ATRIA

Good food – better mood.

Annual Report 2022

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ATRIA PRODUCES SUSTAINABLE VALUE

Atria is one of the leading meat and food companies in the Nordic countries. We are a company established in 1903 and valued by our customers, personnel, and owners. We have been producing food for 120 years, and we want to continue to do so, which is why our operations take account of the Planet, People and Product.

Atria's renewal and growth are based on commercial excellence and an efficient and responsible way of working. Our main product, good food, creates a better mood and sustainable value for all our stakeholders. In 2022, our net sales were EUR 1696.7 million, and Atria had 3,698 employees in Finland, Sweden, Denmark and Estonia.

Atria Plc's shares have been listed on the Nasdaq Helsinki since 1991.

Annual Report 2022

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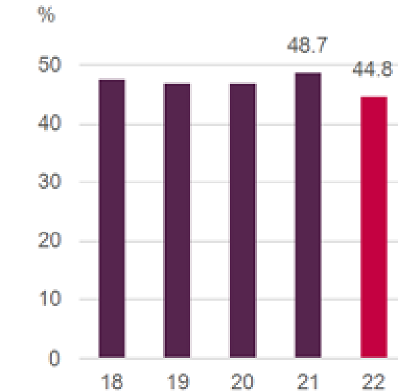
Atria Group's key indicators, EUR million	2022	2021
Net sales	1,696.7	1,540.2
EBIT	0.1	6.4
EBIT, %	0.0	0.4
Adjusted EBIT *	49.0	49.2
Adjusted EBIT, % *	2.9	3.2
Balance sheet total	1,039.8	961.5
Adjusted return on equity, % *	8.9	8.2
Equity ratio, %	44.8	48.7
Net gearing, %	50.5	32.6

* EBIT adjustment items in 2022 totalled EUR -48.9 million (EUR -42.8 million).

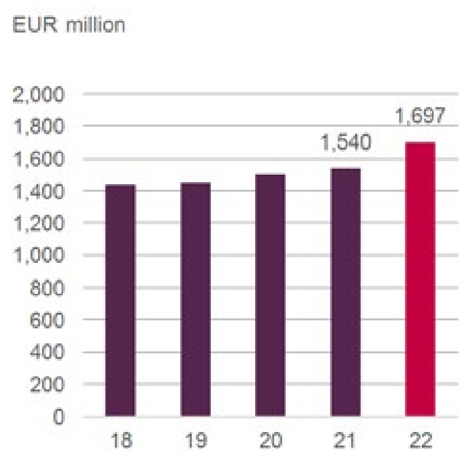
Adjusted EPS

Equity ratio



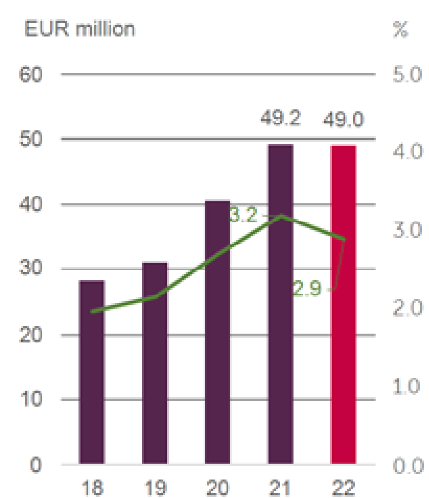
Net sales EUR 1,696.7 million

The group's net sales were EUR 1696.7 million, which was EUR 156.5 million more than in 2021.

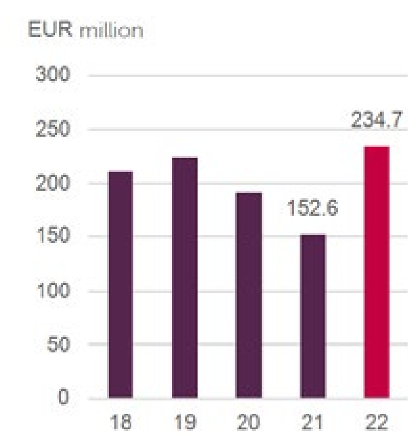


Adjusted EBIT EUR 49.0 million

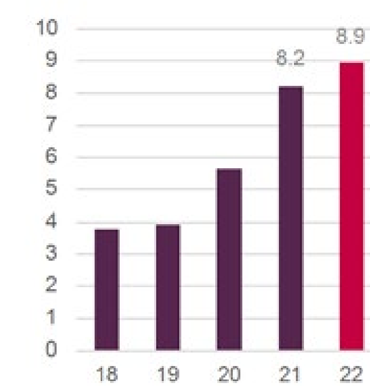
The group's adjusted EBIT was EUR 49.0 million, which was EUR 0.2 million less than in 2021.



Net debt



Adjusted return on equity (ROE), %



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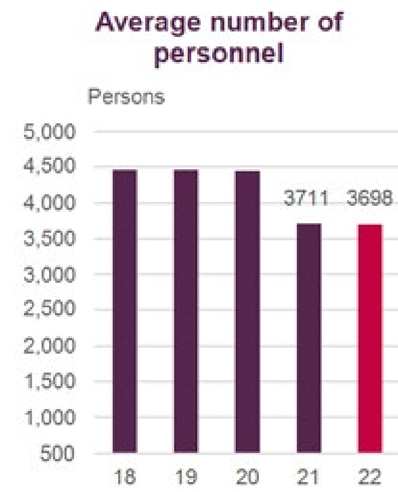
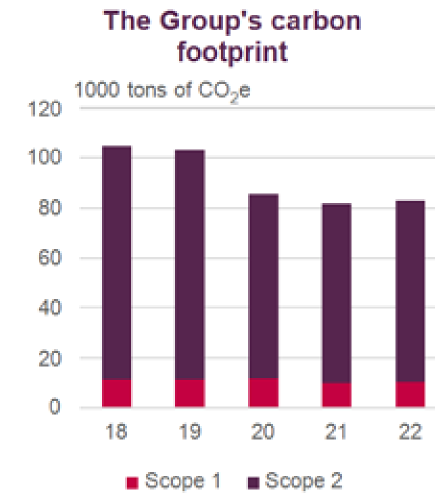
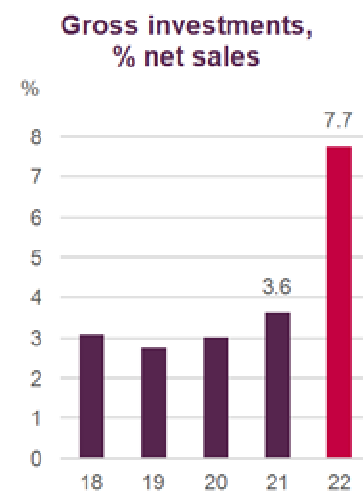


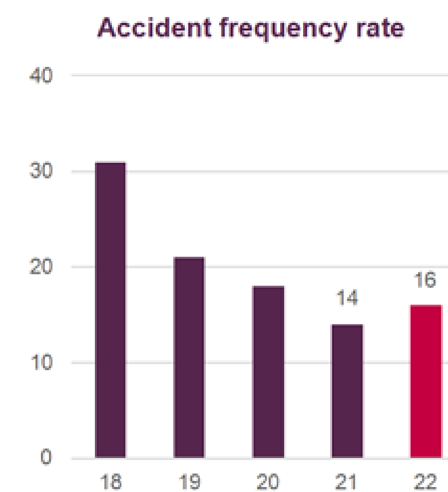


The carbon footprint calculation is based on the international Green House Protocol standard. The calculation covers carbon dioxide emissions from Atria's industrial production process in companies of which Atria owns more than 50%, in line with Scope 1 and Scope 2.

Scope 1 (red) covers direct emissions from energy sources that are owned or controlled by the reporting company, and that are used for heating and production, for example.

Scope 2 (purple) covers indirect emissions from purchased electricity, steam and heat production, and from cooling. Scope 2 reporting is based on a costbased calculation method and employs the emission values of known energy sources or the national residual mix.





LTA accident rate = number of accidents resulting in absence at work per million working hours.

More information about Atria's sustainability indicators is provided in the Corporate Social Responsibility Report 2022.

We focus on the things we can influence

People across the world were hit harder in 2022 than they have been in decades. Faith in the preservation of security, predictable economic development and the availability of commodities at reasonable prices has been shaken. People's confidence in a bright future has been eroded, and business is not helped by this loss of confidence either. Atria's present and future depends on consumers choosing our products for their meals. As confidence weakens, food choices change. Atria is well positioned to respond to these changes because our product portfolio offers solutions for every meal.

When describing the difficulties of Atria's operating environment, it is important to bear in mind that our problems are insignificant compared to those faced by Ukraine and its citizens. Even if the external factors are not the most favourable for us, we are still able to influence countless issues that Ukrainians have no control over.

In 2022, Atria put in a controlled performance, with day-to-day focus on the things we can influence. The subsiding of the coronavirus made it easier to organise our work and add strength to the implementation of our plans. Strategic development was implemented as planned.

> ***"The decisive factor in managing our result has been the sales price increases."***

In terms of results, 2022 exceeded the expectations from late winter and spring. The comparable EBIT was EUR 49.0 million. In 2021, the EBIT was EUR 49.2 million. The decisive factor in controlling the EBIT was the increase in sales prices. Cost inflation was exceptionally high and the only option was to pass costs on to sales prices.

Another factor for profitability is that sales volumes in kilos remained close to 2021 levels, despite price increases. This means that net sales increased by 156.5 million from the previous year. Margins were lower than in the previous year and the increase in net sales therefore has a great impact on the EBIT.

With inflation at 10%, the amount of working capital tied up in the business increased with EUR 36.7 million from 2021. In particular, the value of inventories increased. The quantities of some materials and raw materials also increased. Investments amounted to EUR 131.4 million. The increased working capital and high investments caused the cash flow to be negative by EUR -47.7 million. The group's net debt at the end of the year was EUR 234.7 million. With inflation levelling off, the increase in working capital will also level off and will start to decline. The pace of investment will slow down in the second half of 2023. This will strengthen the cash flow.

Goodwill of the Swedish business was reduced due to higher market interest rates and less certainty about the development of demand. In addition, following Russia's invasion of Ukraine, we decided to withdraw completely from Russia and the Sibylla fast food business in Russia was sold in spring 2022. The Sibylla transaction reduced Atria Sweden's net sales and contributed to a decline in profitability. At the same time, the value of some of the Swedish brands was set to zero, as there is no longer any marketing investment in these brands. The total impairment losses amounted to EUR 51 million.

The major investments in Nurmo and at the Sköllersta plant in Sweden are progressing on schedule. Significant deviations from the cost estimates are not expected either. In Nurmo, we invest around EUR 155 million in a poultry plant, and in Sköllersta, around EUR 35 million in a logistics centre and a meat products plant.

"After Russia invaded Ukraine, we decided to withdraw from Russia completely and the Sibylla fast food business in Russia was sold in spring 2022."

The poultry market is growing and we want to further strengthen our position in this business. Our investment in the Nurmo plant supports this objective as do our earlier investments in the Sölvesborg poultry plant in Sweden. We are the market leader in Finland and the third largest player in Sweden in the poultry meat market. In Sweden, our market position has strengthened in recent years and Atria is well placed to become the second largest player in the market by the end of this decade.

In Sweden, industrial restructuring is taking place with the closure of the Malmö plant. This is part of our strategy for profitable growth in Sweden. Most of the production from the Malmö plant will be transferred to the Sköllersta plant in Örebro in 2023. The Malmö plant was sold in spring 2022.

At the end of 2022, Atria acquired a majority stake in Ab Korv-Görans Kebab Oy in Pietarsaari, Finland. The acquisition will enable us to strengthen our position as a supplier of various convenience food components to our fast food and restaurant customers.

"We are involved in a wind power project that, if implemented, would make the Nurmo plant self-sufficient in electricity, except on windless days, when balancing power will still be needed."

Sustainability is part of Atria's strategy and practice. Plans will not turn into action if they are not linked to strategy. We are involved in a wind power project that, if implemented, would make the Nurmo plant self-sufficient in electricity, except on windless days, when balancing power will still be needed. The capacity of the solar power plant on the Nurmo plant site will double, at about 10 megawatts in favourable sunny conditions. We are involved in several international projects, including the UN Global Compact and the Science Based Targets programme. The aim of these is to limit greenhouse gas emissions so that the world temperature rises by no more than 1.5 degrees Celsius.

Costs will keep rising in the year ahead. The rate of inflation is likely to slow down, but cost increases will be faster than we have become accustomed to in recent decades. Rising interest rates will also affect the economic sentiment for both households and businesses. These factors, combined with unpredictable geopolitical developments, mean that even in 2023 we will need to focus our efforts on areas where we can make a difference.

I would like to thank my colleagues, Atria owners, customers and the consumers who buy Atria products. It has been a great honour and privilege to work with you. Following through with commitments has been at the heart of Atria's business culture for ages. If we stick to this principle, we will keep doing well. I wish my successor Kai Gyllström the very best of success. I wish the same to all Atria employees for this year, and the years and decades to come!

Good food – better mood!

Seinäjoki, March 2023

Juha Gröhn
CEO
Atria Plc

BECOMING THE WINNING NORTHERN EUROPEAN FOOD COMPANY

Atria's strategic objective is renewal and growth that enables the company to become the winning northern European food company. The renewal of our operations, profitable growth and the increase in ownership value are supported by the three pillars of our operations: commercial expertise, efficiency way of operating and culture that produce value to all our stakeholders, responsibly and sustainably.

Our mission

We work to create inspiring food for every occasion. Our success is based on inspired people and the most desired brands.

Good food — better mood.

Our vision

The Winning Northern European Food Company

Our strategic goals and their implementation

Target	Implementation
Strong financial performance	• Strong financial performance: growing faster than the market. • Maintaining a strong balance sheet and performance, and a solid financial position.
Most desired brands	• In their Product categories, Atria's brands are the best-known as well as the most highly recommended in all our business areas.
Preferred partner for the customers	• Comprehensive customer satisfaction. • Successful customer experience improvement projects implemented in cooperation with customers. • Customers are very likely to recommend us.
Best partner for our owner-producers	• The best sales channel for meat from contract producers across Finland. • Close cooperation throughout the production chain. • The best contract producers; expertise and continuous development improve competitiveness. • Financially strong owner-producer.
Leader in sustainability	• A carbon-neutral food chain by 2035. • Reducing carbon dioxide emissions by 25% by 2025 compared with 2016. • Increasing antibiotic-free production. • Zero animal welfare violations.
Committed people	• Systematic strengthening of employees' commitment. • Reducing accidents. • Employees who are satisfied with their development opportunities. • Mobility for personnel from one job to another across country borders and job rotation within business areas.

The implementation of Atria's strategic goals and priorities in 2022 are presented in the business area reviews: Atria Finland on page 26, Atria Sweden on page 31 and Atria Denmark & Estonia on page 35.

Atria's strategy responds to changes in the operating environment

Changes in the operating environment are strongly reflected in Atria's new strategy. The strategy responds to changes in consumer purchasing behaviour in particular. Awareness of sustainable food choices and increased demand for convenience foods, and especially poultry, are highlighted in purchasing decisions. The Foodservice channel and the popularity of private labels are also increasing. The uncertainty of the international meat and food market as well as actions to mitigate climate change pose challenges to the entire sector.

Atria's strategy responds to the following changes that have a material impact on the food sector :

Proteins

In terms of demand, the focus continues to shift from red meat to poultry and vegetable-based options.

Categories

Demand for convenience food and ready-made food is growing.

Consumers

Consumers' awareness of healthy lifestyles, sustainable development and animal welfare is increasing.

Macroeconomy

Economic instability and uncertainty is increasing, as well as protectionism and local focus.

Channels

Demand and new opportunities in the Foodservice sector are growing. The importance of digital channels continues to grow, and the growth of private labels continues .

Atria's strategic path

Atria's strategy to become a leading northern European food company is a consistent continuation of its strategy for the previous period. During the previous period, Atria implemented significant efficiency programmes and investments to improve its operational productivity and competitiveness. At the same time, the company succeeded in strengthening its equity ratio.

