthened during the second half of the year. Sales to feed customers were higher than in the previous year. Consolidated adjusted EBIT was boosted by good export development and lower costs in January–June. Towards the end of the year, the impact of cost inflation weakened profitability in all business areas.

The increase in Atria Finland's net sales was due to increased sales in all sales channels, especially Foodservice sales and feed sales improved from the previous year. Sales to export customers for the whole year grew from the previous year. EBIT growth was due to the increase in net sales and a favourable sales structure. Towards the end of the year, the impact of cost inflation weakened profitability.

In the local currency, Atria Sweden's net sales grew by 3.5 per cent year-on-year. During the first quarter, coronavirus restrictions had a negative impact on the Foodservice and fast food business. After that, the market started to recover with the removal of coronavirus restrictions, increasing towards the end of the year. Increased costs at the end of the year weakened EBIT. As a result of a segment change in Atria Group, the Sibylla Rus company operating in the fast food business in Russia is reported as part of the Atria Sweden segment as of 1 January 2021. The change had a positive effect on net sales and EBIT for the review period and the comparison period.

Atria Denmark & Estonia's EBIT was weaker than in the previous year. The decrease in net sales was due to a decline in Atria Denmark's retail sales. EBIT strengthened during the first three quarters as a result of price increases during the first half of the year, low meat raw material prices and good cost control. At the end of the year, feed and production costs rose sharply.

In May, Atria decided to invest EUR 30 million in production restructuring in Sweden. The investment includes the expansion of production facilities and the purchase of new production equipment for the Sköllersta plant. As a result of the restructuring, Malmö's production will be transferred to the Sköllersta and

Moheda plants in Sweden and to the Horsens plants in Denmark. The transfer of production is expected to be completed in 2023. By concentrating production, Atria wants to ensure its future competitiveness through more efficient production and logistics, which also have lower climate impacts. The restructuring is estimated to generate total annual savings of EUR 3.5 million for Atria.

Atria increased its stake in Well-Beef Kaunismaa Ltd by 20 per cent through share transactions made in March. Atria now owns 90 per cent of Well-Beef Kaunismaa's stock. In 2016, Atria acquired 70 per cent of the company's stock. Well-Beef Kaunismaa holds a strong position in the Finnish market as a manufacturer of high-quality hamburger patties and kebab products.

In February 2021, Atria concluded the sale of its Russian subsidiary OOO Pit-Product to Limited Liability Company Agricultural Complex Mikhailovskiy, which belongs to the Cherkizovo Group. The divestment, which transfers ownership of OOO Pit-Product to the buyer, was completed at the end of April. The purchase price was approximately EUR 32 million. In addition to a translation difference, the divestment had no further impact on Atria's Group profit. The divestment has an impact of around EUR 35 million on Atria Group's net sales. The business has been showing a loss. The divestment did not include Atria Russia's other subsidiary, Sibylla Rus LLC, which engages in fast food operations in Russia.

Cumulated translation differences associated with Pit-Product stood at EUR -45.1 million on the transaction date, 30 April 2021. The translation differences have accumulated from exchange rate fluctuations during the Pit-Product holding. Atria purchased Pit-Product in 2005. At that time, one euro corresponded to around RUB 34. At the time of the transaction, one euro was worth RUB 90. When divesting a foreign subsidiary, the cumulative translation differences associated with said subsidiary, which have already been recognised in equity, are recognised through profit or loss. Since the cumulated translation differences already reduce the Group's equity, this recognition has no impact on the Group's equity ratio or cash flow.

Atria expands its sustainability programme – the goal is to reduce the environmental impact and carbon emissions of the entire value chain

Atria's goal is to be a forerunner in sustainability in its field. Due to climate change, Atria's most important goal today is a carbon-neutral food chain. To reach these goals, Atria has expanded its sustainability programme, the goal is which is to reduce the environmental impact and carbon emissions of the entire value chain together with supply chain partners. Sustainability is an integral part of Atria's strategy, business and daily work. Atria published its updated sustainability programme during the review period.

Atria now also states the carbon footprint of its pork products in its consumer packaging in Finland. The label on the packaging indicates the climate impact of the product throughout the production chain, converted into carbon dioxide equivalents. The carbon footprint is calculated and reported per product item (kg CO₂e / product). The calculation covers about half of Atria's farm-traced pork in Finland and thus represents the average carbon footprint of Atria's pork products. The carbon footprint of Atria's pork is 3.21 CO₂e per kilogramme of slaughter (2.55 CO₂e per kilogramme of live weight). In addition to the pig, the carbon footprints marked on the packaging also take into account the packaging materials of the products, any other raw materials and the emissions allocated to the product from the processing of the product. Earlier this year, Atria introduced carbon footprint labelling for all chicken products.

Biogas trucks will be introduced for Atria's transports. Tuoretie Oy, which manages Atria Finland's transports, will deploy vehicle combinations using liquefied biogas (LBG). The use of environmentally friendly biogas in transport can reduce life cycle greenhouse gas emissions by up to 90 per cent compared to conventional fuels. The use of biogas in transport is one step towards carbon-neutral food production. Atria has set a goal to significantly reduce the use of fossil fuels.

Atria's occupational safety has improved significantly over the past four years. In 2017, Atria launched the Safely Home from Atria programme to improve occupational safety and reduce the number of accidents at work. The goal of the programme is to reduce the LTA frequency from 41 in 2017 to 8 in 2025 (Lost Time Accident frequency = number of accidents at work resulting in absence per million working hours). Consistent work to improve working methods, practices, routines and, most importantly, work culture has really paid off. This is clearly reflected in the reduction in accidents resulting in sick leave. In 2017, Atria's LTA frequency was 41 and in 2021, it has improved to 14, a decrease of 66%.



