ATRIA

Good food – better mood.

Atria Plc Interim Report

1 January – 30 September 2021

Atria Group's adjusted EBIT increased – all business areas posted a profit

July–September 2021

- Consolidated net sales totalled EUR 388.0 million (EUR 382.4 million).
- Consolidated EBIT was EUR 19.7 million (EUR 19.0 million), or 5.1 per cent (5.0%) of net sales.
- The Group's net sales, excluding the effect of the divested Russian subsidiary, increased by approximately 4 per cent.
- With the removal of coronavirus restrictions, the Food Service and fast-food market started to grow in all business areas.
- Sales to retail were level with the corresponding period of the previous year. Sales were good in the summer barbecue season.
- Exports of pork from Finland to China decreased and the profitability of exports deteriorated year-on-year.
- Increased costs brought down EBIT growth at the end of the review period.
- Atria is committed to the international Science Based Targets climate initiative (SBTi), which links Atria's responsibility work to the goal of the Paris Agreement on Climate Change to limit the increase in global average temperature to less than 1.5 degrees.

January–September 2021

- Consolidated net sales totalled EUR 1136.6 million (EUR 1105.4 million).
- Consolidated adjusted EBIT was EUR 38.9 million (EUR 25.4 million). The EBIT adjustment item consists of translation differences of the sold Russian subsidiary (OOO Pit-Product). The amount of cumulated translation differences was EUR -45.1 million, which was recognised in the income statement.
- Consolidated EBIT was EUR -6.2 million (EUR 25.4 million), or -0.5 per cent (2.3%) of net sales.
- Atria Finland's net sales and EBIT improved clearly. Sales grew in all sales channels, especially Food Service sales and feed sales increased. EBIT was EUR 8.8 million higher than in the previous year.
- The improvement in Atria Sweden's EBIT was due to good sales development to Food Service and fast-food customers.
- Atria Denmark & Estonia's EBIT increased year-on-year, which was mainly due to the lower price level of meat raw material.
- 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.
- Atria is investing EUR 30 million in production restructuring in Sweden – production will be centralised at the Sköllersta plant and the Malmö plant will be closed.

Events after review period

- Atria raised its EBIT guideline for 2021 and estimates the adjusted EBIT to be EUR 47-54 million (EUR 40.5 million).

EUR million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Net sales					
Atria Finland	274.6	266.1	812.5	781.8	1,066.3
Atria Sweden	94.3	90.8	259.0	247.1	332.2
Atria Denmark & Estonia	27.3	26.9	78.5	80.3	106.8
Unallocated*	0.2	14.0	14.8	37.8	51.8
Eliminations	-8.3	-15.4	-28.2	-41.5	-53.0
Net sales, total	**388.0**	**382.4**	**1,136.6**	**1,105.4**	**1,504.0**
EBIT before items affecting comparability					
Atria Finland	16.4	15.2	37.5	28.7	43.1
Atria Sweden	3.0	3.0	2.1	-0.4	0.8
Atria Denmark & Estonia	1.2	2.1	5.1	3.6	5.3
Unallocated*	-0.9	-1.3	-5.9	-6.5	-8.7
Adjusted EBIT	**19.7**	**19.0**	**38.9**	**25.4**	**40.5**
Adjusted EBIT, %	**5.1 %**	**5.0 %**	**3.4 %**	**2.3 %**	**2.7 %**
Items affecting comparability of EBIT:					
Unallocated					
The effect of the sale of the subsidiary	0.0	0.0	-45.1	0.0	0.0
EBIT	**19.7**	**19.0**	**-6.2**	**25.4**	**40.5**
EBIT, %	**5.1 %**	**5.0 %**	**-0.5 %**	**2.3 %**	**2.7 %**
Profit before taxes	**19.4**	**17.9**	**-7.5**	**22.6**	**37.3**
Earnings per share, EUR	**0.53**	**0.51**	**-0.59**	**0.59**	**0.81**

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

Juha Gröhn, CEO

'Atria's net sales for January–September amounted to EUR 1137 million. The year-on-year growth is approximately EUR 30 million. The development is good, as the net sales-reducing effect of the sale of Russian industrial operations has been offset and we have even been able to increase net sales.

EBIT has improved from the beginning of the year. EBIT is now EUR 39 million, having been EUR 25 million after nine months a year ago. Last year, the impact of the coronavirus pandemic on business was larger than it is now. The sale of the poorly profitable industrial business in Russia has improved profits.