2009 IMPROVING PRODUCTIVITY 2015 | HEALTHY GROW AT ATRIA 2020 | WINNING NORTHERN EUROPEAN FOOD COMPANY | 2025

Improving productivity

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

Healthy Grow at Atria

- Primarily organic growth in all business areas
- Operational profitability will not be compromised; emphasis on productivity
- Growth investments in technology, and other investments to improve efficiency and productivity.

Winning Northern European Food Company

- Stronger financial performance
- Growth in poultry, convenience food, and the Foodservice sector through the most attractive brands, deep customer partnerships, and the most sustainable operations in the sector.
- Improving the profitability of red meat in Finland and profitable growth in Sweden.

Our strategic priorities

We have adopted six strategic priorities for the 2021–2025 strategy period.

1. Win big in poultry	Poultry consumption is increasing steadily in Finland and globally. We are aiming for market leadership in poultry in Finland and are also seeking to strengthen our position in Sweden. The importance of this objective is reflected in our investment in a new poultry unit in Nurmo, Seinäjoki.
2. Expand in convenience foods	Convenience food is a growing market in all our business areas. Our strengths in convenience food are high quality in all price ranges and strong brands. Sustainable, reliable and traceable production are our key competitive advantages.
3. Strengthen in Foodservice, including fast food	The food service market continues to grow, because people are increasingly eating out. We are aiming to grow faster than the market. We seek to achieve this by strengthening our Foodservice customer relationships in all our business areas. In the fast food sector, our growth recipe is to increase the number of sales points and develop new products.
4. Grow profitably in Sweden	In Sweden, our goal is to improve the profitability of our operations and achieve growth. We are seeking growth by increasing our share in retail, and in the food service and fast food markets. We improve profitability through increased operational efficiency.
5. Optimize red meat	Our goal is to improve the profitability of red meat, especially in Finland. We seek to achieve this by improving operational efficiency, product category management and selection development. Strengthening export customer relationships also plays a key role in improving profitability.
6. Drive next level supply chain efficiency	Our goal is to improve supply chain efficiency in each area, from order to delivery. This is our goal in all business areas. We are improving efficiency by investing in the latest technology, using monitoring data and strengthening our employees' competence.

Photo taken in September 2022.

Major investment in poultry production progressed according to plan

Atria's EUR 155 million investment in the construction of a new poultry unit at the Nurmo plant proceeded according to plan. Despite challenges in the availability of construction materials and components, construction was on schedule and at the budgeted level. The unit will have a total area of approximately 36,000 m^2 and is expected to be fully completed in 2024 at the earliest.

With the largest investment in its history, Atria is responding to the growing consumption of chicken and aims to strengthen its position as the market leader in chicken products in Finland. The new unit will increase Atria Finland's poultry production capacity by approximately 40% as the company is concentrating its poultry production in a modern, competitive unit. Atria decided to close the Sahalahti poultry plant by the end of 2024.

Read more about the poultry market on page 18.

Financial targets

In connection with the adoption of the Group strategy, Atria also updated its financial targets. The new target is to grow faster than the market. The return on equity target was increased from 8% to 10%. Other targets remained the same as in the previous strategy period.

Atria's financial targets and actuals 2020–2022

Target	Result 2022	Result 2021	Result 2020
EBIT % [1]	2.9%	3.2%	2.7%
Equity ratio 40%	44.8%	48.7%	46.8%
Return on equity (ROE) 8% [1]	8.9%	8.2%	5.7%
Capital distribution of the adjusted profit for the period 50% [1] [2]	49.0%	49.5%	61.4%

[1] Figures are adjusted for non-recurring items,
key figure calculation formulas on pages 61-64.
[2] 2022: Proposal of the Board

Strong balance sheet and financial position maintained despite increasing debt

Thanks to a positive cash flow, Atria's net debt decreased significantly to approximately EUR 153 million in 2021. In 2022, however, the debt increased to approximately EUR 235 million. The exceptionally high increase in debt was due to Atria's large investments: the new poultry unit in Nurmo, costing approximately EUR 155 million, and Atria Sweden's production efficiency measures worth approximately EUR 35 million. Most of these investments will be paid for by the end of 2023. Atria's investments will also exceed EUR 100 million in 2023, compared to the normal annual level of EUR 45–50 million.

Atria's balance sheet is very strong. The equity ratio is close to 45%, while the strategic target was 40%. During a period of high investment by Atria, this is essential as the company's cash flow is temporarily negative. Atria's net gearing ratio was also at a good level of only 50,5 %.

During the year under review, Atria had financial facilities of EUR 85 million, all of which were undrawn at the time of closing the accounts. Short-term financing accounted for about 15% of the total amount. Long-term financing consists of bilateral bank loans, binding financing limits and loans from pension companies. The average maturity period for financing was 4 years 1 month and the average interest rate on outstanding debt was 3.5%. The most significant single financing solution in the year under review was the EUR 50 million loan agreement we signed in the autumn for a period of 5+1+1 years.

Tomas Back
CFO, Executive Vice President and Deputy CEO

Atria's sustainability efforts result in concrete actions

Atria updated its sustainability programme in 2021, and the implementation of the revised programme started during the reporting year. We continue to improve our sustainability performance through three major themes: Planet, Product and People. The main objective under the Planet theme is Carbon Neutral Atria. Atria has been actively seeking solutions for the use of renewable energy by expanding its solar park, exploring and investigating the potential of wind power, and by promoting the construction of a biogas plant. Atria has set sustainability targets for its own production through a number of commitments. These include the Science Based Target (SBTi) climate commitment and the material efficiency and energy efficiency commitments. In spring 2022, Atria joined the international UN Global Compact corporate sustainability initiative and was accepted to the Climate Ambition Accelerator training programme. Joining the UN Global Compact strengthens Atria's development work in environmental and social responsibility.

At the heart of the product theme is, of course, the food that Atria produces. We want to be part of all the consumers' mealtimes by offering them sustainability produced food that respects the environment. For Atria, nutritious and safe food means a transparent and traceable chain, antibiotic-free production, animal welfare, product safety and taking nutritional considerations into account in product development. During the reporting year, Atria expanded its production of antibiotic-free pork.

Under the People theme, our most important project is Safely home from Atria, where we have been achieving good results for many years. During the year under review, Atria started close cooperation with the Association of Friends of the University Children's Hospitals. The partnership brings an important message to families with children about supporting children's and young people's mental health – conversations promote children's emotional wellbeing and interaction, and strengthen family relationships.

Merja Leino
EVP Sustainability, Atria Plc

Read more about Atria and sustainability in the Corporate Responsibility 2022 report.

Atria's solar park almost doubled its panel output

Atria Finland almost doubled the panel capacity of its solar park at its Nurmo site. Thanks to the expansion, Atria is already able to cover approximately 8% of its annual electricity consumption with solar power.

Atria's solar power plant is the largest of its kind in Finland and the new panel technology used in the expansion makes the project significant for the entire solar energy industry in Finland. Commissioned in 2018, the plant comprises a total of approximately 22,000 solar panels in ground and rooftop installations. In terms of output, these represent an annual electricity production of approximately 5,000 MWh. Thanks to the extension, Atria's annual solar electricity production is about 9,000 MWh. The completed extension reduces the overall emissions of the Nurmo plant and improves its energy efficiency, improving Atria's energy self-sufficiency significantly.

Occupational safety has improved significantly over the past 5 years

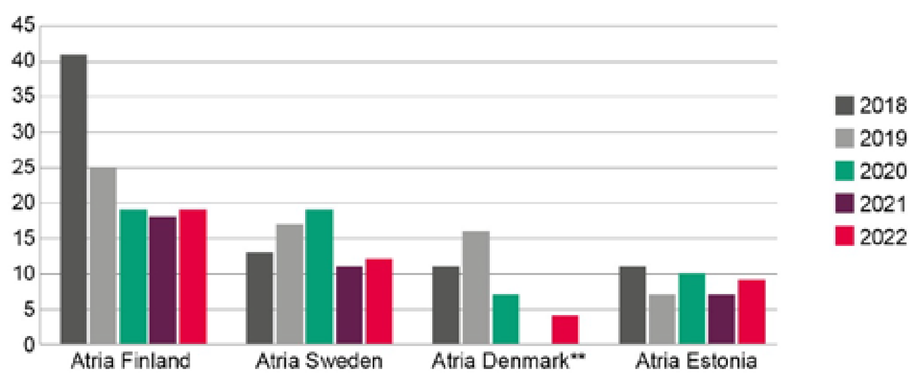
Since 2016, Atria has improved occupational safety through the group-wide Safely Home from Atria programme. The work to reduce accidents has gone well: the accident frequency rate and the number of accidents that led to an absence from work have gone down. Over the last five years, the accident frequency rate has been reduced by almost 70%. In terms of accident frequency, Atria is among the best in its sector in northern Europe.

The Safely Home from Atria programme encourages Atria employees to take responsibility for their own safety and that of their colleagues. Under the programme, Atria assesses occupational safety risks and their management through jointly defined procedures. Well-being and safety at work are also monitored using common indicators. Occupational safety also features heavily in communication, induction, training and day-to-day management, which has contributed to the development of a positive safety culture at Atria.

The health and safety practices in Atria's various business areas are governed by local legislation in each country. Health and safety concerns all Atria positions and workplaces. Our aim is to put safety even higher on the agenda in 2023 and thereby further improve occupational safety at Atria.

Lars Ohlin
Executive Vice President Human Resources

Accident frequency rate in Atria Group's business areas 2018–2022*



* Number of accidents resulting in an absence of at least 8 hours per million hours worked.
** No accidents in Denmark in 2021.

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OPERATING ENVIRONMENT AND MARKETS

There have been significant changes in Atria's operating environment in recent years. Most of them have been caused by the constraints broug about by the coronavirus pandemic and the resulting changes in consumer behaviour. The rapid inflation resulting from Russia's war of aggression that started in 2022 has also changed purchasing and consumption behaviour.

Despite the changes affecting society as a whole, changes in the food and grocery market where Atria operates have remained moderate. Total meat consumption in Atria's various market areas has remained largely stable or increased. Poultry meat consumption has increased the most and continues to grow.

Changes in the food market are slow

Consumer behaviour in the food market is very conservative; changes between product groups are relatively small and take place slowly. This has again become evident in recent years that have seen great changes in people's daily lives during the coronavirus pandemic of 2020–2021 and the price inflation of 2022.

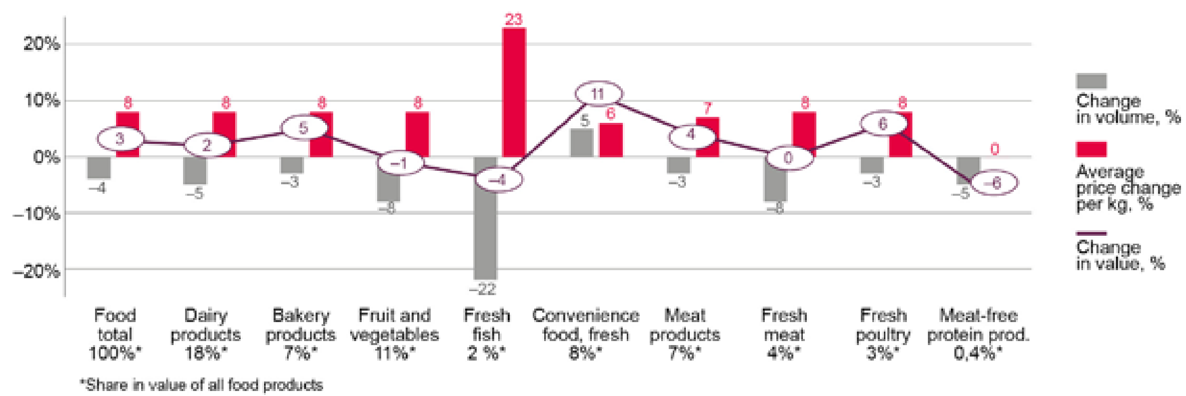
The impact of the coronavirus restrictions on the Foodservice sector was dramatic, causing the market to collapse, while the market for fresh food products experienced the opposite effect. There, food prices and purchase volumes continued to grow and the value of the market increased.

The strong price inflation has not led to a collapse in consumption, and the Finnish food market has remained largely positive in terms of value. Measured in value, only the market for fruit and vegetables, fresh fish and meat-free proteins declined compared to 2021. The decline in the purchase volume of fresh meat was offset by an increase in the prices per kilo. From Atria's perspective, it is encouraging that two of its core product groups are among the three product groups that have increased the most in real terms: ready meals and poultry products. Atria's familiar cold cuts and other meat products are also in good positions.

Pasi Luostarinen
Executive Vice President, Marketing & Market Insight

Impact of rising consumer prices on the various food product groups

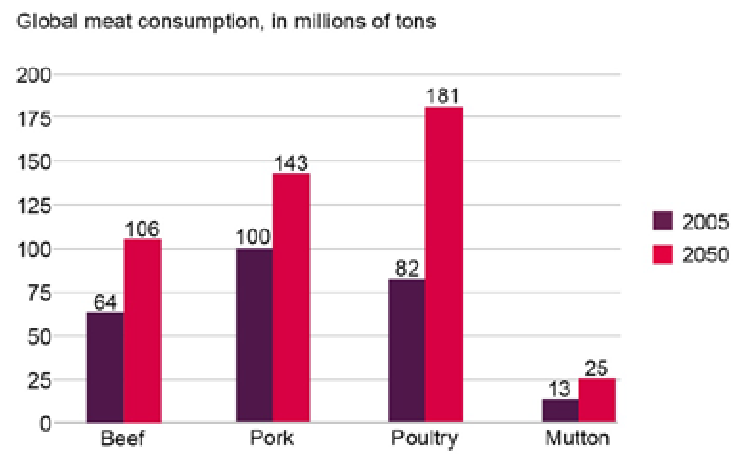
Development in the Finnish grocery trade in the period 1–9/2022 vs. 1–9/2021



Source: NielsenIQ Homescan, purchases in volume and value, All of Finland, YTD 9/11/2022.

Change in global meat consumption 2005–2050

By 2050, consumption of all kinds of meal will increase significantly. Poultry meat consumption will increase by up to 120% over this period. Consumption will be driven, in particular, by population growth and rising living standards in emerging countries.

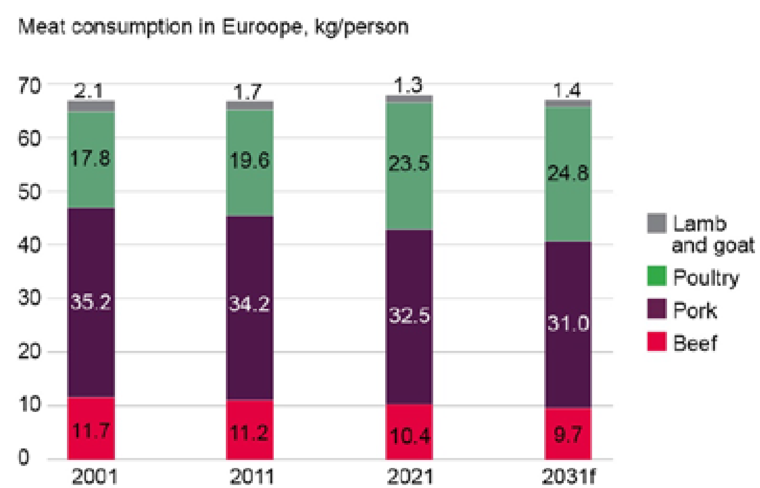


Source: Alexandratos, N & Bruisma, J. 2012. World Agriculture Towards 2030/50. ESA Working Paper No. 12-03. Food and Agriculture Organization of the United Nations.

Meat consumption in Europe 2001–2031

Total meat consumption in Europe has been stable in the 2000s. The slight decline in beef and pork consumption has been balanced by an increase in poultry consumption.