Business development by area January–December 2021

Atria Finland

	Q4	Q4	Q1-Q4	Q1-Q4
EUR million	2021	2020	2021	2020
Net sales	293.2	284.5	1,105.7	1,066.3
EBIT	10.6	14.4	48.1	43.1
EBIT, %	3.6 %	5.1 %	4.4 %	4.0 %

Atria Finland's net sales for October–December totalled EUR 293.2 million (EUR 284.5 million). The growth in net sales is due to increased sales to Foodservice and feed customers. Sales to retail were level with the corresponding period of the previous year, and exports decreased. EBIT was EUR 10.6 million (EUR 14.4 million). EBIT was lower than in the corresponding period of the previous year due to higher prices for several materials, supplies, commodities and external services. Meat producer prices were higher year-on-year. Profitability weakened due to higher costs.

Net sales for the year amounted to EUR 1105.7 million (EUR 1066.3 million). The increase in net sales was due to increased sales in all sales channels, especially Foodservice sales and feed sales improved from the previous year. Sales to export customers for the whole year grew from the previous year. Exports to China were twofold: strong growth in the first half of the year, but the market situation for Chinese exports clearly deteriorated in the second half of the year. EBIT increased to EUR 48.1 million (EUR 43.1 million). EBIT growth was due to the increase in net sales and a favourable sales structure. The end of the reduction in statutory employment pension contributions has had a negative impact on profit. Towards the end of the year, the impact of cost inflation weakened profitability. The poultry plant investment is progressing according to the planned schedule.

The retail market has grown by 2.7 per cent from the beginning of the year in the product groups represented by Atria. The market for convenience food products grew in 2021 compared to 2020, over 9 per cent in terms of value. Atria's supplier share in 2021 was approximately 24 per cent in the product groups represented by Atria. In October–December, sales in Finnish retail increased by just under one per cent (0.7%). The sales of convenience foods grew by 8.8 per cent in October–December. (Source: Atria market insight)

The foodservice market in Finland resumed growth after the fall in 2020. The market grew especially during the summer and autumn, but the re-tightening of coronavirus restrictions at the end of the year curbed growth. Atria's supplier share in the Foodservice market is approximately 22 per cent in the product groups represented by Atria. At the end of the year, meat (+13%), poultry (+20%) and cold cuts (+14%) brought growth to the Foodservice market. In contrast, convenience food decreased by 14 per cent in terms of value. (Source: Atria market insight)

Atria's Finnish grass-fed beef sirloin steak was crowned the world's best steak in the prestigious World Steak Challenge competition in Dublin. Atria's Danish partner, JN Meat International, participated in the competition with Finnish beef and won the title of the world's best steak for the third consecutive time. The winner was selected from more than 400 different steaks and 23 competing countries. The best steak in the world is beef of the Ayrshire breed fed with Finnish grass feed, and it comes from the Hautakorpi cattle farm in Karvia.

In March, Atria, Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative, together with Maitosuomi Co-operative, established Nautasuomi Oy, a company developing cattle feeds, which is indirectly owned by Finnish milk and meat producers. The aim of the arrangement is to combine the expertise and resources of milk and meat producers, and thus to support internationally competitive milk and beef production. The aim of the cooperation is to ensure cost-effective and high-quality industrial feed for dairy and beef farms. Feed costs form a significant part of farm production costs. This cooperation can contribute to the success of farms by investing in the development of productivity.

Atria increased its stake in Well-Beef Kaunismaa Ltd by 20 per cent through share transactions made in March. Atria now owns 90 per cent of Well-Beef Kaunismaa's stock. In 2016, Atria acquired 70 per cent of the company's stock. Well-Beef Kaunismaa holds a strong position in the Finnish market as a manufacturer of high-quality hamburger patties and kebab products.



Atria Sweden

	Q4	Q4	Q1-Q4	Q1-Q4
EUR million	2021	2020	2021	2020
Net sales	92.7	85.1	351.7	332.2
Adjusted EBIT	0.6	1.2	2.7	0.8
Adjusted EBIT, %	0.7 %	1.4 %	0.8 %	0.2 %
Items affecting comparability of EBIT:				
Refund of an employment pension contribution	2.3	0.0	2.3	0.0
EBIT	2.9	1.2	5.0	0.8
EBIT, %	3.2 %	1.4 %	1.4 %	0.2 %

Atria Sweden's net sales for the fourth quarter amounted to EUR 92.7 million (EUR 85.1 million). In the local currency, net sales grew by 6.7 per cent year-on-year. Sales of Foodservice and Sibylla products in Sweden were better year-on-year. Sales to retail were level with the corresponding period of the previous year. Sales of Sibylla products in Russia continued to grow. Due to coronavirus restrictions, domestic tourism has been brisk in Russia, which has grown the local fast food market. Adjusted EBIT was EUR 0.6 million (EUR 1.2 million). EBIT amounted to EUR 2.9 million (EUR 1.2 million). The EBIT adjustment item consists of a non-recurring refund of an employment pension contribution of EUR 2.3 million. Increased feed, transport and energy costs brought down EBIT during the review period.

Net sales for the year amounted to EUR 351.7 million (EUR 332.2 million). In the local currency, net sales grew by 3.5 per cent year-on-year. During the first quarter, coronavirus restrictions had a negative impact on the Foodservice and fast food business. After that, the market started to recover with the removal of coronavirus restrictions. Adjusted EBIT was EUR 2.7 million (EUR 0.8 million). EBIT amounted to EUR 5.0 million (EUR 0.8 million). The EBIT adjustment item consists of a non-recurring refund of an employment pension contribution of EUR 2.3 million, which was realised in the last quarter of the year. At the end of the year, feed, transport and energy costs brought down EBIT development. As a result of a segment change in Atria Group, the Sibylla Rus company operating in the fast food business in Russia is reported as part of the Atria Sweden segment as of 1 January 2021. The change had a positive effect on net sales and EBIT for the review period and the comparison period.