The third quarter net sales amount to EUR 388 million and EBIT to EUR 19.7 million. Both net sales and EBIT have improved from the previous year. Sales growth to Food Service and fast-food customers has increased due to the easing of coronavirus restrictions, but we are not yet at the 2019 sales level. In retail, our position remains unchanged. We did well in the summer barbecue season. Export trade to China developed well in the first six months, but levelled off during the summer as pork prices fell sharply in China. A rapid strengthening of the Chinese market in the coming months is not likely.

Cost pressures have increased over the year and strengthened as summer turns into autumn. Cost pressures turned into actual price increases for a number of materials, supplies and external services. As a result of the coronavirus pandemic, demand and supply of several commodities are unbalanced and prices have risen. In addition, the modest harvest level as a result of the dry summer increases the costs of meat production and will increase the prices of meat raw materials.

The key task of autumn and the coming winter is to manage cost increases and the impact of inflation.

Atria is committed to the Science Based Targets climate initiative. By developing their activities, the actors committed to the initiative aim to contribute to limiting the increase in global average temperature to a maximum of 1.5 degrees. The strengths of the initiative are scientific basis and coverage of the entire operating chain.

The poultry investment at the Nurmo plant is proceeding according to plan. The contractors have been selected and foundation work is currently being done for the new factory building.'

July–September 2021

Atria Group's net sales for July–September totalled EUR 388.0 million (EUR 382.4 million). Consolidated EBIT was EUR 19.7 million (EUR 19.0 million). The Group's net sales, excluding the effect of the divested Russian subsidiary, increased by approximately 4 per cent. The increase in net sales was mainly due to the recovery of the Food Service and fast-food market as coronavirus restrictions were lifted. Sales to retail were level with the corresponding period of the previous year. Sales were good in the summer barbecue season. Sales to feed customers also grew during the review period. Exports of pork from Finland to China decreased and the profitability of exports deteriorated year-on-year. In Sweden, sales of poultry products in retail continued to grow. Sales to fast food customers strengthened significantly in Russia.

Atria Finland's EBIT growth was due to stronger net sales and a more favorable sales structure. Increased costs brought down EBIT growth at the end of the review period.

Atria is committed to the international Science Based Targets climate initiative (SBTi), which links Atria's responsibility work to the goal of the Paris Agreement on Climate Change to limit the increase in global average temperature to less than 1.5 degrees.

January–September 2021

Atria Group's net sales for January–September totalled EUR 1136.6 million (EUR 1105.4 million). Adjusted EBIT was EUR 38.9 million (EUR 25.4 million). The EBIT includes a translation difference of EUR -45.1 million of the sold Russian subsidiary (OOO Pit-Product). Consolidated EBIT was EUR -6.2 million (EUR 25.4 million). 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 Food Service and fast-food customers and feed customers strengthened during the third quarter. Consolidated adjusted EBIT was boosted by good export development and lower costs in January–June.

The increase in Atria Finland's net sales was due to increased sales in all sales channels, especially Food Service sales and exports to China improved from the corresponding period of the previous year. Sales to feed customers were higher than in the previous year. Atria Finland saw its EBIT improve as a result of increased net sales and a better sales structure. Chinese export prices started to decline at the end of the second quarter and remained at a low level during the third quarter.

Atria Sweden's net sales in local currency strengthened by 2.4 per cent compared to the corresponding period of the previous year, and EBIT improved by EUR 2.5 million. During the first half of the year, COVID-19 restrictions had a negative impact on the Food Service and fast-food business. In the third quarter, the market started to recover with the removal of coronavirus restrictions. Sales to retail were level with the previous year. The development of Atria Sweden's EBIT in the first quarter was weighed down by the costs incurred in implementing the ERP system. 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 increased by EUR 1.6 million. The EBIT improvement was due to low raw material prices and good cost management.

In June, Atria raised its EBIT guidance for 2021 and estimated the adjusted EBIT at EUR 41–48 million (EUR 40.5 million). The reason for the improvement in the EBIT forecast during January–June is the increase in pork exports from Finland to China, the favourable sales structure and cost management. In addition, the negative impact on consolidated EBIT of the operational activities of OOO Pit-Product, which was sold on 30 April 2021, was shorter than forecast.

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, 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 is approximately EUR 30 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 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 aims for carbon-neutral food production – Atria commits to the Science Based Targets climate initiative

The key goal of Atria's responsibility work is to mitigate climate change and to promote the goal of carbon-neutral food production. Atria is committed to the international Science Based Targets climate initiative (SBTi), which links Atria's responsibility work to the goal of the Paris Agreement on Climate Change to limit the increase in global average temperature to less than 1.5 degrees. Atria is a forerunner in responsibility in northern European food production, and committing to the SBT initiative gives Atria's goals a scientific international framework. With this commitment, the entire Atria production chain will be better involved in climate work. SBTi is a global initiative that directly links companies' CO_2 emissions targets to the Paris Agreement to keep global warming below 1.5 degrees Celsius. It helps companies set greenhouse gas reduction targets based on the latest climate science and the goals of the Paris Agreement.