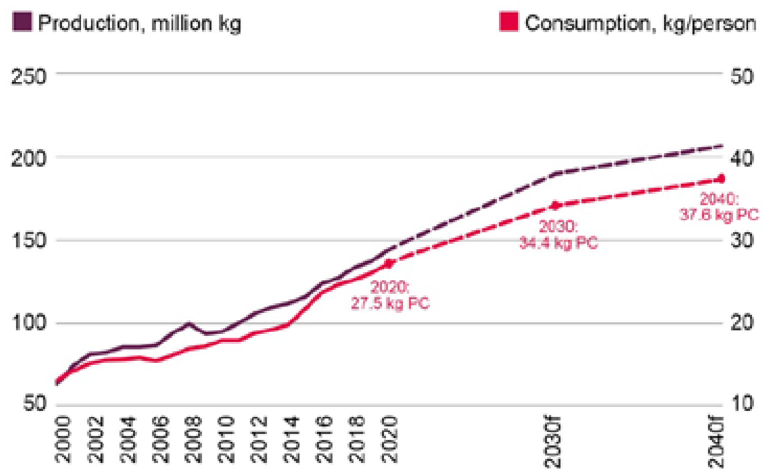
Consumption varies greatly between countries; for example, pork consumption per person is around 29 kg in Finland, around 45 kg in Germany and around 38 kg in EU countries on average.



Source: European Commission; EU Agricultural Outlook and Eurostat, 2021

Growth in poultry meat consumption in Finland 2000–2040

Poultry meat consumption has grown steadily in Finland during the 2000s. In 2021, both the consumption and production of pork will increase by about 2,3 %. Atria forecasts that consumption will continue to grow at an average annual rate of 2.3% until 2030. Between 2030 and 2040, consumption growth will level off to just under 1% per year.

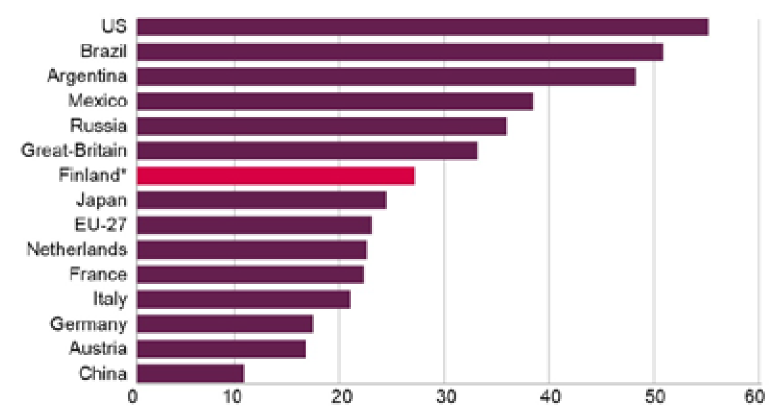


Source: Atria 2021. Based on the history of the meat consumption barometre (Kantar TNS) and population projection by Statistics Finland.

Poultry meat consumption in various countries

In Finland, poultry meat consumption per capita is slightly higher than the EU average, but almost half of that in the United States, where the consumption of poultry meat is much higher than the consumption of beef or pork.

Consumption of poultry meat on the bone; as meat, in meat products and in food, kg/person:



Soure: AMI/Eurostat, FAOSTAT, *Kantar TNS Agri: Ruokatietoa 2021

Export accounts are an important sales channel for Atria

Alongside retail sales and Foodservice, export customers are an important sales channel for Atria. During the year under review, Atria Finland exported a total of approximately 39 million kilos of various types of meat to 33 countries. The main export markets were South Korea, China and Denmark. Exports amounted to EUR 100 million and accounted for almost 10% of Atria Finland’s net sales.

South Korea

South Korea has been an important and stable export market for Atria for more than 30 years. The country has little domestic meat production and imports account for a large share of its meat consumption. Atria has traditionally exported pork belly to South Korea. In early 2022, Atria also obtained export licences for chicken meat. The export of chicken products started well.

China

Atria’s pork exports to China started in 2017 and the country became an important export market for Atria. Prices of meat exports to China reduced significantly in 2021, and Atria’s exports to China halved in 2022 compared to the previous year. By contrast, trade in by-products increased and average prices went up. Atria also has licences to export chicken products to China.

Denmark

Atria supplies its Danish partner JN Meat International with Finnish beef, from which the company selects and cuts the best cuts for the various markets. The company has won the World Steak Challenge several years in a row with Atria’s beef products. In 2022, Atria beef won gold in three categories.

Japan

Japan is the largest single export market for Atria’s antibiotic-free pork. Atria sells to both Foodservice and consumer goods customers. In addition to pork, Atria has licences to export chicken products to Japan.

Sweden

Sweden has been an important export market for Atria for decades The main export products are prime cuts of pork and beef. Atria exports meat both to Swedish industrial customers and for the use of Atria Sweden. Sweden has a low self-sufficiency rate for many types of meat and therefore imports large quantities of meat. Finnish meat has a good reputation and a significant market position in Sweden.

BUSINESS AREA REVIEWS

Atria Group's operational structure consists of three business areas, or reporting segments: Atria Finland, Atria Sweden and Atria Denmark & Estonia. Of Atria Group's 2022 net sales of EUR 1696.7 million, Atria Finland accounted for 73.0 %, Atria Sweden for 20.5 % and Atria Denmark & Estonia for 6.5 %.

Atria Finland

Atria Finland develops, manufactures, markets and sells fresh meat and other food products and provides services related to them. Atria is the market leader in the slaughterhouse industry and many of its product categories in Finland. It also has substantial export operations. In 2022, Atria Finland had net sales of EUR 1265.3 million and 2,437 employees. All of the meat used in Atria brands is Finnish.

Brands

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

Atria's market position

#1

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

Net sales

73.0%

of the Group's net sales (EUR 1696.7 million)

Number of personnel

65.9%

of the Group's personnel

Customers

- Retail trade
- Foodservice customers
- Export customers
- Food industry
- Sibylla concept customers

Core categories

- Fresh and consumer packed meat
- Poultry products
- Cooking products, such as cooking sausages
- Cold cuts and spreads
- Convenience food
- Animal feed
- Pet food

Controlled performance in demanding conditions

Atria grew profitably in a controlled manner in a demanding operating environment that underwent rapid changes in 2022. The sharp cost inflation triggered by the war by Russia quickly began to erode the profitability of Atria and the entire Atria food chain. We managed to agree on sales price increases with all our key customers. These had a significant impact on both our net sales and operating profit. We were also able to pay our producers higher producer prices, safeguarding the operating conditions for Finnish meat production.

The sharp rise in food prices was reflected in consumption behaviour in Finland: the sales volumes of the product groups represented by Atria in consumer goods retail decreased by 2.0%. By contrast, sales value increased by 6.7%. The product group of convenience foods showed the highest growth. In contrast to the decline in sales volumes in consumer goods retail, the Foodservice market recovered strongly after the Covid-19 pandemic: the product groups represented by Atria grew on average by 19.1 % in value. The value of the Foodservice market for poultry products increased by as much as 29%. Atria's position in the Finnish market remained strong: we were the market leader in most of our main product groups in both the consumer goods retail and Foodservice markets. The latest opening in Atria's export trade was provided by an authorisation to sell poultry products to South Korea, and the first deliveries have already been made. Our exports as a whole declined slightly from 2021.

The year 2022 showed how well we are able to adapt to uncertainties and even rapid changes. This was made evident in our cost-efficient and uninterrupted operations, both within our own organisation and throughout the Atria food chain.

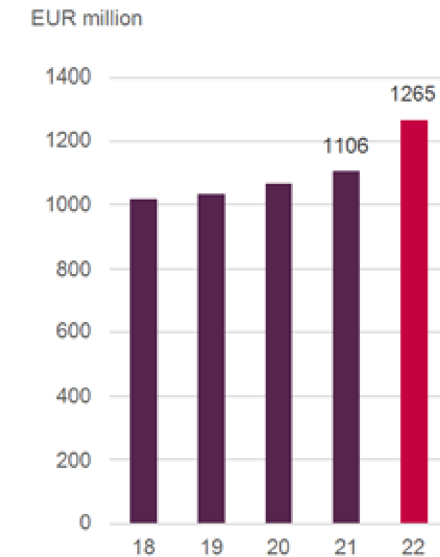
Mika Ala-Fossi
Executive Vice President, Atria Finland

Net sales (EUR million)

1265.3

(EUR 1105.7 million in 2021)

Atria Finland's net sales grew by EUR 159.6 million compared to the previous year, and amounted to EUR 1265.3 million. Net sales were increased by sales price increases in all Atria's sales channels and by sales to Foodservice customers, which recovered after the Covid-19 pandemic.

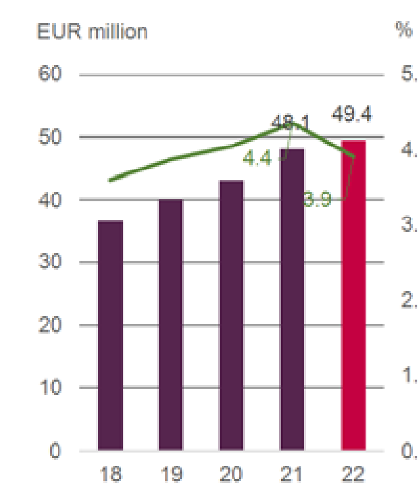


EBIT (EUR million)

49.4

(EUR 48.1 million in 2021)

Atria Finland's EBIT increased from the previous year by EUR 1.3 million to EUR 49.4 million. This represented 3.9 % of net sales. Increases in sales prices supported stable profitability.



Market for Atria's main product categories[1)]

Market value (EUR million)
2,835
Change, %
+6.3%

Market volume (million kg)
378
Change, %
–2.0%

Finland's meat and meat product market[2)]

Market value (EUR million)
3 397
Change, %
0.0% (volume) **+8.1%** (value)

[1)] Retail trade, consumer-packed and bulk products
[2)] Total value of the meat and meat products market in the retail trade's and Foodservice sectors' distribution channels.

The position of Atria's main product categories in the market[1)]

	Change in overall market[2)]		Atria's share of manufactring[3)]	Atria brands[4)]
Category	Value (EUR)	Volume(%)	Value (EUR)	Position
Consumer-packed meat	+2.5%	–6.7%	35.4%	#1
Poultry	+8.5%	–4.2%	43.3%	#1
Cooking	+4.8 %	–2.8%	25.7%	#2
Cold cuts	+6.7%	–2.4%	21.6%	#1
Convenience food	+9.1%	+1.8%	13.8%	#2
Total (vs. 2021)	+6.7% (2.7%)	–2.0% (0.2%)	25.1% (24.0%)	

[1)] Grocery trade, consumer-packed products
[2)] Percentage of change from 2021
[3)] Atria as a supplier
[4)] The market position of categories sold under the Atria brand

The Finnish barbecue market[1)]

Value, approx. (EUR million)
168
Change (%)
+4 %

Market share of Atria's barbecue products
30.4%

Market position of Atria's barbecue product categories
#1

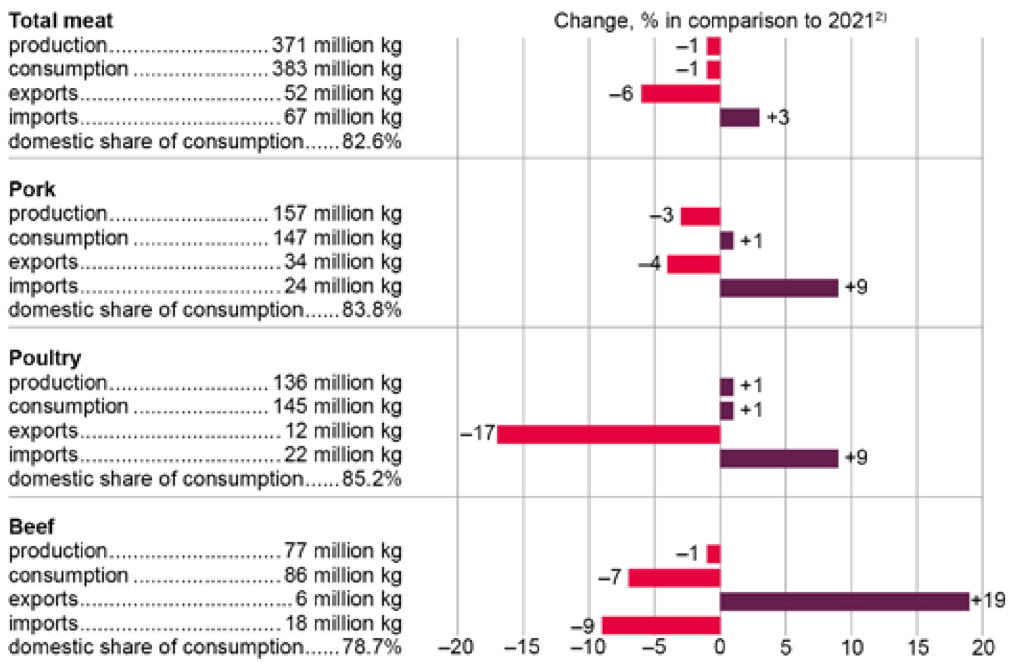
[1)] Atria Insight 2023

Strong growth in Foodservice sales

The lifting of Covid-19 restrictions in early March gave a rapid and strong boost to the Foodservice sector. Atria's sales to Foodservice customers increased and by the end of the year sales were well above the pre-pandemic level. Atria's supplier share of the Finnish Foodservice market was strong at 21 percent.

Of Atria's Foodservice product groups, the pork market grew most strongly, by almost 30 percent. Atria's growth in the market was about 45 percent. The poultry market also grew by almost 30 percent and Atria's growth was over 45 percent. The use of cooking products, mainly sausages and frankfurters in the professional kitchen sector, increased significantly, with the market growing by about 15 percent and Atria by about 25 percent.

Meat production and consumption in Finland in 2022[1)]



[1)] Production and consumption of bone-in meat. Data January–November 2022, November's share of exports and imports estimated. [2)] Period of comparison 01–11/2021.
Source: Kantar TNS Agri, 2023.

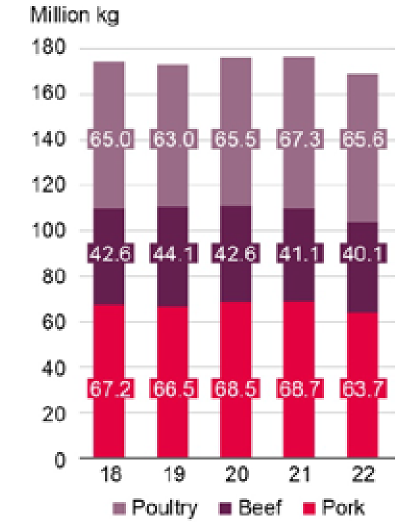
Atria strengthened its convenience food and Foodservice offering with a share acquisition

Atria acquired 51 percent of the shares in Ab Korv-Görans Kebab Oy. The company makes frozen meat products and is Atria's longstanding partner as a contract manufacturer of kebab chips, cooked chicken products and other meat products made from Finnish raw materials. The partnership will provide Atria with new opportunities to meet the growing demand for convenience food and the wishes of Foodservice customers. Korv-Görans Kebab was founded in 1988, and its production plant is located in Pietarsaari.

Volume of meat processed by Atria (million kg)

169.4

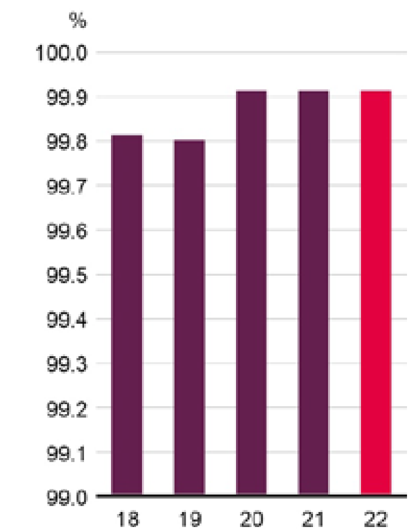
The volume of meat processed by Atria decreased by 7.7 million kilograms to 169.4 million kilos from the previous year. Poultry processing volumes decreased by 1.7 million kilos, beef processing volumes by 1.0 million kilos and pork processing volumes by 5.0 million kilos. Atria is the market leader in Finland's slaughtering industry.



Atria's delivery reliability (%)

99.91

Atria's delivery reliability remained at the previous year's excellent level of over 99.9%. Atria's order-supply chain was able to respond flexibly to rapid changes in the type and quantity of demand in a market characterised by cost inflation. Atria's sound management of the supply chain increases the predictability of operations alongside delivery reliability.