In January–December, sales to retail of the product groups represented by Atria remained stable: the sausage market decreased by 1.1 per cent, the cold cuts market grew by 2.5 per cent and the poultry products market grew by 3.8 per cent in value. In January–December, Atria's supplier share was 18.7 per cent in sausages, 12.6 per cent in cold cuts and 16.9 per cent in fresh chicken products. (Source: AC Nielsen).

Coronavirus restrictions have had the biggest effect on the Foodservice and fast food market. Rapid fluctuations in demand have caused uncertainty in the market. The Foodservice market grew by approximately 15 per cent in the fourth quarter of 2021 compared to the corresponding period in the previous year.

In May, Atria decided to invest EUR 30 million in production restructuring in Sweden. The investment includes the expansion of production facilities and the purchase of new production equipment for the Sköllersta plant. As a result of the restructuring, Malmö's production will be transferred to the Sköllersta and Moheda plants in Sweden and to the Horsens plants in Denmark. The transfer of production is expected to be completed in 2023. By concentrating production, Atria wants to ensure its future competitiveness through more efficient production and logistics, which also have lower climate impacts. The restructuring is estimated to generate total annual savings of EUR 3.5 million for Atria.



Atria Denmark & Estonia

	Q4	Q4	Q1-Q4	Q1-Q4
EUR million	2021	2020	2021	2020
Net sales	26.4	26.6	104.9	106.8
EBIT	0.0	1.7	5.1	5.3
EBIT, %	0.0 %	6.5 %	4.9 %	4.9 %

Atria Denmark & Estonia's net sales for October–December totalled EUR 26.4 million (EUR 26.6 million). EBIT amounted to EUR 0.0 million (EUR 1.7 million). Atria's net sales in Estonia increased by nearly 5 per cent, which was due to the growth of Atria's market shares and a favourable sales structure. In Denmark, sales to Foodservice and export customers increased year-on-year. Sales to retail were sluggish, although the market shares of private labels strengthened in Denmark. During the review period, EBIT was weighed down by rising costs for materials, supplies, energy and external services, as well as higher feed costs in Estonia.

Net sales for the year amounted to EUR 104.9 million (EUR 106.8 million). EBIT amounted to EUR 5.1 million (EUR 5.3 million). The decrease in net sales was due to a decline in Atria Denmark's retail sales. EBIT strengthened during the first three quarters as a result of price increases during the first half of the year, low meat raw material prices and good cost control. At the end of the year, feed and production costs rose sharply, as a result of which full-year EBIT was lower than in the previous year.

Atria's total market share in Estonian retail was 14.8 per cent (14.1%) in January–December in terms of value. Sales of marinated meat and private labels strengthened at the end of the year. Atria's Maks & Moorits meat products were awarded in three categories as the best Christmas products at the Tallinn Food Fair in October. Atria Denmark's total market share in cold cuts in January–December was 16.9 per cent.

Average number of personnel (FTE)

Personnel by Business Area average FTE	Q1-Q4 2021	Q1-Q4 2020
Atria Finland	2,390	2,398
Atria Sweden	876	879
Atria Denmark & Estonia	445	439
Sold operation, OOO Pit Product		728
Total	3,711	4,444

Financial position

Consolidated interest-bearing net liabilities on 31 December 2021 amounted to EUR 152.6 million (31 December 2020: EUR 191.6 million).

During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR 62.4 million (EUR 59.0 million). Free cash flow includes the net cash flow effect of the sale of OOO Pit-Product of EUR 30.3 million.

Equity ratio at the end of the review period was 48.7% (31 December 2020: 46,8 %). The change in translation differences in equity was EUR 42.7 million (EUR -6.8 million). Accumulated translation differences related to the sold subsidiary, OOO Pit-Product, amounted to EUR -45.1 million and were written off from translation differences to retained earnings. The recording has no effect on equity ratio or cash flow.

In April, Atria refinanced a EUR 40 million loan due in April 2023 with a new EUR 60 million bullet loan that has a maturity of seven years. In December, Atria also refinanced a EUR 40 million loan due in November 2023 with a new EUR 60 million bullet loan tied to sustainability targets, with a maturity of five years and 1+1 year extension options. The sustainability targets of the loan are to reduce carbon dioxide emissions and accidents at work and to improve energy efficiency. In December, the company refinanced a EUR 30 million committed credit facility due in June 2023 with a new EUR 30 million committed credit facility tied to sustainability targets, with a maturity of five years and 1+1 year extension options. The sustainability targets of the credit facility are to reduce carbon dioxide emissions and accidents at work.

Cash funds on 31 December 2021 stood at EUR 57.3 million (31 December 2020: EUR 26.6 million). The Group's liquidity has remained good. On 31 December 2021, the Group had undrawn committed credit facilities worth EUR 85.0 million (31 December 2020: EUR 85.0 million). The average maturity of loans and committed credit facilities at the end of the review period was 4 years 11 months (31 December 2020: 3 years 2 months).

EU Taxonomy Regulation

The Taxonomy Regulation (EU) 2020/852, the EU's classification system for sustainable finance, lists environmentally sustainable economic activities. The regulation requires e.g. listed companies to report in accordance with its requirements. Atria's line of business is not included in the first delegated regulation, so we classify Atria's share of net sales in taxonomic operations as zero (0%). Correspondingly, the shares of taxonomically eligible capital expenditure and operating expenditure are 0%. Atria will continue to assess the effects of taxonomy reporting in 2022.