Atria Finland, Valio and the Natural Resources Institute Finland (LUKE) are working together to build a national model for calculating the carbon footprint of cattle farms. The model is based on the Lypsikki LCA modelling previously developed by Valio, which can be used to verify the differences between production farms and the impact of the measures taken on the farm on the carbon footprint of milk. The outcome of the cooperation will be a national carbon footprint calculation model for milk and beef production, which takes into account the specific characteristics of Finnish production. Atria's objective is to bring a product-specific carbon footprint label to the consumer packaging of beef.

Key indicators

EUR million	30.9.2021	30.9.2020	31.12.2020
Shareholders´ equity per share EUR	15.72	14.58	14.96
Interest-bearing liabilities	191.0	245.1	218.1
Equity ratio, %	49.6 %	46.0 %	46.8 %
Net gearing, %	38.6 %	55.7 %	43.6 %
Gross investments	33.4	31.2	45.6
% of net sales	2.9 %	2.8 %	3.0 %
Average FTE	3,690	4,453	4,444

The principles for calculating the indicators are presented at the end of the report.

Business development by area January–September 2021

Atria Finland

EUR million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Net sales	274.6	266.1	812.5	781.8	1,066.3
EBIT	16.4	15.2	37.5	28.7	43.1
EBIT, %	6.0 %	5.7 %	4.6 %	3.7 %	4.0 %

Atria Finland's net sales for July–September totalled EUR 274.6 million (EUR 266.1 million). The growth in net sales is mainly due to increased sales to Food Service customers. Sales were good in the summer barbecue season. Sales to feed customers also grew during the review period. Sales to retail were level with the corresponding period of the previous year. Exports to China decreased and the profitability of exports deteriorated year-on-year. EBIT was EUR 16.4 million (EUR 15.2 million). EBIT growth was due to stronger net sales and a more favorable sales structure. General cost inflation has increased the prices of many materials, supplies and external services at the end of the review period.

Net sales for January–September totalled EUR 812.5 million (EUR 781.8 million). The increase in net sales was due to increased sales in all sales channels, especially Food Service sales and exports to China were higher than in the corresponding period of the previous year. Sales to feed customers were higher than in the previous year. Sales to retail were level with the previous year. EBIT increased to EUR 37.5 million (EUR 28.7 million). EBIT growth was due to the increase in net sales and a more favourable sales structure. The end of the reduction in statutory employment pension contributions has had a negative impact on profit. Chinese export prices started to decline at the end of the second quarter and remained at a low level during the third quarter.

The retail market has grown by approximately 3 per cent from the beginning of the year in the product groups represented by Atria. The market for convenience food products has grown particularly strongly, over 9 per cent in terms of value. In July–August, sales in Finnish retail increased by 3.1 per cent. The sales of convenience food grew by 11.1 per cent in July–August. Atria’s supplier share is 25 per cent in the product groups represented by Atria. (Source: Atria market insight)

In terms of value, Finland's Food Service market increased approximately 4 per cent in January–August. The market growth, which started in the spring, continued in the summer months and was 8 per cent in June–August. Atria’s supplier share in the Food Service market is approximately 21 per cent in the product groups represented by Atria. (Source: Atria market insight)

The poultry plant investment is progressing according to the planned schedule. In September, contractors were selected for the project.

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

EUR million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Net sales	94.3	90.8	259.0	247.1	332.2
EBIT	3.0	3.0	2.1	-0.4	0.8
EBIT, %	3.2 %	3.3 %	0.8 %	-0.1 %	0.2 %

Atria Sweden's net sales for July–September totalled EUR 94.3 million (EUR 90.8 million). In the local currency, net sales grew by 2.9 per cent year-on-year. Atria's sales of Food Service and Sibylla products were higher than in the corresponding period of the previous year, thanks to the recovery of the Food Service and fast-food market with the lifting of coronavirus restrictions in Sweden. Sales of cold cuts and sausages in retail were lower than in the previous year. Sales of poultry products in retail continued to grow. Sales to fast food customers strengthened significantly in Russia. Due to coronavirus restrictions, domestic tourism has increased in Russia, which has grown the local fast-food market. Increased feed, transport and energy costs brought down EBIT growth during the review period.