3 trends

The following consumer trends in the food products and food industry were among those affecting Atria Finland's operations and product range in 2022:

Higher food prices

In 2022, the price of food surged so exceptionally that this overshadowed all other changes in consumer behaviour. For example, the rise in the consumption of higher-priced convenience food of the last few years came to a halt. Demand for convenience food is still growing, but now it is mainly for medium-priced products, where Atria has traditionally had a strong position.

Sustainability endures

Despite the shadow of the pandemic and the war, Finns have a strong appreciation for sustainable business. Surveys of consumer attitudes show that consumers expect companies to be the ones to solve many of the development challenges in the field of responsible business. These include both environmental and social sustainability measures, which Atria is systematically developing in line with its comprehensive sustainability programme.

Back to restaurants

When the Covid-19 restrictions were lifted, Finland experienced a very strong increase in demand for Foodservice products and services, particularly in the summer and autumn. People returned in droves to restaurants to eat out again. The Foodservice market in Finland grew by about 19% and the sales of Atria's Foodservice products by 20% compared to the previous year.

Atria aims for an antibiotic-free pork production chain

In 2018, Atria started building a verified antibiotic-free pork production chain in cooperation with producers. Since then, around 30 percent of Atria's pig farms have joined the antibiotic-free production chain. In October 2022, antibiotic-free production was opened to all Atria pork producers.

The long-term development of our resource management has enabled the expansion of antibiotic-free production to meet the expectations of the operating environment. Being antibiotic-free is an important factor that adds value in the domestic market for Finnish pork and its importance is also growing in exports.

The goal is that pork production at all Atria pig farms will have become verifiably antibiotic-free by the end of 2025.

Read more in Atria's Corporate Responsibility Report 2022.

Implementation of Atria's Group strategy[1)] in Atria Finland in 2022

Strategic priority or target	Implementation of priority or target
Win big in poultry	• The investment of the new poultry plant is on schedule and on budget, with commissioning in 2024. • We started exporting poultry products to South Korea.
Strong financial performance	• We are concentrating poultry production in the new plant in Nurmo; the Sahalahti plant will be closed down.
Best partner for owner-producers	• We invested in feed production and the development of producer services.
Leader in sustainability	• We almost doubled the panel capacity of our solar park at the Nurmo site. • We joined the project to construct 45 MW wind farm near the Nurmo plant. • We improved the energy efficiency of Atria's existing production plants and invested in advanced energy technology at the new poultry plant. • We continued to invest in antibiotic-free pork production so that pork production at all Atria pig farms will be antibiotic-free by the end of 2025. • Our SBTi (Science Based Targets) targets were approved by this global climate initiative. • Our chicken products with carbon footprint labels were awarded in an international innovation competition.
Expand in convenience food	• We acquired 51% of Ab Korv-Görans Kebab Oy, a manufacturer of cooked meat products and kebab chips. The acquisition strengthens Atria's position in the convenience food segment. • We developed our offering, also taking into account the specific challenges posed by inflation.
Optimize red meat	• We invested in the export trade of red meat. Value is added by the products being antibiotic-free, hormone-free, salmonella-free, and traceable, and by emphasising animal welfare.
Strengthen in Foodservice, including fast food	• We acquired 51% of Ab Korv-Görans Kebab Oy, a manufacturer of cooked meat products and kebab chips. The acquisition strengthens Atria's position in the Foodservice and fast food segments. • We developed new concepts and sales channels in the Sibylla business.

[1)] Atria's Group strategy 2021–2025 is presented on pages 8–14. The implementation of the strategy at Group level is presented in the Board of Directors' report on page 42.

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Atria Sweden

Atria Sweden produces and markets meat products, fresh chicken products, cold cuts and various types of meals mainly for the Swedish food market. Atria Sweden has several valued, widely known brands, many of which are market leaders in their respective product categories. Atria is also a strong private label supplier. In 2022, Atria Sweden's net sales were EUR 356.2 million, and the company had 819 employees. The meat raw material used in Atria Sweden's product groups is mainly of domestic origin.

Brands

Atria Sweden has several valued brands, the best known ones being Lönneberga and Sibylla. Sibylla is Atria Plc's most international brand.

Net sales

20.5%

of the Group's net sales (EUR 1696.7 million)

Number of personnel

22.1%

of the Group's personnel

Customers

- Retail trade
- Foodservice customers
- Sibylla concept customers
- Export customers

Core categories

- Cold cuts and spreads
- Cooking sausages
- Fresh poultry products
- Ready-to-eat food
- Vegetable and delicatessen products

Moderate growth and more efficient operations

Atria grew moderately in the Swedish food market, where a sharp rise in food prices weakened consumer purchasing power. On the other hand, profitability was weighed down by sharp increases in raw material prices, and energy prices especially. These could not be fully compensated by increases in sales prices.

The Swedish retail market for Atria's main product groups grew significantly more than in the previous year. For example, the value of the market for sausages and cold cuts increased by around 4% and the market for poultry products by more than 6%. Atria's market shares developed positively in this growth market: Atria's market share as a supplier of sausages was 20.3%, while the corresponding figure for cold cuts was 13.3% and 19.1% for fresh chicken products. The overall market for fresh chicken products has already grown by around 25% in volume over the last four years. The vast majority of chicken meat sold in Sweden is still frozen. Atria's performance in the post-Covid Foodservice and fast food markets was also positive until the second half of the year, when inflation started to weaken consumer demand. Atria's withdrawal from the Russian fast food market in May also reduced the company's sales.

Despite the exceptional market situation, we made good progress towards the key objective of our strategy, which is to improve operational efficiency. The centralisation of Atria's industrial operations and logistics in the main production site in Sköllersta and the concentration of marketing efforts on the Lönneberga and Lithells brands will substantially improve our competitiveness.

Jarmo Lindholm
Executive Vice President, Atria Sweden

Net sales (EUR million)

356.2

(EUR 351.7 million in 2021)

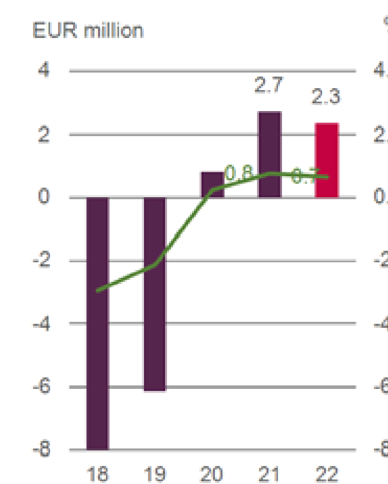
Atria Sweden's net sales increased by EUR 4.5 million from the previous year and were EUR 356.2 million in total. The growth of net sales in local currencies, excluding the Russian fast-food business, was 15.4%. The net sales were strengthened by increases in retail sales prices. The figure for the reference year includes the net sales of the Sibylla Rus LLC subsidiary; see page 31.

Adjusted EBIT (EUR million)*

2.3

(EUR 2.7 million in 2021)

*The EBIT adjustment items include a EUR 9.7 million sales gain from an industrial property located in Malmö, a EUR 1.3 million refund of an employment pension contribution and EUR –51.1 million of impairment. Atria Sweden reported an EBIT of EUR -37.8 million (EUR 5.0 million).



Total markets of Atria's main product categories in Sweden

Market value
(EUR 1,286 million in 2021)

EUR 1,342 million

Value change, %

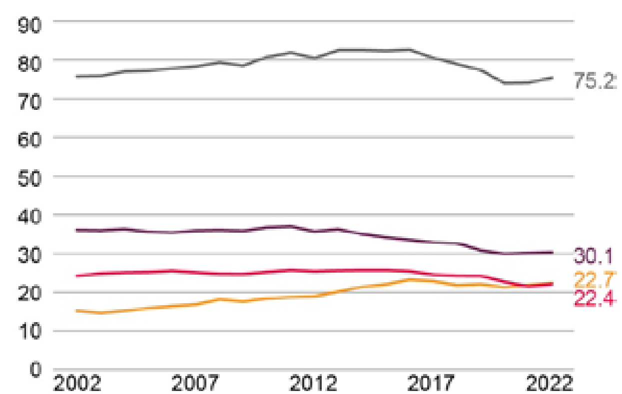
+4.4%

The position of Atria's main categories in the Swedish retail market

	Market value	Change in overall market[1]		Change in Atria's share of production[1]	Market position[2]
Category	(EUR million)	Value (€)	Volume (%)	Value (€)	Position
Cold cuts and spreads	556	+3.7%	–1.6%	+0.7%	#2
Sausages	477	+3.7%	–1.3%	+1.5%	#2
Poultry products	309	+6.6%	–7.3%	+1.3%	#3

[1] Percentage of change in comparison to 2021 [2] Position of Atria's brand categories in the retail trade

Meat consumption in Sweden (kg/person) 2002–2022

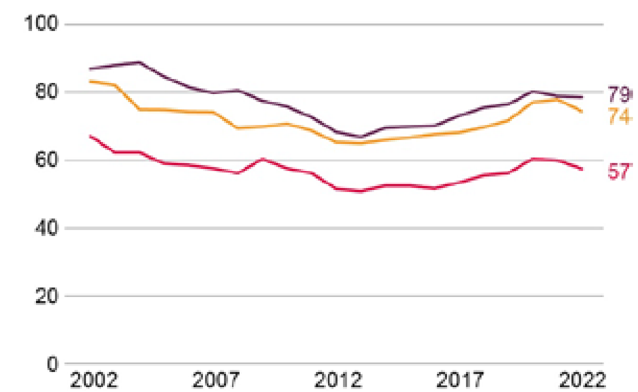


The total consumption of meat began to decrease in Sweden in the mid-2010s and evened out to approximately 75 kilograms per person five years later. This does not include meat such as lamb and game. The consumption of poultry has increased by 2–4% annually for the past ten years, whereas the consumption of beef and pork has decreased.

The domestic share of meat consumption reached its lowest level around 2015, after which there has been an upward trend in domestic meat production and consumption.

■ Pork ■ Poultry ■ Beef ■ Total

The share of domestic meat consumed in Sweden 2002–2022



Source: Jordbruksverket 2022 and 2023. Figures for 2022 are estimates based on 01–09/2022.

3 trends

The following three consumer trends in the food products and food industry were among those affecting Atria Sweden's operations and product range in 2022:

Maximising value

Price and brand loyalty are under pressure as consumers who value affordability seek the highest value in all purchasing channels. Consumers compare price with quality, but also with personal needs and values such as health and sustainability.

Beyond the day-to-day

Consumers are looking for exciting and enriching experiences – including unplanned celebrations and pick-me-up products and activities. When faced with a scary, unpredictable future, consumers are choosing to invest in the present. Consumers do not want rare, once-in-a-lifetime experiences; they want to find joy in simple everyday moments.

The war on waste

Consumers are challenging the throw-away culture and value moderation and frugality. They want recyclable systems and solutions, such as sustainable and environmentally friendly packaging. At a time of economic uncertainty, consumers and businesses alike are looking for ways to reduce waste. Consumers appreciate brands that reduce the environmental load and costs, for example by reducing food waste, and are easy to store, transport and preserve.

Implementation of Atria's Group strategy[1)] in Atria Sweden 2022

Strategic priority or target	Implementation of priority or target
Win big in poultry	• We improved the profitability of our poultry meat business. • We grew faster than the market. • We invested in our online business. • We signed a long-term supply agreement to secure the availability of chicks.
Expand in convenience food	• We invested in the growth of snacks and marinated products under the Ridderheims brand. • We increased the sales of poultry products. • We expanded the convenience food ranges of the Lönneberga and Lithells brands
Strengthen in Foodservice, including fast food	• We improved Foodservice sales by developing product category management. • We grew at the pace of the market despite the pandemic. • We launched several products as part of the Sibylla fast food concept. • We renewed our franchise models and signed significant new customer contracts.
Optimize red meat	• We focused on optimising meat raw materials and recipes. • We continued to work closely with Atria Finland to ensure the best prices for Finnish meat raw materials.
Grow profitably in Sweden	• We systematically improved the organisation's efficiency, cost awareness and competitiveness. • We continued to restructure operations by replacing the production lines at the Sköllersta plant and building a new logistics centre, and by transferring operations from the Malmö plant to other Atria plants.
Drive next level supply chain efficiency	• We systematically improved the organisation's efficiency, cost awareness and competitiveness. • We continued to restructure our Swedish operations by modernising the Sköllersta plant and building a new logistics centre, and by starting to transfer production from the Malmö plant to other Atria plants.
Leader in sustainability	• Our SBTi (Science Based Targets) targets were approved by this global climate initiative.

[1)]Atria's Group strategy 2021–2025 is presented on pages 8–14. The implementation of the strategy at Group level is presented in the Board of Directors' report on page 42.

Atria factory in Sköllersta.

Atria sold its plant property in Sweden and its fast-food business in Russia

Atria continued its investments to improve production efficiency in Sweden by an investment of EUR 35 million. The investment will expand and improve the efficiency of production and logistics operations at Atria Sweden's largest production plant in Sköllersta, Örebro. As part of the efficiency programme, Atria sold the Malmö plant property for around EUR 21 million. The production at the premises ends during 2023. Atria's production in Malmö will be transferred to the Sköllersta plant in Sweden and the Horsens plant in Denmark. The efficiency programme is expected to generate annual savings for Atria of around EUR 3.5 million from 2024 onwards.

Atria sold its Russian fast food subsidiary Sibylla Rus LLC for around EUR 8 million to Liability Company Agricultural Complex Mikhailovskiy, a member of the Cherkizovo Group. The transaction did not include the Sibylla brand. The net sales of the fast-food company, which operates in Russia, accounted for about 2 percent of Atria Group's net sales and the business was profitable. The operations are reported in the Atria Sweden segment.

Atria Denmark & Estonia

Atria Denmark & Estonia produces and markets cold cuts, spreads, meat and meat products mainly for the Danish and Estonian food markets. The business area also has export activities. It has valued, widely known brands, many of which are market leaders or hold the second position in their respective categories. Atria has two production plants in Denmark and one in Estonia. In 2022, Atria Denmark & Estonia had net sales of EUR 112.9 million and 442 employees. The meat raw material used in Atria's product categories in Denmark and Estonia is mainly of domestic origin. In Estonia, Atria has its own primary production, and the company is the country's second largest pork producer.

Brands

Atria's main Danish brands are 3-Stjernet and Aalbaek Specialiteter. In Estonia, the main brand is Maks&Moorits, complemented by the regional brands VK and Wõro.

Net sales

6.5%

of the Group's net sales

Number of personnel

12.0%

of the Group's personnel

Customers

- Retail trade
- Foodservice customers
- Export customers

Core categories

- Meat products, particularly sausages, including cold cuts and spreads
- Convenience food
- Fresh and consumer packed meat

A strong market position maintained in Denmark

Atria kept its strong second position in the large Danish cold cuts market. The company's supplier share in the Danish consumer goods retail trade was 16%. The market for Atria's main product groups grew by 3% in value and remained at the previous year's level in volume. Atria's strong market position was supported in particular by the Aalbæk brand and its premium organic products.

Atria's sales to the Danish Foodservice sector developed positively at the beginning of the year as the Covid-19 restrictions were lifted. However, sales weakened towards the end of the year as consumers cut back on eating out due to a sharp increase in prices. Atria's export activities also suffered from cost inflation, although exports to England, for example, developed in line with targets.

Svend Schou Borch
Executive Vice President, Atria Denmark

Market share growth in Estonia

The value and volume of Atria sales in Estonia increased exceptionally from the previous year, but costs increased even more. Inflation in Estonia went up to over 25%, raw material costs rose by 28% and energy costs by more than 70%.

As inflation eroded consumers' purchasing power, food consumption shifted towards cheaper and campaign products. Atria's product development focused on launching more competitive products. This, combined with successful campaigns and lower than average pricing, led to an increase in Atria's market share. Atria's supplier share by volume increased to around 20%, bringing the company closer to market leadership again.