Events after the review period

Atria Plc donates a total of EUR 60,000 to three Finnish universities and one university of applied sciences. In addition, Atria donates EUR 5,000 to Food and Forest Development Finland to support agriculture and forestry in developing countries.

Donations are given to:

- Seinäjoki University of Applied Sciences, EUR 20,000
- University of Vaasa, EUR 20,000
- University of Eastern Finland, EUR 10,000
- University of Tampere, EUR 10,000
- FFD (Food and Forest Development Finland), EUR 5,000

In January 2022, Atria Finland received an export licence for poultry products to South Korea. The first product batch to South Korea will be shipped during February–March 2022. South Korea is a growing and large market for poultry consumption. The country has a population of 52 million and currently, the consumption of poultry is 16.9 kg per person per year.

Business risks in the review period and short-term risks

Atria's business, net sales and earnings can be affected by several uncertainties. Atria's 2020 Annual Report provides comprehensive information on risk management and risks and can be found at www.atria.fi/en/group/investors/financial-information/annual-reports/.

The Covid-19 pandemic has affected Atria's business since March 2020. In 2021, it posed a significant risk to Atria's business, as in the previous year. The nature of the pandemic changed for the worse in the last quarter of 2021, when the omicron-coronavirus variant began to spread across continents. Due to the variant, regional and company-specific coronavirus restrictions that had already been discontinued were reintroduced. The restrictions affect both Atria's personnel and operations and the purchasing behaviour of Atria's customers. The rapid spread of the virus variant has also been reflected in instability in the security of supply of suppliers and the functioning of the logistics chain.

Atria strives to prevent the impact of the pandemic on the health and safe working of its personnel and to ensure a smooth supply chain. New ways of working, protective equipment, social distancing, information and guidance, and restrictions on visits and travel are used as tools.

Globally, the behaviour of the virus and controlling the pandemic through vaccination programmes continue to contain uncertainties.

The dry and exceptionally warm summer reduced grain harvests in Finland. The autumn rains, in turn, weakened the quality of the harvest. As a result, feed prices and the costs of meat production farms have risen, which has increased the price of meat.

In the second half of the year, energy prices have been high and price fluctuations have been large. The prices of natural gas and electricity in particular have been at a record high. Atria's hedging against the risk related to the market price of electricity (system price) has been effective, but regional differences in electricity prices have brought additional costs. Significant price fluctuations in electricity and other energy costs are forecast to continue.

The digitalising and globalising world has brought with it cyber risks. Risks related to cyber crime and IT disruptions can also affect Atria's operations, either directly or through service providers' systems. Every

effort is made to prevent and protect against them through systematic monitoring and security-enhancing measures.

A significant part of the pork processed at Atria's Nurmo plant is exported to China. On the Chinese market, the price of meat can fluctuate very quickly, which is a risk to both volume and the price level.

African swine fever is encountered in several European countries, China and Russia. The poultry market experienced uncertainty, as cases of highly pathogenic avian influenza were detected in Europe. Considering the risk of these diseases spreading to Finland, Atria employs prevention measures at its own production plants and contract production farms.

Outlook for the future

In 2022, Atria Group's adjusted EBIT is estimated to be lower than in the previous year (EUR 49.2 million).

The significant and rapid rise in costs and the imbalance between global pork demand and supply will create uncertainty in the business environment in 2022. However, Atria's strong market position, long-term investment in its own brands, as well as good customer relationships and reliable industrial processes provide the preconditions for business stability even in these market situations.

Board of Directors' proposal for profit distribution 2021

The Board of Directors proposes that a dividend of EUR 0.63 (EUR 0.50) be paid for each share for the 2021 financial period.

Financial calendar 2022

The Annual General Meeting will be held on 3 May 2022. 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 requests in writing from the Board of Directors well in advance of the meeting so that the matter can be mentioned in the notice. The Board of Directors must be notified of the request by 4 March 2022 in order for it to be dealt with at the General Meeting. The request, with accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, Lakkisepäntie 23, FI-00620 Helsinki.

Atria Plc's Annual Report 2021 will be published in week 12/2022.

Atria Plc will publish two interim reports and one half-year report in 2022:

Interim report January–March on 3 May 2022 at approximately 8:00 am

Half-year report January–June on 19 July 2022 at approximately 8:00 am

Interim report January–September on 26 October 2022 at approximately 8:00 am

Financial releases can also be viewed on the company's website at www.atria.com immediately after their release.

Decisions of the General Meeting 2021

The decisions of the General Meeting were published as a company announcement on 29 April 2021. The announcement can be viewed on Atria's investor pages at www.atria.fi/en/group/investors/annual-general-meeting/yhtiokokous-2021/

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

The General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorise the Board of Directors to resolve on the acquisition of a maximum of 2,800,000 of the Company's own series A shares in one or more instalments with funds belonging to the Company's unrestricted equity, subject to the provisions of the Finnish Companies Act on the maximum number of treasury shares. The authorisation may be used for the financing or execution of any acquisitions or other arrangements or investments relating to the company's business, as part of the company's incentive programme, to develop the company's capital structure, to be otherwise further transferred, to be retained by the company or to be cancelled.

The shares shall 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 shall be acquired and paid according to the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd. The Board of Directors was authorised to decide on the acquisition of the Company's own shares in all other respects.

The authorisation shall supersede the authorisation granted by the Annual General Meeting on 29 April 2020 to the Board of Directors to decide on the acquisition of the company's own shares and be valid until the closing of the next Annual General Meeting or until 30 June 2022, whichever is first.

The General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorise the Board of Directors to resolve on an issue of a maximum total of 5,500,000 new series A shares or series A shares possibly held by the company, in one or more instalments, by issuing shares and/or option rights or other special rights entitling to shares, referred to in Chapter 10, section 1 of the Finnish 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 programme or for other purposes at the Board's discretion.