Net sales for **January–September** totalled EUR 259.0 million (EUR 247.1 million). In the local currency, net sales grew by 2.4 per cent year-on-year. During the first quarter, coronavirus restrictions had a negative impact on the Food Service and fast-food business. After that, the market started to recover with the removal of coronavirus restrictions. Sales to retail were level with the previous year. EBIT was EUR 2.1 million (EUR -0.4 million). EBIT grew due to improved sales structures. 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–August, sales to retail of the product groups represented by Atria were stable: the sausage market grew by 0.1 per cent, the cold cuts market grew by 3.7 per cent and the poultry products market grew by 7.5 per cent in value. In January–August, Atria's supplier share also remained stable and was 18.7 per cent in sausages, 12.3 per cent in cold cuts and 17.2 per cent in fresh chicken products. (Source: AC Nielsen).

With the lifting of coronavirus restrictions, the Food Service and fast-food market has grown year-on-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

EUR million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Net sales	27.3	26.9	78.5	80.3	106.8
EBIT	1.2	2.1	5.1	3.6	5.3
EBIT, %	4.3 %	7.9 %	6.5 %	4.4 %	4.9 %

Atria Denmark & Estonia's net sales for July–September totalled EUR 27.3 million (EUR 26.9 million). EBIT amounted to EUR 1.2 million (EUR 2.1 million). Atria's sales in Estonian retail increased and its total market share strengthened to approximately 17 per cent. In Denmark, sales to Food Service and export customers went well with the lifting of coronavirus restrictions. Sales to retail are returning to pre-coronavirus levels. EBIT was weighed down by higher prices of materials, supplies and external services and increased costs of own primary production in Estonia. The price of pork in Denmark has remained at a low level.

Net sales for **January–September** totalled EUR 78.5 million (EUR 80.3 million). EBIT amounted to EUR 5.1 million (EUR 3.6 million). Net sales and EBIT were bolstered by the price increases implemented early in the year. EBIT growth was impacted by low meat raw material prices and good cost management. At the end of the review period, feed and production costs started to rise.

In Estonia, Atria's sales of barbecue products during the summer season were a success. Atria's market share in barbecue sausages in Estonian retail rose to 38 per cent and consumer-packed meat to 18 per cent in June–July. The launch of poultry-based barbecue sausages in Estonia was successful and increased Atria's market share during the summer season. Atria Denmark's total market share in cold cuts is approximately 17 per cent.

Personnel average (FTE)

Personnel by Business Area average FTE	Q1-Q3 2021	Q1-Q3 2020	2020
Atria Finland	2,381	2,410	2,398
Atria Sweden	866	873	879
Atria Denmark & Estonia	443	438	439
Unallocated *)		732	728
Total	3,690	4,453	4,444

*) Sold operation, OOO Pit Product

Financial position

Consolidated interest-bearing net liabilities on 30 September 2021 amounted to EUR 176.2 million (31 December 2020: EUR 191.6 million).

During the review period, the Group’s free cash flow (operating cash flow - cash flow from investments) was EUR 36.7 million (EUR 6.8 million). Free cash flow includes a net cash flow effect of EUR 29.3 million related to the sale of OOO Pit-Product.

Equity ratio at the end of the review period was 49.6% (31 December 2020: 46,8 %). The change in translation differences in equity was EUR 43.8 million (EUR -10.9 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. Last year, the coronavirus pandemic caused an imbalance in the short-term financing commercial paper market, but the market has functioned well again this year. During the year, Atria has used the commercial paper market for short-term financing normally. Cash funds have been decreased closer to the company's target level and amounted to EUR 14.8 million on 30 September 2021 (31 December 2020: EUR 26.6 million). The Group's liquidity has remained good. On 30 September 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 2 months (31 December 2020: 3 years 2 months).

Events after review period

Atria raised its EBIT guideline for 2021 and estimates the adjusted EBIT to be EUR 47-54 million (EUR 40.5 million).

The reason for the improvement in the EBIT forecast is the faster-than-expected recovery of the Food Service and fast-food markets after the removal of Covid-19 restrictions, and better-than-expected sales in these sales channels. Sales of summer barbecue products were also better than expected. The earnings trend towards the end of the year is affected by the development in the demand of various sales channels, the profitability of exports and the effects of cost inflation.

The statement describing the development of EBIT as well as the statements describing exports and Food Service market situation are updated in the new guidelines. In other respects, the guidelines have remained unchanged.

Updated guidelines can be found on page 13 of this release, under “Outlook for the future”.