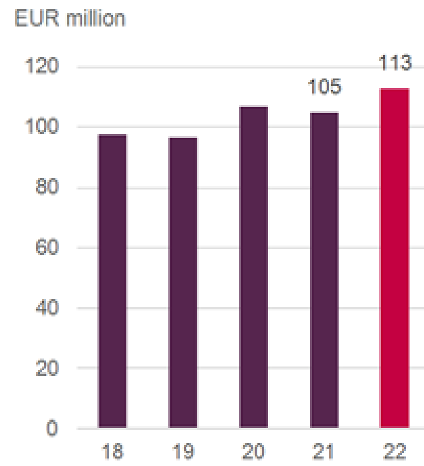
Olle Horn
Executive Vice President, Atria Estonia

Net sales (EUR million)

112.9

(EUR 104.9 million in 2021)

Atria Denmark & Estonia's net sales increased by EUR 8 million year-on-year and were EUR 112.9 million. Net sales were primarily boosted by sales price increases. In Estonia, Atria also increased its sales volumes.

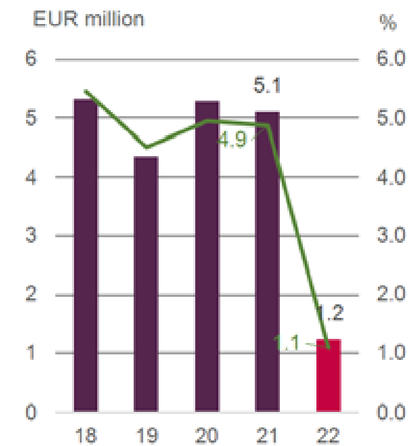


EBIT (EUR million)

1.2

(EUR 5.1 million in 2021)

The EBIT of Atria Denmark & Estonia decreased by EUR 3.9 million to EUR 1.2 million. This was 1.1 % of net sales. Strong increases in raw material and production costs and a shift in consumption towards lower-priced product groups weighed on the result. Moving the production of cold cuts from Malmö to Horsens in Denmark in October caused additional costs.



The position of Atria's main categories on the Danish and Estonian retail markets

Denmark

Category: Cold cuts and spreads

Manufacturer share
16.0%
(16.9% in 2021)

Market position
#2

Estonia

Categories: Meat, meat products and convenience foods

Manufacturer share
20.3%
(18.5% in 2021)

Market position
#2

The markets for Atria's main product categories in Denmark and Estonia

Value
EUR 692 million
The value of the market for cold cuts in Denmark and the value of the market for meat and meat products in Estonia's retail sector in total

Value change
+4.9%
Change in the value of Atria's main product categories in Denmark and Estonia on average

Volume change
–1.8%
Average change in market volumes

Value change **in Denmark**
+3.0%
(–0.2% in 2021)

Value change **in Estonia**
+6.7%
(1.7% in 2021)

Volume change **in Denmark**
–1.1%
(0.1% in 2021)

Volume change **in Estonia**
–2.4%
(–0.3% in 2021)

3 trends

The following three consumer trends in the food products and food industry were among those affecting Atria's operations and offering in Denmark and Estonia in 2022:

Affordable

High inflation significantly changed consumer behaviour in Denmark and Estonia, with the price of food becoming a key criterion for consumer choices. The winners in the grocery sector were the discount and cut-price chains, especially in Denmark.

In both countries, private label products perceived to be of low price amounted to a larger share of food sales in both countries. In Estonia, Atria launched a low-priced Kodu ('home') range under the Maks & Moorits brand.

Sustainable

Consumer confidence in the sustainability of domestic production remained strong, although its importance as a purchasing criterion declined due to inflation.

The meat raw material used by Atria is predominantly of domestic origin, both in Denmark and Estonia. In both countries, production and the entire production chain is as transparent as possible. In Estonia, Atria has its own pig farms.

Diverse

The share of poultry meat and vegetables of balanced meals increased. In Denmark, Atria has traditionally had several products that combine meat and vegetables and continued to develop new products. In Estonia, Atria launched both new vegetable-based products and several chicken products.

Implementation of Atria's Group strategy[1) in Atria Denmark & Estonia 2022

Strategic priority or target	Implementation of priority or target
Win big in poultry	• In Denmark, Atria added chicken cold cuts to the selection of cold cuts under the 3-Stjernet brand. • Atria introduced new chicken products to the Estonian chicken product market, especially in the lower price category.
Strong financial performance	• Atria's key measures to ensure profitability in Denmark were to manage the high energy and raw material costs. • In Estonia, Atria secured its profitability by minimising its material and raw material costs. • Part of the production of bread toppings was transferred from Malmö to the production facilities in Horsens, Denmark. In the longer term, the transfer of production will improve Atria Denmark's growth opportunities and profitability
Leader in sustainability	• In Denmark, Atria increased its use of recyclable packaging materials and invested in new packaging technology. This enables packaging sizes to be optimised for more efficient transport. • In Estonia, Atria continued to reduce the use of plastic in product packaging. The company also increased the use of solar energy at its Valga plant. • Our SBTi (Science Based Targets) targets were approved by this global climate initiative.
Drive next level supply chain efficiency	• In Estonia, Atria improved the efficiency of its supply chain by introducing a new transport system. The system is based on a single box design and makes work in the plant and warehouse, as well as customer deliveries, more efficient.

[1) Atria's Group strategy 2021–2025 is presented on pages 8–14. The implementation of the strategy at Group level is presented in the Board of Directors' report on page 42.

RESEARCH AND DEVELOPMENT

Comprehensive and proactive market and consumer insight is one of the fundamental prerequisites for commercial excellence in Atria's business. For Atria, it also provides a competitive advantage in which the company consistently invests.

Atria's investments in research and development totalled EUR 13.5 million in 2022.

Comprehensive market and consumer insight

Atria invested EUR 13.5 million in research and development. The investments were at the same level as the year before. Atria's research and product development activities are based on comprehensive market and consumer insight. The company uses data in a variety of ways to develop both future and existing product categories. In addition to contributing to category and brand management, comprehensive market and consumer insight is a prerequisite for Atria's successful marketing and sales management.

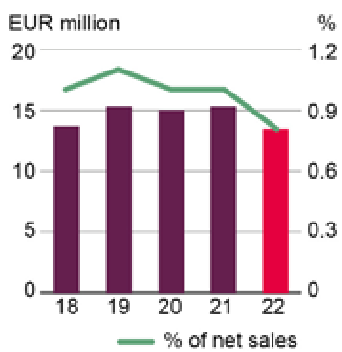
In addition to its own research and product development activities, Atria actively participates in food industry research that combines scientific research with best practices to promote food safety. Other areas of applied research include product and packaging technology and nutrition.

In 2022, Atria developed the collection and analysis of data related to market price monitoring in particular. In a market where prices have risen sharply, the monitoring focused on price elasticity, development of individual brands and changes in preferred products and package sizes, among other things.

Research and product development

EUR 13.5 million

Atria's research and product development expenses decreased by EUR 1.8 million year-on-year.



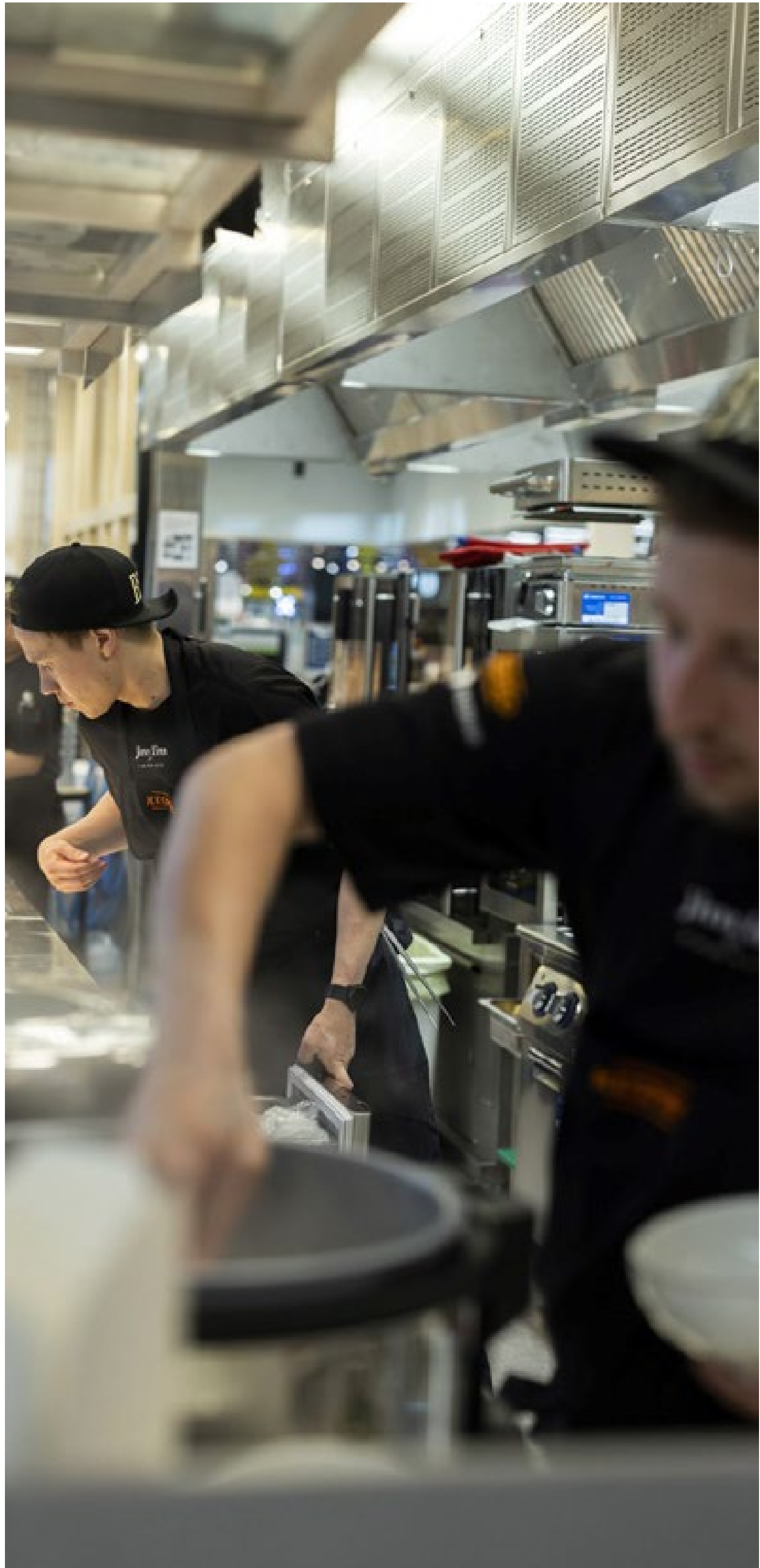
Number of new products

195

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

New products 2022 (2021)

Business area	Number of products	% of net sales
Atria Finland	90 (88)	4.1%
Atria Sweden	69 (66)	3.8%
Atria Denmark & Estonia	36 (72)	3.3%



In Finland, the Atria Artesaani range of fresh premium ready meals grew with Fish Patties in Sour Cream Sauce. It adds a fish-based alternative to the popular chicken and pork dishes.

Atria's most successful launch in Denmark was Aalbæk Specialiteter's BBQ range. In addition to sausages, it includes marinated spareribs.

Atria Sweden invested heavily in its Lönneberga consumer brand. New products include Lönneberga chicken sausages and cold cuts for the consumer goods retail market and sliced chicken sausages for Foodservice customers.

Atria strengthened its position in the Estonian barbecue market with the Maks & Moorits brand. Atria was the market leader in Estonia for barbecue sausages with a market share of 36.5%.

FINANCIAL STATEMENTS AND CORPORATE GOVERNANCE

Annual General Meeting on 25 April 2023

The Annual General Meeting of Atria Plc will be held on Tuesday, 25 April 2023. 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 included in the notice. The demand will be considered to have arrived in time if the Board of Directors has been notified by 27 February 2023. The demand, with accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, Läkkisepäntie 23, FI-00620 Helsinki.

The notice of the Annual General Meeting will be published later.

In 2023, Atria Plc will publish its financial results as follows:

Financial statements bulletin 2022	22 Feb 2023
Annual Report 2022	week 10/2023
Interim Report Q1 (3 months)	25 April 2023
Half-year report H1 (6 months)	20 July 2023
Interim report Q3 (9 months)	24 Oct 2023

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

REPORT BY THE BOARD OF DIRECTORS 1 JANUARY – 31 DECEMBER 2022

Strong growth and stable results for Atria

In terms of net sales growth and profit development, Atria exceeded expectations in 2022. The events of 24 February in Ukraine made the operating environment difficult, and the predictability of the market was poor in the spring. Atria's net sales increased to EUR 1696.7 million. Growth on the previous year was EUR 156.5 million. Cost inflation was exceptionally high throughout the year, which led to sales prices increasing from the spring onwards. Group net sales increased due to stable retail, Foodservice and feed sales volumes and sales price increases. After Russia invaded Ukraine, Atria decided to withdraw from Russia completely, and the Sibylla fast food business was sold in the spring of 2022. The sale of the Sibylla business reduced the Group's net sales and operating profit.

Atria Group's adjusted EBIT was EUR 49.0 million, down by EUR 0.2 million from the previous year. The result was good under the circumstances. The decisive factor in managing the result was the increase in sales prices. The costs of raw materials, supplies, commodities and external services were significantly higher than in the previous year. Among commodities, energy costs in particular increased. Logistics costs were also significantly higher than in the reference period. Producer prices for meat were significantly higher than in 2021.

The reported EBIT for 2022 was EUR 0.1 million. The EBIT includes impairment of goodwill and brands of EUR 51.1 million recognised for Atria Sweden at the end of 2022. EBIT includes a EUR 9.7 million non-recurring sales gain from an industrial property located in Malmö and a EUR 1.3 million non-recurring refund of an employment pension contribution. EBIT also includes a EUR 1.9 million sales gain recognised on the sale of the Sibylla Rus fast-food company, which operated in Russia, and a EUR -10.7 million loss from the exchange rate differences between the Russian rouble and the euro.

Atria's investments in the Nurmo plant in Finland and the Sköllersta plant in Örebro, Sweden, progressed on schedule. In Nurmo, Atria is investing EUR 155 million in a new poultry plant, and in Sköllersta, EUR 35 million in a meat products plant. In Finland, Atria decided to concentrate its poultry production entirely in the new Nurmo plant, thereby strengthening its competitiveness in the poultry business. This means the Sahalahti plant will be closed during 2024.

In Sweden, Atria will restructure its industrial operations and centralise operations from the Malmö plant to the Sköllersta plant in Örebro. The Malmö plant property was sold in the spring of 2022, and production in Malmö will end by the end of 2023.

In December, Atria acquired 51% of the shares in Ab Korv-Görans Kebab Oy, based in Pietarsaari, Finland. Korv-Görans Kebab makes frozen meat products and is Atria's long-standing partner as a contract manufacturer of kebab slices, pre-cooked chicken products and other meat products made from Finnish meat. The business acquisition strengthens Atria's position in the market for convenience food and Foodservice products.

Responsible business operations are part of Atria's strategy and practice. Atria has set itself the goal of being the forerunner in its industry. In 2022, several projects were launched that are strategically and operationally important for responsibility. Atria's climate targets were officially approved by Science Based Targets in January 2023. Atria's targets are based on the Paris Climate Agreement and aim to limit global warming to 1.5 degrees Celsius globally.

Atria's balance sheet was very strong during the year under review. The equity ratio was 44.8%, while the strategic target was 40%. During this period of high investment, this is essential, as the company's cash flow is temporarily negative. Atria's net gearing ratio was also at a good level of only 50.5%.

In 2022, the exceptional circumstances in the operating environment and in Atria's production and offices caused by the COVID-19 pandemic ended. The coronavirus restrictions were lifted, and markets recovered, with especially significant growth in the Foodservice business compared to the previous year. Atria's organisation and people showed excellent adaptability to change and a willingness to stick to our targets and goals. Atria succeeded in achieving its targets regarding the pandemic: to continue supplying customers without disruption and to keep its personnel healthy.

The "**Leading Northern European Food Company**" strategy was successfully implemented. The objectives and priorities defined in the strategy were consistently promoted in all business areas.

Atria's long-time CEO Juha Gröhn, MSc (Food Sc.), announced his retirement in November. Atria Plc's Board of Directors appointed Kai Gyllström, MSc (Econ.), MBA, as the new CEO of Atria Group as of 1 June 2023. Juha Gröhn will continue as Atria Plc's President and CEO until 31 May 2023.