The authorisation includes the Board of Directors' right to decide on any terms and conditions of the share issue and the issue of special rights referred to in Chapter 10, section 1 of the Finnish Companies Act. The authorisation thus also includes the right to issue shares in a proportion other than that of the shareholders' current shareholdings in the company under the conditions provided by law, the right to issue shares against payment or without charge and the right to decide on a share issue without payment to the company itself, subject to the provisions of the Companies Act on the maximum number of treasury shares.

The authorisation shall supersede the share issue authorisation granted by the Annual General Meeting on 29 April 2020 to the Board of Directors and is valid until the closing of the next Annual General Meeting or until 30 June 2022, whichever is first.

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

Shares

Atria Plc's share capital consists of a total of 28,267,728 shares, divided into 19,063,747 series A shares and 9,203,981 series KII shares. Each series A share entitles its holder to one (1) vote at a General Meeting and each series KII share to ten (10) votes. Atria Plc's shareholders are entitled to a total of 111,103,557 votes. The company holds 92,185 pcs of its own series A shares.

Composition of Atria Plc's Nomination Board

The following people were elected to Atria Plc's Nomination Board, appointed by the Annual General Meeting:

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

The Nomination Committee elected Juho Anttikoski as chairman. 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. The Nomination Board shall present its proposal to the Board of Directors by 1 February 2022.

Shareholders or their representatives who own Series KII shares as well as the largest holder of Series A shares who does not own Series KII shares, or a representative thereof, shall be elected to the Nomination Board in accordance with their ownership in early September preceding the next General Meeting. If the largest holder of Series A shares 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. Itikka Co-operative, Lihakunta and Pohjanmaan Liha Co-operative are Series KII shareholders.

Some shareholders are obligated to notify the Company of certain changes in shareholding (flagging obligation) 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. A shareholder with nominee-registered shares is considered when defining the composition of the Shareholders' Nomination Board, if the holder of nominee-registered shares presents a request regarding the matter to the company's Board of Directors by the end of August preceding the Annual General Meeting.

Corporate governance principles

Atria's Corporate Governance Principles and deviations from the Finnish Corporate Governance Code, as well as the Remuneration Report, are published on the company's website at www.atria.com.

Incentive programmes for management and key personnel

Long-term share incentive programme 2021–2023

Atria has a long-term incentive programme for key personnel for 2021–2023, approved by Atria Plc's Board of Directors. The programme is basically the same as in 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 first earning period begins on 1 January 2021 and ends on 31 December 2021. The bonuses for 2021 will be paid in three equal instalments in 2022, 2023 and 2024, 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. The bonuses payable under the programme are based on the company's earnings per share (EPS) (70%) and organic growth (30%).

The target group for the share incentive programme can contain a maximum of 40 people. The total value of bonuses payable for one earning period can be up to EUR 2 million. The estimated total value of bonuses payable for the 2021 earning period is approximately EUR 1.4 million (EUR 0.9 million).

Short-term incentive programme

The maximum amount of bonus pay under Atria's short-term incentive programme 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 merit 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.

Major shareholders

Major shareholders on 31 December 2021

	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
Skandinaviska Enskilda Banken Ab *)		1,041,926	1,041,926	3.69
Mandatum Life Insurance Company Ltd.		963,918	963,918	3.41
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Citibank Europe Plc		566,209	566,209	2.00
Varma Mutual Pension Insurance Company		524,640	524,640	1.86
Oy Etra Invest Ab		425,000	425,000	1.50
OP-Henkivakuutus Ltd.		232,620	232,620	0.82
The estate of Sofia Margareta von Julin		150,000	150,000	0.53

Major shareholders by voting rights 31 December 2021

	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
Skandinaviska Enskilda Banken Ab *)		1,041,926	1,041,926	0.94
Mandatum Life Insurance Company Limited		963,918	963,918	0.87
Citibank Europe Plc		566,209	566,209	0.51
Varma Mutual Pension Insurance Company		524,640	524,640	0.47
Oy Etra Invest Ab		425,000	425,000	0.38
OP-Henkivakuutus Ltd.		232,620	232,620	0.21
The estate of Sofia Margareta von Julin		150,000	150,000	0.14

*) Nominee registered

Financial indicators

mill. EUR	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
Net sales	1,540.2	1,504.0	1,451.3	1,438.5	1,436.2
EBIT	6.4	40.5	31.1	28.2	40.9
% of net sales	0.4	2.7	2.1	2.0	2.8
Adjusted EBIT	49.2	40.5	31.1	28.2	39.6
% of net sales	3.2	2.7	2.1	2.0	2.8
Financial income and expenses	-4.9	-4.5	-5.6	-6.2	-7.3
% of net sales	-0.3	-0.3	-0.4	-0.4	-0.5
Profit before tax	4.8	37.3	26.2	22.3	35.5
% of net sales	0.3	2.5	1.8	1.6	2.5
Adjusted profit before tax	47.6	37.3	26.2	22.3	34.2
% of net sales	3.1	2.5	1.8	1.6	2.4
Return of equity (ROE), %	-1.2	5.7	3.9	4.1	6.7
Adjusted return of equity (ROE), %	8.2	5.7	3.9	4.1	6.3
Return of investment (ROI), %	1.9	7.2	5.3	5.0	7.3
Adjusted return of investment (ROI), %	8.3	7.2	5.3	5.0	7.1
Equity ratio, %	48.7	46.8	46.9	47.7	47.5
Interest-bearing liabilities	209.9	218.1	228.3	227.2	214.3
Gearing, %	44.9	49.7	52.6	53.1	49.8
Net gearing, %	32.6	43.6	51.6	52.1	49.0
Gross investments in fixed assets	55.6	45.6	40.1	44.5	53.9
% of net sales	3.6	3.0	2.8	3.1	3.8
Average FTE	3,711	4,444	4,454	4,460	4,449
R&D costs	15.3	15.0	15.3	13.7	12.9
% of net sales *	1.0	1.0	1.1	1.0	0.9
Volume of orders **	-	-	-	-	-

* Booked in total as expenditure for the financial year.