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 business risks and can be found at www.atria.fi/en/group/investors/financial-information/annual-reports/.

The continuation of the COVID-19 pandemic and measures to prevent its spread constituted the main risk to Atria's business also in the third quarter of the year. The pandemic has affected the demand for products, the operation of factories, the health and well-being of personnel and the movement of people. National restrictions on restaurant operations, which had an immediate effect on Atria's business, have been partially removed during the review period. The implementation of vaccination programmes has progressed well in Atria's operating countries and the restrictions related to the pandemic have already been partially lifted. Globally, however, controlling the pandemic through vaccination programmes still contains uncertainties.

The dry and exceptionally warm summer reduced grain harvests in Finland. The rains in August also weakened the quality of the harvest. As a result, the costs of meat production farms have increased, and this has caused pressure to increase the price of meat.

The sharp rise in the price of natural gas has also increased the prices of other fuels. This and the deteriorating water situation as a result of the dry summer have pushed the price of exchange-traded electricity to record highs. Atria's hedging against electricity price risks has been effective, so the high price level has so far not affected production costs.

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 production 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

Atria raised its EBIT guideline for 2021 and estimates the adjusted EBIT to be EUR 47-54 million (EUR 40.5 million).

The reason for the improvement in the EBIT forecast is the faster-than-expected recovery of the Food Service and fast-food markets after the removal of Covid-19 restrictions, and better-than-expected sales in these sales channels. Sales of summer barbecue products were also better than expected. The earnings trend towards the end of the year is affected by the development in the demand of various sales channels, the profitability of exports and the effects of cost inflation.

The statement describing the development of EBIT as well as the statements describing exports and Food Service market situation are updated in the new guidelines. In other respects, the guidelines have remained unchanged.

Updated guidelines:
In 2021, Atria Group's adjusted EBIT is estimated to be EUR 47-54 million (EUR 40.5 million).

The adjusted EBIT is determined by adjusting the EBIT recognised in the income statement with material items affecting comparability. These may include events that are not part of the company's ordinary business activities, such as reorganisation of operations, capital gains and losses from the sale of operations, impairment, and the costs of discontinuing significant operations. Such an item affecting EBIT, is the translation difference recognition of EUR -45 million arising from the sale of OOO Pit-Product. The translation difference was recognised after the deal was finalised.

Atria operates mainly in the 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. Atria has increased its meat exports, and for example, the pork exports to China is a significant part of Atria Finland’s business.

The coronavirus pandemic that began in 2020 and continues in early 2021 has caused strong and rapid changes in the business environment in the food industry. This has hindered the predictability of the company’s development. Immediate effects related to Atria's business have included national restrictions on restaurant operations and public food services, resulting in reduced sales to Food Service customers. During the coronavirus pandemic, the importance of ordinary everyday food has strengthened. The possible weakening of consumer purchasing power will also affect food purchases and may shift the sales structure of Atria's products into an unfavourable direction.

Previously published guidelines were:
In 2021, Atria Group's adjusted EBIT is estimated to be EUR 41-48 million (EUR 40.5 million).

The adjusted EBIT is determined by adjusting the EBIT recognised in the income statement with material items affecting comparability. These may include events that are not part of the company's ordinary business activities, such as reorganisation of operations, capital gains and losses from the sale of operations, impairment, and the costs of discontinuing significant operations. Such an item affecting EBIT, is the translation difference recognition of EUR -45 million arising from the sale of OOO Pit-Product. The translation difference was recognised after the deal was finalised.

Atria operates mainly in the 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. Atria has increased its meat exports, and pork exports to China, for example, are expected to increase further during 2021.

The coronavirus pandemic that began in 2020 and continues in early 2021 has caused strong and rapid changes in the business environment in the food industry. This has hindered the predictability of the company’s development. Immediate effects related to Atria's business have included national restrictions on restaurant operations and public food services, resulting in reduced sales to Food Service customers. During the coronavirus pandemic, the importance of ordinary everyday food has strengthened. The possible weakening of consumer purchasing power will also affect food purchases and may shift the sales structure of Atria's products into an unfavourable direction.

Financial calendar 2022

Atria Plc’s Financial Statement Release for 2021 will be published on 15 February 2022 at approximately 8:00 am. 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, Läkkisepäntie 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 Board elects a Chairman from amongst its members at its first meeting. 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.