Atria's Board of Directors thanks Juha Gröhn for his successful efforts as Atria's CEO since 2011. Juha Gröhn has worked for Atria since 1990 and has held various positions during his distinguished career with the company. Atria's Board appreciates how Atria has been able to make difficult decisions under Juha Gröhn's leadership that have taken the company forward in a jointly agreed direction.

Strategy 2021–2025: Winning Northern European Food Company

The principal objective of the revised strategy is for Atria to be the winning food company in northern Europe with:

- strong financial performance;
- the most desired brands;
- preferred partner for the customers;
- committed people;
- leader in sustainability; and
- the best partner for owner-producers.

The most important changes in the operating environment which influenced the new strategy related to consumers' purchasing behaviour. Awareness of sustainable food choices and increased demand for convenience food, especially poultry, are accentuated in purchasing decisions. The popularity of the Foodservice channel and private labels is also increasing.

It is essential for the achievement of the objectives to continue investments aiming to improve commercial excellence, efficiency and Atria's Way of Work. In addition, it is particularly important for us to be successful in the six focal points most important in terms of our strategy's performance.

These focal points are:

- win big in poultry
- expand in convenience food
- strengthen Foodservice, including fast food
- grow profitably in Sweden
- optimize red meat
- drive next level supply chain efficiency.

Atria's financial targets in 2021–2025 are as follows:

- EBIT: 5%
- Equity ratio: 40%
- Return on equity: 10%
- Dividend distribution: 50% of the profit for the period
- Growing faster than the market

Target	Result 2022	Result 2021	Result 2020
EBIT % [1]	2.9%	3.2%	2.7%
Equity ratio 40%	44.8%	48.7%	46.8%
Return on equity (ROE) 10 % [1]	8.9%	8.2%	5.7%
Capital distribution of the adjusted profit for the period 50% [1] [2]	49.0%	49.5%	61.4%

[1] Figures are presented adjusted by items affecting comparability, key figure calculation formulas on pages 61-64.

[2] 2022: Proposal of the Board

The main strategic measures in 2022 are set out in the table below:

Strategic target or priority	Implementation of priority or target
Win big in poultry	• The construction of Atria Finland's new poultry plant progresses on schedule – start-up in 2024. • Exports of poultry products to South Korea started. • Significant improvement in the profitability of the poultry business in Sweden • Investments in the development and marketing of poultry products in all business areas.
Expanding in convenience food	• Atria Finland acquired 51% of Ab Korv-Görans Kebab Oy, a manufacturer of cooked meat products and kebab slices. The product range in the convenience food and Foodservice segments is expanding. • Atria Sweden expanded its convenience food portfolio with the Lönneberga and Lithells brands. • Utilising the best market knowledge and customer insight.
Optimize red meat	• Strengthening red meat exports. Value is added by the products being antibiotic-free, hormone-free, salmonella-free, and traceable, and by emphasising animal welfare. • Strengthening the marketing of Finnish meat in Atria Sweden's product ranges.
Strengthening Foodservice, including fast food	• Atria Finland acquired 51% of Ab Korv-Görans Kebab Oy, a manufacturer of cooked meat products and kebab slices. The product range in the convenience food and Foodservice segments is expanding. • International expansion of the Sibylla fast food concept • Development of new concepts and sales channels for the Sibylla business.
Growing profitably in Sweden	• Investment in a new production plant and logistics centre at the Sköllersta plant in Örebro, Sweden. • The poultry business continues to grow profitably.
Leader in sustainability	• Atria Group's climate targets were approved by the Science Based Targets initiative. • Atria Finland expanded its solar power plant: the panel capacity of the plant commissioned in 2018 will almost double. • Atria Finland is involved in a 45 MW wind power project, which involves the planning of a wind power plant near the Nurmo plant. • Atria is improving energy efficiency at the new poultry plant, the new production plant in Örebro and other production sites.
	• Atria Finland is investing in antibiotic-free pork production. The aim is antibiotic-free production on all pig farms within three years. • Atria Finland has joined the material efficiency commitment of the Finnish Food and Drink Industries' Federation. • Reducing the use of plastic in Atria Estonia's product packaging. • Increasing the use of solar energy at the Valga plant in Estonia. • Introduction of recyclable packaging materials in Denmark. • Optimisation of packaging box sizes to improve transport efficiency in Denmark.
The best partner for owner-producers	• Development and expansion of producer services and the activities of Atria's own feed company. • Investment in feed production.
Committed people	• Significant improvement in Atria Group's safety at work performance: "Safely home from Atria"occupational safety programme was launched in 2017. Excellent programme results: two thirds of accidents have been eliminated in five years. • Strengthening Atria Way of Work principles. • Strengthening the Atria Way of Leading leadership practices.
Strong financial performance	• The decision to concentrate Atria Finland's poultry production in a new plant in Nurmo; Sahalahti plant will be closed. • Implementation of price increases in all business areas • Managing energy and raw material sourcing prices. • More efficient use of packaging materials in Atria Estonia.
Drive next level supply chain efficiency	• The construction of Atria Finland's new poultry plant progresses on schedule – start-up in 2024. • The decision to concentrate Atria Finland's poultry production in a new plant in Nurmo; Sahalahti plant will be closed. • Modernisation of the production lines at the Sköllersta plant and construction of a new logistics centre.

Financial review 2021

Atria Group's full-year net sales amounted to EUR 1696.7 million (EUR 1540.2 million). Adjusted EBIT was EUR 49.0 million (EUR 49.2 million). Consolidated EBIT was EUR 0.1 million (EUR 6.4 million). The EBIT includes a EUR 9.7 million non-recurring sales gain from an industrial property located in Malmö and a EUR 1.3 million non-recurring refund of an employment pension contribution. The EBIT also includes a EUR 1.9 million sales gain recognised on the sale of the Sibylla Rus fast-food company, which operated in Russia, and a EUR -10.7 million translation difference loss incurred from the exchange rate differences between the Russian rouble and the euro. The translation difference was recognised in the income statement, but it has no effect on the Group's equity ratio or cash flow. At the end of 2022, Atria Sweden recorded impairments totalling EUR 51.1 million. This has no impact on cash flow.

Adjustments to EBIT for the comparison period total EUR -42.8 million and consist of accumulated translation differences recognised in the income statement in connection with the sale of the Russian subsidiary (OOO Pit-Product) EUR -45.1 million and the refund of EUR 2.3 million of employment pension contributions in Sweden.

Atria Group's net sales increased thanks to stable retail, Foodservice and feed sales volumes and sales price increases. Since the spring, sales prices have strengthened in all business areas. The consolidated adjusted EBIT was weighed down by an increase in the costs of raw materials, supplies, commodities and external services. Among commodities, energy costs in particular increased. Producer prices were significantly higher than in the same period last year.

Atria Sweden's impairments were affected by a number of factors. High inflation affecting consumer behaviour, the discontinuation of fast-food operations in Russia and higher market interest rates have reduced the present value of Atria Sweden's cash flow projections. Atria Sweden's cash flow forecasts have previously included Sibylla Rus LLC, which operated in Russia. The market interest rates included in the discount rate used to calculate the present value of the forecasted cash flows have increased by approximately 2 percentage points. Due to the above reasons, Atria recorded goodwill impairment allocated to Atria Sweden by approximately EUR 35 million. In addition, Atria Sweden, in line with its strategy, has decided to streamline the use of its brands. It is discontinuing four brands (Charkdelikatesser, Pastejköket, Onsala, Lagerbergs) and transferring most of the products from these brands to the growing Lönneberga and Lithells brands. As a result of the decision, Atria wrote down the value of its brands by approximately EUR 16 million.

As part of the efficiency programme initiated in 2020, Atria sold the industrial property in Malmö for EUR 20.4 million at the end of April. Atria will continue its industrial operations at the plant until the end of its production in the premises during 2023.

In May, Atria divested its subsidiary Sibylla Rus LLC, which was engaged in the fast-food business, to Limited Liability Company Agricultural Complex Mikhailovskiy, a part of Cherkizovo Group. The sale price was EUR 8.2 million. The transaction does not include the Sibylla brand. The net sales of the fast-food company operating in Russia accounted for approximately 2% of Atria Group's net sales, and the business was profitable.

In January 2022, Atria Finland received a licence to export poultry products to South Korea. The first product batch to South Korea was delivered in March.

Atria Finland's full-year net sales were EUR 1265.3 million (EUR 1105.7 million). Net sales increased due to stable retail, Foodservice and feed sales volumes and sales price increases. The growth of Foodservice sales was boosted as COVID-19 restrictions on restaurants were lifted in the beginning of March. EBIT totalled EUR 49.4 million (EUR 48.1 million). Taking into account the changes in the operating environment, the operating profit was stable. The increase in net sales strengthened EBIT. The costs of raw materials, supplies, energy and external services were significantly higher than in the previous year. Producer prices for meat were markedly higher year-on-year. Atria's organisation has shown an excellent ability to adapt to rapid changes and recover from disruptions during the period under review, resulting in cost-efficient and undisrupted operations.

Atria Sweden's full-year net sales were EUR 356.2 million (EUR 351.7 million). The development of net sales was affected by Atria's decision to withdraw from the fast-food business in Russia in May 2022. The business was reported in the Atria Sweden segment. The growth of net sales in local currencies, excluding the Russian fast-food business, was 15.4%. Sales price increases strengthened net sales. The sales of Foodservice products have increased in step with the lifting of the COVID-19 restrictions. Adjusted EBIT was EUR 2.3 million (EUR 2.7 million). EBIT was weighed down by higher costs and weaker consumer purchasing power resulting from inflation. Consumers prefer products in the lower price range. The sales price increases have not been sufficient to cover rapidly rising costs. EBIT was EUR -37.8 million (EUR 5.0 million), The EBIT includes a EUR 9.7 million non-recurring sales gain from an industrial property located in Malmö, a EUR 1.3 million non-recurring refund of an employment pension contribution and EUR –51.1 million of impairment.

Atria Denmark & Estonia's full-year net sales amounted to EUR 112.9 million (EUR 104.9 million). EBIT was EUR 1.2 million (EUR 5.1 million). The increase in net sales resulted from higher sales prices in both Estonia and Denmark. EBIT was weighed down by record-high raw material and commodity costs. The sales price increases have not been sufficient to cover the rapidly rising costs. Consumers are now clearly favouring products in lower price categories due to record high inflation.

Events after the period under review

Lars Ohlin, Executive Vice President, Human Resources, and member of Atria Group's Management Team will retire as of 1 March 2023.

Key figures

EUR million	2022	2021	2020
Net sales	1,696.7	1,540.2	1,504.0
EBIT	0.1	6.4	40.5
EBIT, %	0.0	0.4	2.7
Adjusted EBIT	49.0	49.2	40.5
Adjusted EBIT, %	2.9	3.2	2.7
Earnings per share, EUR	-0.19	-0.24	0.81
Adjusted earnings per share, EUR	1.43	1.27	0.81
Dividend / share, EUR *	0.70	0.63	0.50
Dividend / profit, % *	-371.4	-257.2	61.4
Adjusted dividend / profit, % *	49.0	49.5	61.4
Return on equity, %	-0.8	-1.2	5.7
Adjusted return on equity, %	8.9	8.2	5.7
Equity ratio, %	44.8	48.7	46.8
Net qearing, %	50.5	32.6	43.8

* The Board's proposal, the key figures in their entirety are presented on page 61-64.

Financing and liquidity

2022 was a year of many changes in the financial markets. Inflation was already on the rise at the beginning of the year and continued to accelerate towards its end. Central banks were a little slow to start combating the inflation by raising their rates, which in turn affects market interest rates. In the euro area, the five-year fixed rate rose from zero to around 3.2%, a major change in one year. Short-term Euribor rates also rose significantly. For example, the 6-month Euribor, the reference rate for Atria's loans, rose from -0.5% at the beginning of the year to around 2.7%. Financial markets also tightened significantly over the last year due to several uncertainties caused by accelerating inflation, Russia's war of aggression in Ukraine, rapidly rising interest rates, a slowdown in economic growth and a looming recession. Due to increased risk factors, loan margins rose, and some banks shortened the periods of new loans to large corporations. Money market investors became more cautious and reduced their investments in commercial papers, which reduced liquidity in the domestic commercial paper market and increased margins.

During the review period, consolidated free cash flow (operating cash flow – cash flow from investments) was EUR -47.7 million (EUR 62.4 million). Operating cash flow amounted to EUR 53.8 million (EUR 88.2 million). An increase in working capital weakened the operating cash flow. Cash flow from investments includes the purchase price of EUR 20.4 million from the sale of the Malmö plant site and the net cash flow effect of the sale of Sibylla Rus of EUR 7.4 million. The construction of a poultry plant in Finland, the expansion of the Sköllersta plant in Sweden and the acquisition of 51% of the shares in Ab Korv-Görans Kebab Oy increased the cash flow from investments to EUR -101.5 million (EUR -25.8 million). The comparison period's cash flow from investments includes the EUR 29.3 million net cash flow effect of a divested subsidiary.

Equity ratio at the end of the review period was 44.8% (31/12/2021: 48.7%). Equity increased due to a change in the fair value of interest rate and electricity derivatives employed as hedging, which amounted to EUR +19.0 million during the period (EUR +5.7 million). Accumulated translation differences related to the divested subsidiary, EUR -10.7 million (EUR -45.1 million), were written off from translation differences to retained earnings. The recognition has no effect on the equity ratio or cash flow.

In November, Atria drew a EUR 50 million bullet loan linked to responsibility targets, with a maturity of five years and 1+1 year extension options. The responsibility targets for the loan are the reduction of carbon emissions and occupational accidents and the improvement of energy efficiency.

The Group's liquidity remained good and is secured through undrawn committed credit facilities of EUR 85 million and a EUR 200 million commercial paper programme, which was used for short-term financing. The Group's net interest rate expenses were EUR 3.4 million (31/12/2021: EUR 4.9 million).

Atria has hedged against rising interest rates with interest rate derivatives. At the end of the financial period, the group's fixed-interest debt represented 25.7% of the loan portfolio (31/12/2021: 17.0%).

Research and product development

Atria's main product groups are fresh and consumer packed meat, poultry products, meat products such as sausages and cold cuts, and convenience food. Atria aims to serve its stakeholders by exploiting research and development activities in its operations in diverse ways, both in the further development of existing products and the planning of new ones.

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

Atria has a high level of market insight, and the company aims to improve the usability of this insight continuously for the processes of product development, sales and marketing. During 2022, the collection and analysis of data related particularly to market price monitoring was developed. Consumer response to increased prices was continuously monitored in terms of price elasticity, changing product choices, brand development and pack sizes.

In 2022, **Atria Finland** launched almost than 90 new products and the share of new products of sales was 4.1%. The Atria Artesaani range expanded with Fish Patties in Sour Cream Sauce, which added a fish-based alternative to chicken and pork in the fresh premium ready meals range. Summer barbecues became even more responsible with the launch of new poultry products in packaging that uses less plastic than before. In the autumn, the story of the tried and tested one pan product family continued with Pasta Carbonara and Pepper Pork, making daily lives easier.

Atria Sweden brought 69 new brand products to the market in 2022. These products represented 3.8% of net sales. All new products, including private label products, accounted for 6.5% of total sales. The most significant innovation in 2022 was a new range of poultry-based products, including Lönneberga chicken sausages and cold cuts for retail and new sliced chicken sausages for Foodservice customers.

Packaging development focused on new packaging for cold cuts. The new oven-baked Lönneberga liver pâté was launched in a new type of packaging made of easily recyclable paper material. The wallet packs for all sliced cold cuts were revamped using bio-based plastic material to reduce the use of fossil plastics. This packaging material contains at least 50% bio-plastic made from recycled cooking oil and wood oil in accordance with the mass balance system certified by the ISCC.

The **Atria Denmark & Estonia** business area launched a total of 36 new products in 2022.

In Denmark, Atria is the second largest producer of cold cuts with a market share of 16.3%. In 2022, **Atria Denmark** launched nine new products in its retail selection. These products account for 1% of net sales. The most successful launch in 2022 was Aalbæk Specialiteter's summer BBQ range (sausages and spare ribs). Meanwhile, sales of Aalbæk Specialiteter sliced ham, launched in 2021, continued to grow.