** Not a significant indicator, as orders are generally delivered on the day following the order being placed.

Share-issued adjusted per-share indicators

	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
Earnings per share (EPS), EUR	-0.24	0.81	0.54	0.58	0.92
Adjusted earnings per share (EPS), EUR	1.27	0.81	0.54	0.58	0.87
Shareholders' equity per share, EUR	16.08	14.96	14.85	14.69	14.81
Dividend per share, EUR*	0.63	0.50	0.42	0.40	0.50
Dividend per profit, %*	-257.2	61.4	78.4	68.8	54.4
Adjusted dividend per profit, %*	49.5	61.4	78.4	68.8	57.4
Effective dividend yield *	5.5	5.1	4.2	6.1	4.1
Price per earnings (P/E)	-47.0	12.1	18.7	11.3	13.2
Adjusted price per earnings (P/E)	9.1	12.1	18.7	11.3	13.9
Market capitalisation	325.6	278.4	283.8	186.0	342.3
Market capitalisation, series A	219.6	187.8	191.4	125.4	230.9
Share turnover per 1 000 shares, series A	3,536	4,599	3,831	5,696	3,381
Share turnover %, series A	18.6	24.1	20.1	29.9	17.7
Number of shares, million, total	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 average number of shares	28.3	28.3	28.3	28.3	28.3
Share issue-adjusted number of shares on 31 December	28.3	28.3	28.3	28.3	28.3

* The Board of Directors' proposal from year 2021 for the Annual Meeting to be held on 3 May 2022.

Share price development, series A (EUR)

Lowest of period, series A	9.85	7.13	6.61	6.42	10.11
Highest of period, series A	13.44	10.86	10.04	13.48	12.96
At end of period, series A	11.52	9.85	10.04	6.58	12.11
Average price for period, series A	11.60	9.08	8.28	9.58	11.47

ATRIA GROUP

Consolidated income statement

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Net sales	403.6	398.6	1,540.2	1,504.0
Costs of goods sold	-359.5	-349.4	-1,363.7	-1,337.7
Gross profit	44.1	49.1	176.5	166.3
Sales and marketing expenses	-21.5	-20.2	-81.0	-77.7
Administrative expenses	-12.5	-12.4	-45.8	-45.7
Other operating income	3.4	0.8	6.0	3.2
Other operating expenses	-0.8	-2.1	-49.4	-5.6
EBIT	12.6	15.1	6.4	40.5
Finance income and costs	-0.9	-0.8	-4.9	-4.5
Income from joint ventures and associates	0.6	0.3	3.4	1.2
Profit before taxes	12.3	14.6	4.8	37.3
Income taxes	-2.2	-7.9	-10.2	-12.6
Profit for the period	10.1	6.8	-5.4	24.7
Profit attributable to:				
Owners of the parent	9.6	6.2	-6.9	22.9
Non-controlling interests	0.5	0.6	1.5	1.8
Total	10.1	6.8	-5.4	24.7
Basic earnings per share, EUR	0.34	0.22	-0.24	0.81
Diluted earnings per share, EUR	0.34	0.22	-0.24	0.81

Consolidated statement of comprehensive income

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Profit for the period	10.1	6.8	-5.4	24.7
Other comprehensive income after tax:				
Items that will not be reclassified to profit or loss				
Actuarial losses from benefit-based pension obligations	0.2	-0.3	0.2	-0.1
Changes in fair value of equity items at fair value through other comprehensive income	-0.4	0.0	-0.4	0.0
Items reclassified to profit or loss when specific conditions are met				
Cash flow hedges	1.8	0.6	5.7	-1.5
Currency translation differences	-1.1	4.1	42.7	-6.8
Total comprehensive income for the period	10.5	11.2	42.8	16.2
Total comprehensive income attributable to:				
Owners of the parent	10.1	10.6	41.3	14.5
Non-controlling interests	0.5	0.6	1.5	1.8
Total	10.5	11.2	42.8	16.2

Consolidated statement of financial position

Assets		
EUR million	31.12.2021	31.12.2020
Non-current assets		
Property, plant and equipment	385.5	395.5
Biological assets	0.6	0.6
Right-of-use assets	30.4	33.7
Goodwill	162.7	164.8
Other intangible assets	77.5	83.9
Investments in joint ventures and associates	17.2	14.5
Other financial assets	0.8	1.2
Loan and other receivables	6.1	4.6
Deferred tax assets	1.8	1.5
Total	682.6	700.4
Current assets		
Inventories	109.6	102.9
Biological assets	3.6	3.6
Trade and other receivables	108.3	106.1
Cash and cash equivalents	57.3	26.6
Total	278.9	239.2
Total assets	961.5	939.5
Equity and liabilities		
EUR million	31.12.2021	31.12.2020
Equity attributable to the shareholders of the parent company	454.6	422.8
Non-controlling interests	13.0	16.1
Total equity	467.6	438.9
Non-current liabilities		
Loans	176.1	138.8
Lease liabilities	21.3	24.6
Deferred tax liabilities	37.4	39.2
Pension obligations	6.7	7.2
Other non-interest-bearing liabilities	3.0	1.8
Provisions	0.0	0.3
Total	244.5	211.9
Current liabilities		
Loans	2.9	45.1
Lease liabilities	9.6	9.6
Trade and other payables	236.8	234.0
Total	249.3	288.7
Total liabilities	493.9	500.7
Total equity and liabilities	961.5	939.5