ATRIA GROUP

Consolidated income statement

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Net sales	**388.0**	**382.4**	**1,136.6**	**1,105.4**	**1,504.0**
Costs of goods sold	-339.2	-335.2	-1,004.1	-988.3	-1,337.7
Gross profit	**48.9**	**47.3**	**132.4**	**117.2**	**166.3**
Sales and marketing expenses	-18.2	-18.3	-59.4	-57.5	-77.7
Administrative expenses	-9.9	-9.7	-33.3	-33.3	-45.7
Other operating income	0.6	0.8	2.7	2.5	3.2
Other operating expenses	-1.6	-1.1	-48.6	-3.5	-5.6
EBIT	**19.7**	**19.0**	**-6.2**	**25.4**	**40.5**
Finance income and costs	-1.4	-1.4	-4.0	-3.7	-4.5
Income from joint ventures and associates	1.0	0.3	2.8	0.9	1.2
Profit before taxes	**19.4**	**17.9**	**-7.5**	**22.6**	**37.3**
Income taxes	-4.2	-3.0	-8.0	-4.7	-12.6
Profit for the period	**15.2**	**14.9**	**-15.5**	**17.9**	**24.7**
Profit attributable to:					
Owners of the parent	14.8	14.4	-16.5	16.7	22.9
Non-controlling interests	0.4	0.5	1.0	1.2	1.8
Total	**15.2**	**14.9**	**-15.5**	**17.9**	**24.7**
Basic earnings per share, EUR	0.53	0.51	-0.59	0.59	0.81
Diluted earnings per share, EUR	0.53	0.51	-0.59	0.59	0.81

Consolidated statement of comprehensive income

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Profit for the period	**15.2**	**14.9**	**-15.5**	**17.9**	**24.7**
Other comprehensive income after tax:					
Items that will not be reclassified to profit or loss					
Actuarial losses from benefit-based pension obligations	0.0	0.0	0.0	0.1	-0.1
Items reclassified to profit or loss when specific conditions are met					
Cash flow hedges	2.3	0.6	4.0	-2.1	-1.5
Currency translation differences	-0.6	-5.5	43.8	-10.9	-6.8
Total comprehensive income for the period	**16.9**	**10.0**	**32.3**	**5.0**	**16.2**
Total comprehensive income attributable to:					
Owners of the parent	16.5	9.5	31.2	3.8	14.5
Non-controlling interests	0.4	0.5	1.0	1.2	1.8
Total	**16.9**	**10.0**	**32.3**	**5.0**	**16.2**

Consolidated statement of financial position

Assets **EUR million**	**30.9.2021**	**30.9.2020**	**31.12.2020**
Non-current assets			
Property, plant and equipment	374.5	388.2	395.5
Biological assets	0.6	0.6	0.6
Right-of-use assets	30.8	35.2	33.7
Goodwill	163.5	159.7	164.8
Other intangible assets	78.6	81.3	83.9
Investments in joint ventures and associates	16.6	15.4	14.5
Other financial assets	1.2	1.2	1.2
Loan and other receivables	5.1	3.7	4.6
Deferred tax assets	2.3	4.3	1.5
Total	**673.3**	**689.6**	**700.4**
Current assets			
Inventories	100.4	104.8	102.9
Biological assets	3.8	3.7	3.6
Trade and other receivables	129.0	124.5	106.1
Cash and cash equivalents	14.8	7.2	26.6
Total	**247.9**	**240.2**	**239.2**
Total assets	**921.2**	**929.8**	**939.5**

Equity and liabilities **EUR million**	**30.9.2021**	**30.9.2020**	**31.12.2020**
Equity attributable to the shareholders of the parent company	444.5	412.1	422.8
Non-controlling interests	12.5	15.5	16.1
Total equity	**457.0**	**427.6**	**438.9**
Non-current liabilities			
Loans	157.2	146.9	138.8
Lease liabilities	21.9	26.3	24.6
Deferred tax liabilities	37.0	39.5	39.2
Pension obligations	7.0	6.6	7.2
Other non-interest-bearing liabilities	3.3	2.2	1.8
Provisions	0.0	0.1	0.3
Total	**226.4**	**221.5**	**211.9**
Current liabilities			
Loans	2.5	62.7	45.1
Lease liabilities	9.4	9.3	9.6
Trade and other payables	225.9	208.7	234.0
Total	**237.8**	**280.7**	**288.7**
Total liabilities	**464.2**	**502.2**	**500.7**
Total equity and liabilities	**921.2**	**929.8**	**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	Translation 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						16.7	16.7	1.2	17.9
Other comprehensive income									
Cash flow hedges			-2.1				-2.1		-2.1
Actuarial gains / losses from pension benefits						0.1	0.1		0.1
Currency translation differences					-10.9		-10.9		-10.9
Changes in shares of non-controlling interest						0.0	0.0		0.0
Share-based payments				0.2			0.2		0.2
Dividends						-11.8	-11.8	-0.1	-11.9
Equity 30.9.2020	**48.1**	**-1.2**	**-1.9**	**249.4**	**-66.7**	**184.5**	**412.1**	**15.5**	**427.6**
Equity 1.1.2021	**48.1**	**-1.2**	**-1.3**	**249.5**	**-62.7**	**190.4**	**422.8**	**16.1**	**438.9**
Profit for the period						-16.5	-16.5	1.0	-15.5
Other comprehensive income									
Cash flow hedges			4.0				4.0		4.0
Currency translation differences					43.8		43.8		43.8
Changes in shares of non-controlling interest						4.6	4.6	-4.1	0.5
Dividends						-14.1	-14.1	-0.5	-14.6
Equity 30.9.2021	**48.1**	**-1.2**	**2.6**	**249.5**	**-18.9**	**164.4**	**444.5**	**12.5**	**457.0**