In 2022, **Atria Estonia** launched 27 new branded products. These products accounted for 5.6% of net sales. The main innovation in 2022 was the easy-to-use oven-ready meat pack for cooking meat until it is juicy and tender. The most successful innovations in 2022 were the barbecue sausages and steaks of the Kodu product family. New flavours and new packaging were launched for Maks & Moorits sausages. Atria Estonia is the market leader in barbecue sausages with a market share of 36.5% of volume. In 2018, Atria introduced a new manufacturing technology for casings of raw sausages in Estonia, and in 2022, these casings were used in all Maks & Moorits raw sausages.

Percentage of net sales spent on research and product development in Atria Group in 2022 – 2022 was as follows:

EUR million	2022	2021	2020
Research and product development	13.5	15.3	15.0
% of net sales	0.8 %	1.0 %	1.0 %

Business risks during the review period and short-term risks

Atria's business, net sales and results may be affected by a number of uncertainties.

Russia's war of aggression in Ukraine, which has continued since February 2022, and the sanctions imposed on Russia continued to cause instability to business in the last quarter. Signs of an economic downturn added to the uncertainty. Cost inflation and higher market interest rates have eroded households' purchasing power and public finances, while increasing costs for businesses. Atria has seen an increase in raw material and packaging material prices, as well as higher energy costs. However, Atria's good customer relations have enabled it to pass on some of the increased costs to prices.

Increases in fertiliser and energy prices have kept grain prices high and increased costs for meat producing farms. Energy prices are continuing to rise for the second year running. Russian military action in Ukraine has contributed to this, as Russia has been a major energy producer for Europe. Significant volatility in energy prices is expected to continue in the near future. Atria has hedged the system price risk of electricity in such a way that approx. 80% of the next twelve months' use and approx. 70% of the following twelve months' use are hedged. The electricity price risk, which is caused by the regional price difference, has been protected against about 45%. The change in the fair value of electrical protections subject to hedge accounting is recorded in equity.

Atria is prepared for increased cybercrime and information system failures. Systematic monitoring is carried out to ensure rapid responses in the event of an incident. At Atria, improving cybersecurity is an ongoing process.

The COVID-19 virus has been affecting the global economy for three years now. The virus continues to mutate, forming new variants, and its incidence varies. The virus's mutation is difficult to predict, and containing the pandemic through vaccination programmes involves uncertainties. Atria is striving to prevent the pandemic's effects on the health of its personnel and to secure safe working conditions and a disruption-free supply chain.

Atria has a holding of 2% in Majakka Voima, which has become subject to claims for damages due to the Fennovoima project. Atria believes it is unlikely that the claims will result in any significant costs for Atria. Atria has written down the value of its shares in Majakka Voima Oy in its accounts in 2021.

Atria Finland exports pork to China. The demand for and price of meat can fluctuate very quickly in the Chinese market, which is a risk to both volumes and the price level.

African swine fever is present in several European countries as well as in China and Russia. The occurrences of the highly pathogenic avian influenza detected in Europe have resulted in uncertainties in the poultry market. Due to the risk of these diseases spreading to Finland, Atria implements measures to prevent the spread of the diseases at its own production facilities and contract production farms.

Risks and risk management

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

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

For the purposes of reporting, Atria divides the risks affecting its operations into four categories: strategic, operational, liability and financial risks.

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

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

Damage risks are errors, malfunctions and accidents that occur within Atria or in the business environment and that cause damage or loss. Damage risks are managed through risk assessments, business continuity planning and insurance.

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

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

Risks related to raw materials and their production

Risk description	Risk management
Fluctuation in the demand for meat products, animal diseases, extreme weather phenomena as well as changes in the rearing costs and capacity of contract producers have an impact on the purchase prices of the meat raw materials. There are risks related to the price, availability and quality of energy and other raw materials.	Atria steers the purchasing of meat raw materials centrally and relies on a wide network of suppliers in the purchasing. Contract producers are furthermore guided in rearing and animal care. Atria has a centralised purchasing organisation that engages in ongoing cooperation with suppliers to ensure high quality and availability. Risks are also managed through purchasing conditions, hedging instruments and certified product safety management.
The quality of raw materials and products and safety in the entire production chain are of primary importance to Atria.	Atria ensures the safety of its production processes every day and checks that various microbiological, chemical and physical risk factors are eliminated. Product safety is ensured in accordance with operating methods required by food safety management and quality certifications. Our chicken and pork products, which can be traced back to farms, are raised without antibiotics. The name of the farm from which the meat comes appears on the product packaging.
Food consumption and production has an environmental impact. Among other things, the food production chain has an impact on global warming, the eutrophication and acidification of the environment as well as the loss of biodiversity. In addition, it consumes nutrients, land areas, energy and water resources. Environmental impacts and climate change as well as efforts to combat them may have effects on Atria's operations, result and reputation. Such effects may include changes in consumption and business processes, material damage, the need for technological changes, increased regulation and heavier environmental taxation.	In accordance with its environmental policy, Atria works systematically to minimise its environmental impact. Atria is committed to reducing its carbon dioxide emissions and other environmental impacts both in its own production and across the food chain, from the field to the table. A carbon-neutral food chain by 2035 is Atria's most important goal In-depth knowledge of the food chain and its environmental impacts is crucial for Atria. The company engages in close cooperation with research institutions and other operators in the production chain. In addition, Atria requires its partners to operate in an environmentally responsible manner. Atria's environmental impact is managed in many ways: by increasing energy efficiency, using renewable energy sources to an increasing degree, reducing waste, developing ecological packaging solutions, and using water and other natural resources responsibly. Atria ensures that its operations meet the statutory requirements and promotes the development and adoption of new technologies.
The health and welfare of animals is important for Atria. An animal disease at a critical point in Atria's production chain could interrupt production in the unit concerned and disrupt operations throughout the chain. Animal diseases may also result in export and import restrictions imposed on meat products.	Atria ensures animal welfare with quality requirements pertaining to production and purchasing contracts. Biosafety is continuously developed in cooperation with Atria's contract producers. Atria's multistage self-monitoring procedure aims to detect potential hazards related to animal health and welfare as early as possible. In Finland, contract production and the related production guidelines for each species, as well as traceability, are one of the key aspects of monitoring and further improving the welfare of Atria's production animals. Atria's contract producers have comprehensive group animal disease insurance to minimise the impacts of any damage to producers.

Risks related to the geographical area of operation and markets

Risk description	Risk management
The retail trade in the food industry is centralised in Atria's most important market areas. This enables Atria to develop and diversify its long-term cooperation with customers. On the other hand, a decision by a single large customer may have a greater impact on Atria's operations.	In risk management, Atria makes use of its good customer cooperation, strong market position, well-known brands, efficient industrial processes, high-quality products and financial monitoring.
Changes in consumer behaviour may have an impact on both the short-term and long-term demand for Atria's products. Consumer behaviour may change as a result of factors such as health aspects, the economic situation, animal welfare, ethical considerations and climate change. Changes in consumer behaviour may have positive or negative impacts on Atria's profitability and the reputation of its brands.	Atria is preparing for changes in demand and consumption habits and the need to adapt its operations by investing in consumer-oriented and sustainable product development and product portfolio. In addition, Atria informs consumers about its products, its own operations and its responsibility.
Competitors' operations and product selections, as well as private labels, affect Atria's profitability.	Atria develops its product range from a customer-driven perspective, monitors market changes actively, ensures the efficiency of operations, maintains good delivery reliability and invests in informative consumer marketing.
Atria's geographical area of operation exposes the company to risks related to the national economy, legislation and official regulations in various countries. Global geopolitical risks, pandemics and epidemics may also have an effect on Atria's operations.	Atria manages the risk with contracts and by monitoring amendments to legislation and investing in quality matters. Atria also trains its personnel to identify and minimise risks, relies on the services of experts and conducts audits.

Personnel risks

Risk description	Risk management
The availability of competent and motivated employees is a risk for Atria's strategy implementation and the achievement of its goals.	Atria manages this risk through interesting jobs, its remuneration policy and investments in personnel development and training. Development needs are also identified through employee surveys.
Epidemics and pandemics have an impact on the personnel's health.	Health risks are managed with the help of training and preventive measures investing in the safety of work, protective clothing and masks and the personnel's healthcare.
Low temperatures and repetitive movements are characteristic of work in the food industry. The work is often physically demanding and involves cutting machines and tools. This increases the risk of occupational accidents.	Atria aims to prevent occupational accidents, the risks of occupational disease and the related costs by investing significantly in safety at work.

Risks related to information management

Risk description	Risk management
The automation of operational processes, information systems and digitalisation have increased risks related to the accessibility, functionality, integrity, availability, reliability, identifiability and authentication of operations and services.	Atria aims to minimise information security risks and accelerate the recovery from such risks with continuous and systematic monitoring. The company also conducts risk assessments in relation to its personnel, data communications, software, hardware, accessibility and physical security. Atria also relies on external experts in the management of information security risks.
A failure to protect personal data or other important data may damage the company's reputation and result in financial sanctions and/or liability for damages.	Atria pays special attention to information security through technical protection and audits, and by providing employees with training and guidelines.

Risks associated with the value chain

Risk description	Risk management
Risks related to human rights, corruption and bribery.	Atria has partnership principles and a procurement policy, whose implementation is monitored through reviews and audits. The personnel are also trained to identify and report such risks.

Damage risks

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

Financial risks

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

Administration and operational organisation

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

Member	Term ends in
Juho Anttikoski	2025
Mika Asunmaa	2025
Lassi-Antti Haarala	2024
Jyrki Halonen	2025
Mika Herrala	2024
Veli Hyttinen	2023
Pasi Ingalsuo	2023
Jussi Joki-Erkkilä	2024
Marja-Liisa Juuse	2024
Juha Kiviniemi	2023
Risto Lahti	2023
Ari Lajunen	2024
Vesa Lapatto	2023
Juha Nikkola	2025
Mika Niku	2024
Ari Pöyhönen	2025
Suvi Rantala	2025
Risto Sairanen	2023
Ola Sandberg	2024
Timo Tuhkasaari	2023
20 members in total	

At its constitutive meeting after the Annual General Meeting (AGM), Atria Plc's Supervisory Board re-elected Jyrki Halonen as its Chairman and Juho Anttikoski as its Deputy Chairman.

The AGM decided that the Board of Directors would consist of eight (8) members. Nella Ginman-Tjeder, Jukka Kaikkonen and Pasi Korhonen, whose turn it was to step down, were re-elected as members of the Board. Mika Joukio was elected as a new member of the Board to replace Jukka Moisio, who is resigning in the middle of his term, for a term that will last until the end of the 2023 Annual General Meeting. Kjell-Göran Paxal, Ahti Ritola, Leena Laitinen and Seppo Paavola also continue as members of the Board. At the end of the Annual General Meeting in 2023, Mika Joukio and Seppo Paavola will step down from the Board, and at the end of the Annual General Meeting in 2024, Leena Laitinen, Kjell-Göran Paxal and Ahti Ritola will do the same. At its constitutive meeting following the General Meeting, Atria Plc's Board of Directors elected Seppo Paavola as its Chairman and Pasi Korhonen as Deputy Chairman.

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

Member	Term ends in
Nella Ginman-Tjeder	2025
Jukka Kaikkonen	2025
Pasi Korhonen	2025
Leena Laitinen	2024
Mika Joukio	2023
Seppo Paavola	2023
Kjell-Göran Paxal	2024
Ahti Ritola	2024

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

- Juha Gröhn, CEO
- Tomas Back, CFO and Deputy CEO, Executive Vice President in charge of Atria Denmark
- Mika Ala-Fossi, Executive Vice President, Atria Finland business area
- Jarmo Lindholm, Executive Vice President, Atria Sweden business area
- Ilari Hyyrynen, Executive Vice President, Sibylla Russia (until 31 January 2022)
- Olle Horm, Executive Vice President in charge of Atria Estonia
- Lars Ohlin, Executive Vice President, Human Resources
- Pasi Luostarinen, Executive Vice President, Marketing & Market Insight
- Merja Leino, Executive Vice President, Sustainability

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

Atria Plc's governance is described in more detail in the Corporate Governance Statement on page 129.

Composition of the Nomination Committee

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

- Juho Anttikoski, Farmer, representative of Itikka Co-operative
- Pasi Korhonen, Farmer, representative of Lihakunta
- Ola Sandberg, Farmer, representative of Pohjanmaan Liha
- Timo Sallinen, Director, Equities, representative of Varma Mutual Pension Insurance Company
- Seppo Paavola, Agrologist, expert member, Chair of Atria Plc's Board of Directors.

The Nomination Board elected Juho Anttikoski as Chairman from among its members.

Personnel average

	2022	2021	2020
Atria Finland	2,437	2,390	2,398
Atria Sweden	819	876	879
Atria Denmark and Estonia	442	445	439
Sold operation, OOO Pit-Product			728
Group total	3,698	3,711	4,444
Salaries and benefits for the period, Group total (EUR million)	205.6	204.8	199.1

Incentive schemes for management and key personnel

Long-term share-based incentive scheme 2021–2023

Atria has a long-term incentive scheme for key persons for the period 2021–2023, approved by the Board of Directors of Atria Plc. The scheme is identical to the scheme for 2018–2020. The share-based incentive scheme aims to encourage Atria's management to acquire company shares as well as to increase the company's value through their decisions and actions over the long term.

The scheme is based on a share bonus and a cash bonus and is divided into three one-year periods. The second earning period began on 01/01/2022 and ended on 31/12/2022. The bonuses for 2022 will be paid in three equal instalments in 2023, 2024 and 2025, partly in company shares and partly in cash. The cash sum is intended to cover the taxes and tax-like fees arising from the bonus. The possible bonus awarded by the scheme is based on the company's earnings per share (70%) and organic growth (30%). If a person's employment relationship ends before the payment of the bonus, the bonus may not be paid.

The share-based incentive scheme covers a maximum of 40 people. The maximum value of the bonuses to be paid on the basis of one earning period is about EUR 2 million. The bonuses to be paid for the 2022 earning period are estimated at EUR 1.1 million (EUR 1.4 million).

Short-term incentive scheme

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

Outlook for 2023

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

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

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

Flagging notifications

Atria Plc did not receive any flagging notifications in 2022.

Atria Plc's share capital

The breakdown of the parent company's share capital is as follows:

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

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

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

At the end of the financial period on 31 December 2022, the company held a total of 66,182 treasury shares, representing 0.2% of the shares and 0.1% of the votes in the company. The number of treasury shares transferred as share incentives during the financial period was 26,003.

Information about shareholding distribution, shareholders and management holdings are provided under "Shares and shareholders" on pages 59-60.

Valid authorisations to purchase 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 amount of treasury shares. The company's own Series A shares may be acquired for use as consideration in any acquisitions or other arrangements relating to the company's business, to finance investments, as part of the company's incentive scheme, to develop the company's capital structure, to be otherwise further transferred, to be retained by the company, or to be cancelled.

The shares 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 trading price of the moment 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 own shares in all other respects.

The authorisation cancels the authorisation granted by the Annual General Meeting on 29 April 2021 to the Board of Directors to decide on the acquisition of the company's own shares and is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2023.

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 can be used for the financing or execution of any acquisitions or other arrangements or investment relating to the company's business, for the implementation of the company's incentive scheme or for other purposes subject to the Board of Directors' decision.

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 in law, the right to issue shares against payment or without charge as well as the right to decide on a share issue without payment to the company itself, subject to the provisions of the Finnish Companies Act on the maximum amount of treasury shares.

The authorisation cancels the authorisation granted by the Annual General Meeting on 29 April 2021 to the Board of Directors, and is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2023.

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.

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

The parent company's shareholders' equity on 31 December 2022 comprises the invested unrestricted equity fund of EUR 248,252,440.85, the treasury share fund of EUR -769,476.82 and profits of EUR 22,026,805.29, of which profit for the period totals EUR 6,641,088.80.