Consolidated statement of changes in equity

EUR million	Equity attributable to the shareholders of the parent company							Non-controlling interests	Total equity
	Share capital	Treasury shares	Other funds	Inv. non-rest. equity fund	Trans. lation diff.	Retained earnings	Total		
Equity 1.1.2020	48.1	-1.2	0.2	249.2	-55.8	179.5	419.9	14.4	434.3
Profit for the period						22.9	22.9	1.8	24.7
Other comprehensive income									
Cash flow hedges			-1.5				-1.5		-1.5
Actuarial losses from pension benefits						-0.1	-0.1		-0.1
Currency translation differences					-6.8		-6.8		-6.8
Changes in shares of non-controlling interest						0.0	0.0		0.0
Share-based payments		0.0		0.3			0.3		0.3
Dividends						-11.8	-11.8	-0.1	-11.9
Equity 31.12.2020	48.1	-1.2	-1.3	249.5	-62.7	190.4	422.8	16.1	438.9
Profit for the period						-6.9	-6.9	1.5	-5.4
Other comprehensive income									
Changes in fair value			-0.4				-0.4		-0.4
Cash flow hedges			5.7				5.7		5.7
Actuarial gains from pension benefits						0.2	0.2		0.2
Currency translation differences					42.7		42.7		42.7
Changes in shares of non-controlling interest						4.6	4.6	-4.1	0.5
Share-based payments		0.1		-0.1			0.0		0.0
Dividends						-14.1	-14.1	-0.5	-14.6
Equity 31.12.2021	48.1	-1.1	4.0	249.4	-20.0	174.2	454.6	13.0	467.6

Consolidated cash flow statement

EUR million	1-12/2021	1-12/2020
Cash flow from operating activities		
Operating activities before financial items and taxes	105.6	115.2
Financial items and taxes	-17.4	-13.0
Net cash flow from operating activities	88.2	102.2
Cash flow from investing activities		
Investments in tangible and intangible assets	-55.8	-40.8
Acquired operations	-0.1	-3.4
Sold operations	30.3	0.0
Increase (-) / decrease (+) in long-term receivables	-0.4	0.7
Change in short-term receivables	-0.5	-0.1
Dividends received	0.7	0.5
Net cash used in investing activities	-25.8	-43.2
Cash flow from financing activities		
Draw down of long-term borrowings	120.0	37.0
Repayment of long-term borrowings	-89.7	-41.7
Increase (+) / decrease (-) in short-term loans	-35.3	-8.3
Principal elements of lease payments	-9.5	-9.4
Acquisition of non-controlling interest	-4.0	0.0
Contribution by non-controlling interest	0.9	0.0
Dividends paid	-14.6	-11.9
Net cash used in financing activities	-32.2	-34.4
Change in liquid funds	30.2	24.6
Cash and cash equivalents at beginning of year	26.6	4.4
Effect of exchange rate changes on cash flows	0.6	-2.4
Cash and cash equivalents at the end of period	57.3	26.6

Notes to financial statement release

Interim report accounting principles

This interim report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. Atria has applied the same principles in preparing this interim report as in preparing the 2020 annual financial statements. However, as of 1 January 2021, the Group uses new or revised standards and IFRIC interpretations published by the IASB, included in the accounting principles of the annual financial statements 2020.

The preparation of the interim report in accordance with IFRS requires the Group's management to use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. In addition, discretion must be used in applying the accounting principles. The estimates and assumptions are based on the views at the end of the review period and include risks and uncertainties. The realised values may deviate from the estimates and assumptions. Due to the financial uncertainty caused by the coronavirus pandemic, the company has assessed the effects of the pandemic on the income statement and balance sheet for the review period. In particular, the company has assessed whether the situation gives rise to indications of impairment of assets or the need to update provisions or other accounting estimates. The company estimates that the pandemic does not currently have a material impact on the reported figures.

The key accounting estimates and discretionary decisions are presented in more detail in the accounting principles for the 2020 consolidated financial statements.

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

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

The figures presented in this financial statement release are unaudited.

Changes to segment reporting

On 28 April 2021, Atria reported in a company announcement that Atria Group's operational structure and financial reporting would be changed. Following the sale of OOO Pit-Product, Atria Russia does not form an independent business area and is therefore not a reporting segment. As a result, Atria Group's operational structure and financial reporting was changed. Sibylla Rus is reported as part of the Atria Sweden segment, which includes most of the Sibylla business. OOO Pit-Product's net sales and EBIT for 2021 are reported under 'Unallocated'. The change has been implemented in reporting as of 1 January 2021.

Atria Group's reporting segments as of 1 January 2021 are as follows:

- Atria Finland
- Atria Sweden
- Atria Denmark & Estonia

Operating segments

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Revenue from consumer goods				
Atria Finland	221.0	219.1	846.6	823.2
Atria Sweden	92.7	85.1	351.7	332.2
Atria Denmark & Estonia	25.7	26.0	102.6	104.7
Unallocated	0.2	14.0	15.0	51.8
Eliminations	-8.9	-11.5	-37.1	-53.0
Total	330.7	332.6	1,278.8	1,258.9
Revenue from primary products				
Atria Finland	72.2	65.5	259.1	243.1
Atria Sweden	-	-	-	-
Atria Denmark & Estonia	0.7	0.5	2.3	2.1
Unallocated	-	-	-	-
Total	72.9	66.0	261.4	245.2
Total net sales	403.6	398.6	1,540.2	1,504.0
EBIT				
Atria Finland	10.6	14.4	48.1	43.1
Atria Sweden *)	2.9	1.2	5.0	0.8
Atria Denmark & Estonia	0.0	1.7	5.1	5.3
Unallocated **)	-0.9	-2.2	-51.9	-8.7
Total	12.6	15.1	6.4	40.5
Investments				
Atria Finland	15.6	9.6	40.0	30.6
Atria Sweden	5.0	3.4	11.5	11.2
Atria Denmark & Estonia	1.6	1.3	4.1	3.4
Unallocated	0.0	0.1	0.0	0.3
Total	22.2	14.4	55.6	45.6
Depreciation and write-offs				
Atria Finland	9.3	9.4	37.1	35.8
Atria Sweden	3.6	3.3	14.0	13.1
Atria Denmark & Estonia	1.1	1.2	4.5	4.6
Unallocated	0.0	1.2	1.4	3.1
Total	14.0	15.1	57.1	56.7

Atria Plc's group structure and segment reporting was changed with effect from 1 January 2021. Comparative data published in a company announcement on 28 April 2021.

*) Year 2021 includes refund of an employment pension contribution of EUR 2.3 million.

*) Year 2021 includes accumulated translation differences of the sold subsidiary of EUR -45.1 million.

Fair value hierarchy of financial assets and liabilities

EUR million

Balance sheet items	31.12.2021	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comprehensive income	0.8			0.8
Derivative financial instruments	6.3		6.3	
Total	7.2	0.0	6.3	0.8
Liabilities				
Derivative financial instruments	0.8		0.8	
Total	0.8	0.0	0.8	0.0
<hr/>				
Balance sheet items	31.12.2020	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comprehensive income	1.2			1.2
Derivative financial instruments	0.9		0.9	
Total	2.1	0.0	0.9	1.2
Liabilities				
Derivative financial instruments	6.0		6.0	
Total	6.0	0.0	6.0	0.0

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

Level 1: Prices listed on active markets for identical assets and liabilities.

Level 2: Fair values can be determined either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair values are not based on verifiable market prices.

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

Related party transactions

EUR million

The following transactions were completed with related parties:

	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Sales of goods and services	6.9	5.5	23.7	20.1
Purchases of goods and services	-27.7	-24.8	-103.3	-98.2
			31.12.2021	31.12.2020
Receivables			1.7	1.0
Liabilities			6.3	8.5

Contingent liabilities

EUR million	31.12.2021	31.12.2020
Debts with mortgages given as security		
Loans from financial institutions	1.2	1.3
Pension fund loans	4.2	4.4
Total	5.4	5.7
Mortgages given as comprehensive security		
Real estate mortgages	1.2	1.3
Guarantee engagements not included in the balance sheet		
Guarantees	0.1	0.1

Acquisitions of non-controlling interests

Atria has increased its stake in Well-Beef Kaunismaa Ltd by 20 per cent and owns 90 per cent of the company's stock as a result of the share transaction made on 19 March 2021. The purchase price was EUR 4.0 million. The remaining value of the put option of the company's minority shareholders (10%) on 31 December 2021 was EUR 2.1 million and it has been recognised in long-term interest-free liabilities. The company has been Atria's subsidiary since 2016.

Sold operations

In February, Atria concluded the sale of its Russian subsidiary OOO Pit-Product to Limited Liability Company Agricultural Complex Mikhailovskiy, which belongs to the Cherkizovo Group. The divestment, which transferred ownership of OOO Pit-Product to the buyer, was completed on 30 April 2021. OOO Pit-Product's assets and liabilities are presented as assets held for sale and liabilities related to assets in the March 2021 interim report.

The divestment does not include Atria Russia's other subsidiary, Sibylla Rus LLC, which engages in fast food operations in Russia.

The purchase price was EUR 31.8 million. The divestment has an impact of around EUR 35 million on Atria Group's net sales. The business has been showing a loss. The divested business had approximately 720 employees.

Cumulated translation differences associated with Pit-Product stood at EUR -45.1 million on 30 April 2021. The translation differences have accumulated from exchange rate fluctuations during the Pit-Product holding. Atria purchased Pit-Product in 2005. At that time, one euro corresponded to around RUB 34. At the time of the transaction, one euro was worth RUB 90. When divesting a foreign subsidiary, the cumulative translation differences associated with said subsidiary, which have already been recognised in equity, are recognised through profit or loss. Since the cumulated translation differences already reduced the Group's equity, this recognition had no impact on the Group's equity ratio or cash flow.

Sold operations:

EUR million	31.12.2021
Asset 30.4.2021	
Property, plant and equipment	20.8
Right-of-use assets	0.2
Other intangible assets	1.6
Inventories	7.6
Trade and other receivables	4.5
Cash and cash equivalents	1.4
Total assets	36.1
Liabilities 30.4.2021	
Long-term lease liabilities	0.1
Deferred tax liabilities	1.8
Short-term lease liabilities	0.1
Short-term trade and other payables	3.4
Total liabilities	5.5
Consideration received or receivable:	
Cash	31.8
Sold net assets	-30.6
Transactions costs	-1.0
Result on sale before reclassification of foreign currency translation reserve	0.1
Reclassification of foreign currency translation reserve	-45.1
Loss on sale	-45.0
Cash flow from sold operations:	
Received payment	31.8
Company's cash and cash equivalents	-1.4
Total	30.3

The main exchange rates

	Income statement		Balance sheet	
	1-12/2021	1-12/2020	31.12.2021	31.12.2020
SEK	10.1445	10.4881	10.2503	10.0343
DKK	7.4371	7.4544	7.4364	7.4409
RUB	87.2392	82.6454	85.3004	91.4671

FINANCIAL INDICATORS

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

Principles for calculating financial indicators:

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

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

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