Consolidated cash flow statement

EUR million	1-9/2021	1-9/2020	1-12/2020
Cash flow from operating activities			
Operating activities before financial items and taxes	55.8	46.7	115.2
Financial items and taxes	-13.9	-9.4	-13.0
Net cash flow from operating activities	**41.9**	**37.3**	**102.2**
Cash flow from investing activities			
Investments in tangible and intangible assets	-33.6	-30.7	-40.8
Acquired operations	0.0	0.0	-3.4
Sold operations	29.3	0.0	0.0
Increase (-) / decrease (+) in long-term receivables	-0.5	0.2	0.7
Change in short-term receivables	-1.0	-0.5	-0.1
Dividends received	0.7	0.5	0.5
Net cash used in investing activities	**-5.2**	**-30.5**	**-43.2**
Cash flow from financing activities			
Draw down of long-term borrowings	60.0	37.0	37.0
Repayment of long-term borrowings	-48.6	-40.7	-41.7
Increase (+) / decrease (-) in short-term loans	-35.6	18.6	-8.3
Principal elements of lease payments	-7.1	-7.1	-9.4
Acquisition of non-controlling interest	-4.0	0.0	0.0
Contribution by non-controlling interest	0.9	0.0	0.0
Dividends paid	-14.6	-11.9	-11.9
Net cash used in financing activities	**-49.1**	**-4.2**	**-34.4**
Change in liquid funds	**-12.4**	**2.6**	**24.6**
Cash and cash equivalents at beginning of year	26.6	4.4	4.4
Effect of exchange rate changes on cash flows	0.5	0.1	-2.4
Cash and cash equivalents at the end of period	**14.8**	**7.2**	**26.6**

Interim report notes

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 interim report 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. The change is implemented in reporting as of 1 January 2021.

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 will be 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 is 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	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Revenue from consumer goods					
Atria Finland	210.9	205.8	625.6	604.2	823.2
Atria Sweden	94.3	90.8	259.0	247.1	332.2
Atria Denmark & Estonia	26.7	26.4	76.8	78.7	104.7
Unallocated	0.2	14.0	14.8	37.8	51.8
Eliminations	-8.3	-15.4	-28.2	-41.5	-53.0
Total	**323.8**	**321.6**	**948.0**	**926.3**	**1,258.9**
Revenue from primary products					
Atria Finland	63.7	60.3	186.9	177.6	243.1
Atria Sweden	-	-	-	-	-
Atria Denmark & Estonia	0.6	0.5	1.7	1.6	2.1
Unallocated	-	-	-	-	-
Total	**64.3**	**60.8**	**188.5**	**179.2**	**245.2**
Total net sales	**388.0**	**382.4**	**1,136.6**	**1,105.4**	**1,504.0**
EBIT					
Atria Finland	16.4	15.2	37.5	28.7	43.1
Atria Sweden	3.0	3.0	2.1	-0.4	0.8
Atria Denmark & Estonia	1.2	2.1	5.1	3.6	5.3
Unallocated *)	-0.9	-1.3	-51.0	-6.5	-8.7
Total	**19.7**	**19.0**	**-6.2**	**25.4**	**40.5**
Investments					
Atria Finland	10.5	5.2	24.4	21.1	30.6
Atria Sweden	1.9	1.7	6.5	7.8	11.2
Atria Denmark & Estonia	0.6	0.9	2.5	2.1	3.4
Unallocated	0.0	0.1	0.0	0.3	0.3
Total	**13.0**	**7.8**	**33.4**	**31.2**	**45.6**
Depreciation and write-offs					
Atria Finland	9.2	8.8	27.8	26.4	35.8
Atria Sweden	3.4	3.3	10.4	9.9	13.1
Atria Denmark & Estonia	1.1	1.1	3.4	3.4	4.6
Unallocated	0.0	0.6	1.4	1.9	3.1
Total	**13.8**	**13.7**	**43.1**	**41.6**	**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.

*) The numbers for 2021 include the 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	30.9.2021	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comperhensive income	1.2			1.2
Derivative financial instruments	4.3		4.3	
Total	**5.5**	**0.0**	**4.3**	**1.2**
Liabilities				
Derivative financial instruments	1.0		1.0	
Total	**1.0**	**0.0**	**1.0**	**0.0**

Balance sheet items	31.12.2020	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comperhensive 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:

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Sales of goods and services	6.0	5.0	16.8	14.7	20.1
Purchases of goods and services	-26.9	-25.3	-75.6	-73.5	-98.2

	30.9.2021	30.9.2020	31.12.2020
Receivables	2.0	1.0	1.0
Liabilities	5.1	12.7	8.5

Contingent liabilities

EUR million	30.9.2021	30.9.2020	31.12.2020
Debts with mortgages given as security			
Loans from financial institutions	1.2	1.3	1.3
Pension fund loans	4.2	4.2	4.4
Total	**5.4**	**5.5**	**5.7**
Mortgages given as comprehensive security			
Real estate mortgages	1.2	1.3	1.3
Guarantee engagements not included in the balance sheet			
Guarantees	0.1	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 30 September 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 31.6 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	30.4.2021
Asset	
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	
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	30.8
Fair value of contingent consideration	0.8
Total consideration	31.6
Sold net assets	-30.6
Transactions costs	-1.0
Result on sale before reclassification of foreign currency translation reserve	0.0
Reclassification of foreign currency translation reserve	-45.1
Loss on sale	-45.2
Cash flow from sold operations:	
Received payment	30.8
Company´s cash and cash equivalents	-1.4
Total	29.3

The main exchange rates

	Income statement			Balance sheet		
	1-9/2021	**1-9/2020**	**1-12/2020**	**30.9.2021**	**30.9.2020**	**31.12.2020**
SEK	10.1512	10.5618	10.4881	10.1683	10.5713	10.0343
DKK	7.4368	7.4581	7.4544	7.4360	7.4462	7.4409
RUB	88.6058	79.896	82.6454	84.3391	91.7763	91.4671

Principles for calculating financial indicators

Alongside the IFRS figures, Atria publishes certain other widely used alternative financial indicators which can be derived from the income statement and balance sheet.

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 recognized in the income statement for material items that affect comparability. These may include events that are not part of the 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	=	Operational cash flow – cash flow from investments
FTE	=	$\frac{\text{Hours worked during the review period}}{\text{Number of working days during the review period * normal working hours per day}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the accounting period}}{\text{Equity (average)}}$ * 100
Return on investment (%)	=	$\frac{\text{Profit/loss before tax + interest and other financial expenses}}{\text{Equity + interest-bearing financial liabilities (average)}}$ * 100
Equity ratio (%)	=	$\frac{\text{Equity}}{\text{Balance sheet total – advance payments received}}$ * 100
Interest-bearing liabilities	=	Loans and lease liabilities
Gearing (%)	=	$\frac{\text{Interest-bearing liabilities}}{\text{Equity}}$ * 100
Net interest-bearing liabilities	=	Interest-bearing liabilities – cash and cash equivalents
Net gearing (%)	=	$\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Equity}}$ * 100
Earnings/share (basic)	=	$\frac{\text{Profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$
Equity/share	=	$\frac{\text{Equity attributable to the owners of the parent company}}{\text{Undiluted number of shares on 31 Dec}}$
Dividend/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
Effective dividend yield (%)	=	$\frac{\text{Dividend/share}}{\text{Closing price at the end of the accounting period}}$ * 100
Price/earnings (P/E)	=	$\frac{\text{Closing price at the end of the accounting period}}{\text{Earnings per share}}$
Average price	=	$\frac{\text{Overall share turnover (EUR)}}{\text{Undiluted average number of shares traded during the accounting period}}$
Market capitalisation	=	Number of shares at the end of the accounting period * closing price on 31 Dec
Share turnover (%)	=	$\frac{\text{Number of shares traded during the accounting period}}{\text{Undiluted average number of shares}}$ * 100

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ATRIA PLC
Board of Directors

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