The Board of Directors will propose to the Annual General Meeting that the distributable funds be used as follows:	
- a dividend of EUR 0.70 per share be paid, totalling EUR	19,779,644.50
- to be retained as equity, EUR	249,730,124.82
	269,509,769.32

Other information according to the Companies Act

During the accounting period, the subsidiaries Mestari Forsman Oy and Ab Botnia Food Oy merged with Atria Oyj. The Implementation date of the merger was 31 December 2022.

Statement on non-financial information

Securing a sustainable food chain

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

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

Atria's corporate responsibility is managed at two levels. In Atria Group's new strategy for 2021–2025, the company states its goal of leading the way in sustainability. Concrete goals include a carbon-neutral food chain by 2035, increasing the production of antibiotic-free meat production and a reduction in carbon dioxide emissions. The shared Code of Conduct and policies are determined at Group level. The Group also ensures compliance with the Code and the policies and determines the development projects and strategic target state applicable to all business areas. The annual reporting related to Atria's corporate responsibility is also implemented at Group level. The realisation and continuous improvement of Atria's responsibility are part of day-to-day operational management across the business areas. The steering groups of the business areas analyse the operating environment and key stakeholders' expectations with regard to responsibility, and also integrate the implementation of the necessary development measures into their business plans.

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

The Atria Code of Conduct supports responsible business operations

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

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

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

Through its Code of Conduct and the policies that support the Code, Atria is committed to the following international agreements and recommendations:

- UN Universal Declaration of Human Rights and Convention on Rights of the Child
- UN Global Compact initiative for the promotion of human rights, labour rights, environmental protection and the prevention of corruption
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- Business Charter for Sustainable Development of the International Chamber of Commerce (ICC) and the ICC Rules on Combating Corruption
- Responsible purchasing principles of the Business Social Compliance Initiative (BSCI)

Atria expects its business partners to comply with either their own code of conduct or the equivalent Atria Partnership Code of Conduct within their operations. In addition, procurement contracts obligate Atria's partners to meet the company's requirements for product quality, operating methods and the supply chain, for example.

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

Atria has established a Whistleblow channel for its employees and stakeholders to report suspected breaches of the Code of Conduct or illegal activities. All reports are processed confidentially, and Atria implements any necessary measures based on the reports. The related indicator is the number of reports submitted to the whistleblowing channel or to the authorities. During 2022, Atria's Whistleblow channel received four reports that were found to be unfounded, i.e. the reports occurrences did not fall within the scope of the channel

Planet

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

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

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

Emissions

Atria Group's carbon dioxide emissions have been systematically reduced in recent years. In 2022, measures taken in the challenging operating environment resulted in a 1% increase in carbon emissions compared to 2021. The long-term decrease in carbon dioxide emissions has resulted from the increased use of renewable energy sources. For example, the share of bio-based fuels in heat production has increased.

Energy

Sustainable, efficient energy use reduces carbon dioxide emissions, which facilitate climate change. Atria Group's energy consumption was 456,794 was MWh in 2022. Consumption decreased by 2.3%, and consumption per kilo produced decreased by 1.6% year-on-year. The reduction in energy consumption was partly due to favourable weather conditions, and energy efficiency measures also curbed energy consumption.

Water

The quality, adequacy and pumping capacity of water are critical for Atria's operations. Plant-specific environmental permits determine the threshold values for wastewater quality. All wastewater is directed to a local wastewater treatment facility. Atria Group's water consumption in 2022 was 2,885,718 m^3. Consumption increased by 0.3%, and consumption per kilo produced increased by

0.1% compared to 2022. The continuous management of water consumption is part of the plants' environmental management and continuous improvement.

Materials

Food production is at the core of the circular economy. Side streams that do not end up as products are directed back to the food chain, as precisely and with as high a value as possible. They are used in applications of the feed industry, as nutrients, for material recycling or as energy. Atria is a company that is strongly developing the circular economy. In the Atria chain, 99% of the raw material flow is utilized. During the concluded strategy period, Atria focused on strengthening its anti-wastage operating culture. Atria's internal wastage management aims to improve value creation for material flows suitable for food production. Atria's wastage is managed in accordance with the same principles in all business areas of the Group. Various types of process wastage have been identified and indicators have been created to monitor them. These are displayed at the departments and daily management reacts to deviations without delay. Waste is affected both by the actions of our personnel and by process investments to reduce waste.

Compliance

The operations of Atria's production plants are subject to environmental permits. All Atria's production plants have management systems that meet the requirements of the ISO 14001 standard for environmental systems and the requirements of the ISO 50001 standard for energy management systems. The Corporate Responsibility Report includes information about the system certification status. No regulations were issued by the authorities regarding the operations and no enforcement measures were imposed during the reporting period. During the reporting period, there was one ammonia leak at the Nurmo plant in the poultry unit.

Product

For Atria, good food in terms of responsibility means accounting for the expectations set for the entire food chain in its operations and a commitment to comply with the requirements for its products and business.

Atria contributes to a safe and sustainable food chain by developing biosecurity throughout the chain, including animal welfare, animal disease risk management, antibiotic-free production, animal nutrition, traceability of raw materials, and food safety management in collaboration with its stakeholders.

Public debate about responsible food production and food safety is increasing the demands on the systems and verification within the production chain. Atria sees as its responsibility to both deliver on food safety expectations and to lead the way in showing that animal-based food can be an ethically sustainable choice for consumers. Other stakeholders are also expecting Atria to show its expertise on these topics and to develop sustainable food production in its production chain.

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

Food safety

Various food safety risks could have dire consequences for both human health and Atria's business operations. Atria therefore takes product safety extremely seriously. Atria's food safety and quality policy lays the foundation for commitments, goal setting and continuous improvement. The product safety management systems of Atria's production plants have FSSC 22000 certification.

During statutory assessments in 2022, no serious shortcomings in operating methods were detected that could compromise food safety and result in fines or coercive measures imposed by the authorities. During 2022, Atria had to make a total of five recalls. Three of them took place in Finland and two in Sweden. No recalls were made in Denmark and Estonia.

Animal welfare

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

The good treatment of production animals and animal welfare are key operating principles for Atria. Atria complies with the laws on the treatment and slaughter of animals. Tuoretie Oy carries out Atria Finland's animal transport operations. During the year under review, no enforcement actions or administrative reprimands leading to sanctions were imposed for compliance with animal welfare legislation related to Atria's operations and animal transport.

People

Consumers

As a food producer, Atria understands its responsibility towards consumers and public health. The purity and nutritional quality of food, as well as ethical food chains, are important values for consumers. People's well-being is based on healthy and nourishing food. Atria's main product categories are fresh and consumer-packed meat and meat products, such as sausages and cold cuts, as well as convenience foods and poultry products. By participating in applied research in product and packaging technology and nutrition, Atria can also create innovative products and concepts for future needs. Further information about the results of Atria's product development and research operations is provided on **page 46**.

Employees

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

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

In 2022, Atria Group continued to implement the Safely Home from Atria occupational safety programme. Occupational safety at Atria has improved significantly during the last four years. In 2017, Atria launched the Safely Home from Atria programme to improve 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 our working methods, practices, routines and, most importantly, work culture has really paid off. This is clearly reflected in a reduction in the number of accidents resulting in absence from work. In 2017, Atria's LTA frequency was 41, while in 2022 it improved to 16, showing a decrease of 61%.

More information about Atria's responsibility for people is provided in the Corporate Responsibility Report.

EU taxonomy

European Union member states are working to address the challenges of climate change and environmental pollution through the EU's Green Deal programme. One of the programme's objectives is to achieve carbon neutrality in the EU by 2050. The EU has developed a classification system for sustainable economic activity, called the EU taxonomy. The aim of the taxonomy is to encourage financial markets to allocate capital to environmentally sustainable solutions.

The taxonomy is based on six environmental objectives:
1) climate change mitigation
2) climate change adaptation
3) sustainable use and protection of water and marine resources
4) transition to a circular economy
5) pollution prevention and control
6) protection and restoration of biodiversity and ecosystems

For each environmental objective, sector-specific technical screening criteria have been or will be developed for determining the conditions under which an economic activity qualifies as contributing substantially to each objective and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

For the first two objectives, an EU Delegated Regulation and associated technical screening criteria are already in place. By its very nature, the food industry does not contribute significantly to climate change mitigation or adaptation as defined in the delegated act on climate. Therefore, for the first two objectives, no screening criteria have yet been defined for the food industry and Atria classifies the share of its taxonomy-eligible turnover, operating expenditure and investment as zero per cent for these two objectives.

For the latter four objectives, the EU has not yet adopted a delegated regulation. However, sector-specific screening criteria have already been defined for these objectives. For the food industry, technical screening criteria have been defined for the transition to a circular economy and for the protection and restoration of biodiversity and ecosystems.

In addition, to achieve taxonomy eligibility, a company must meet minimum safeguards (EU Regulation 2020/852, Articles 3 and 18). The minimum safeguards cover four different areas: human rights, corruption, fair competition and taxation. The safeguards aim to ensure that companies conduct their business in accordance with internationally accepted business principles.

Atria has started a process to analyse matters related to the transition to a circular economy, biodiversity and minimum safeguards.

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	Code(s) (2)	Absolute turnover (3) **) EUR	Proportion of turnover (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) K/E	Climate change adaptation (12) K/E	Water and marine resources (13) K/E	Circular economy (14) K/E	Pollution (15) K/E	Biodiversity and ecosystems (16) K/E	Vähimmäissuojatoimet (17) K/E	Taksonomy - aligned proportion of turnover, year N (18) %	Taksonomy - aligned proportion of turnover, year N-1 (19) %	Category (enabling activity) (20) E	Category (transition activity) (21) T
A. Taxonomy eligible activities			%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)				*)	*)															
Consumer products		1364 M€	81 %	0 %	0 %	n/a	n/a	n/a	n/a								0 %	n/a	n/a	n/a
Primary products		325 M€	19 %	0 %	0 %	n/a	n/a	n/a	n/a								0 %	n/a	n/a	n/a

*) No evaluation criteria have yet been defined for the food industry or primary production in line with these objectives.

**) Opex and Capex are not reported in separate tables because, as with turnover, their realisation is 0%.

BREAKDOWN OF SHAREHOLDINGS

Shareholders by number of shares held on 31 Dec 2022

Number of shares	Shareholders		Shares	
	Number of	%	1,000 pcs	%
1 - 100	7,625	48.21	341	1.21
101 - 1 000	6,916	43.73	2,503	8.85
1 001 - 10 000	1,197	7.57	2,902	10.27
10 001 - 100 000	66	0.42	1,588	5.62
100 001 - 500 000	4	0.03	859	3.04
500 001 - 1 000 000	4	0.03	2,680	9.48
1 000 001 -	3	0.02	17,395	61.54
Total	15,815	100.00	28,268	100.00

Shareholders by sector on 31 Dec 2022

Shareholder type	Shareholders		Shares	
	Number of	%	1,000 pcs	%
Companies	415	2.62	18,696	66.14
Financial and insurance institutions	19	0.12	1,274	4.51
Public corporations	7	0.04	665	2.35
Non-profit organisations	93	0.59	291	1.03
Households	15,228	96.29	5,982	21.16
Foreign owners	53	0.34	28	0.10
Total	15,815	100.00	26,936	95.29
Nominee-registered, total			1,331	4.71

INFORMATION ABOUT SHAREHOLDERS

Major shareholders on 31 Dec 2022

	KII	A	Total	%
Itikka Co-operative	4,914,281	3,537,652	8,451,933	29.90
Lihakunta	4,020,200	3,848,073	7,868,273	27.83
Mandatum Life Insurance Company Ltd.		1,074,362	1,074,362	3.80
Skandinaviska Enskilda Banken Ab *		781,310	781,310	2.76
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Etola Group Oy		625,000	625,000	2.21
Varma Mutual Pension Insurance Company		524,640	524,640	1.86
Citibank Europe Plc *		471,198	471,198	1.67
von Julin Sofia Margareta dödsbo		160,000	160,000	0.84
Elo Mutual Pension Insurance Company		126,289	126,289	0.45

* Nominee registered

Major shareholders by voting rights on 31 Dec 2022

	KII	A	Total	%
Itikka Co-operative	49,142,810	3,537,652	52,680,462	47.42
Lihakunta	40,202,000	3,848,073	44,050,073	39.65
Pohjanmaan Liha Co-operative	2,695,000	480,038	3,175,038	2.86
Mandatum Life Insurance Company Ltd.		1,074,362	1,074,362	0.97
Skandinaviska Enskilda Banken Ab *		781,310	781,310	0.70
Etola Group Oy		625,000	625,000	0.56
Varma Mutual Pension Insurance Company		524,640	524,640	0.47
Citibank Europe Plc *		471,198	471,198	0.42
von Julin Sofia Margareta dödsbo		160,000	160,000	0.14
Elo Mutual Pension Insurance Company		126,289	126,289	0.11

* Nominee registered

MANAGEMENT'S SHAREHOLDING

On 31 December 2022, the members of the Board of Directors and the Supervisory Board, the CEO and Deputy CEO, as well as the members of the Group's Management Team held a total of 87,679 series A shares, or 0.31% of the shares and 0.08% of the voting rights conferred by shares.

MONTHLY TRADING VOLUME OF SERIES A SHARES IN 2022

Month	Trading, EUR	Trading, shares	Monthly lowest	Monthly highest
January	4,451,230	390,365	10.90	11.68
February	3,494,711	325,540	9.64	11.68
March	3,436,928	347,258	8.93	10.60
April	3,854,546	361,056	10.12	11.52
May	5,007,896	547,428	8.40	11.06
June	1,728,920	199,648	8.24	9.19
July	1,793,744	204,009	8.43	9.29
August	1,030,749	107,762	9.10	9.98
September	874,440	93,763	8.73	9.99
October	6,304,127	706,303	8.70	9.50
November	934,243	100,391	9.01	9.45
December	1,119,237	121,888	9.01	9.37
Total	34,030,771	3,505,411		

CHANGES IN THE SERIES A SHARE PRICE 2017-2021 (AVERAGE PRICE)

ITEMS AFFECTING THE COMPARABILITY OF THE RESULT, EUR 1,000

	2022	2021
EBIT before items affecting comparability	133	6,385
Items affecting comparability of EBIT:		
Atria Sweden:		
Refund of employment pension contribution (FORA)	1,270	2,336
Sale of real estate in Malmö, Sweden	9,745	
Impairment of goodwill and trademarks	-51,105	
Unallogated:		
Effect of the sale of subsidiaries	-8,781	-45,109
Total	-48,872	-42,773
Adjusted EBIT	49,005	49,158
Profit before taxes	1,672	4,834
Items affecting comparability	-48,872	-42,773
Adjusted profit before taxes	50,544	47,607
Items affecting comparability of taxes	3,318	
Profit for the period attributable to the owners of parent company	-5,314	-6,900
Total items affecting comparability	-45,554	-42,773
Adjusted profit for the period attributable to the owners of parent company	40,240	35,873
Adjusted EPS, EUR	**1.43**	**1.27**

FINANCIAL INDICATORS

EUR million	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Net sales	1,696.7	1,540.2	1,504.0	1,451.3	1,438.5
EBIT	0.1	6.4	40.5	31.1	28.2
% of net sales	0.0	0.4	2.7	2.1	2.0
Adjusted EBIT	49.0	49.2	40.5	31.1	28.2
% of net sales	2.9	3.2	2.7	2.1	2.0
Financial income and expenses	-3.4	-4.9	-4.5	-5.6	-6.2
% of net sales	-0.2	-0.3	-0.3	-0.4	-0.4
Profit before taxes	1.7	4.8	37.3	26.2	22.3
% of net sales	0.1	0.3	2.5	1.8	1.6
Adjusted profit before taxes	50.5	47.6	37.3	26.2	22.3
% of net sales	3.0	3.1	2.5	1.8	1.6
Return on equity (ROE), %	-0.8	-1.2	5.7	3.9	4.1
Adjusted return on equity (ROE), %	8.9	8.2	5.7	3.9	4.1
Return on investment (ROI), %	1.1	1.9	7.2	5.3	5.0
Adjusted return on investment (ROI), %	7.5	8.3	7.2	5.3	5.0
Equity ratio, %	44.8	48.7	46.8	46.9	47.7
Interest-bearing liabilities	265.7	209.9	218.1	228.3	227.2
Gearing, %	57.2	44.9	49.7	52.6	53.1
Net gearing, %	50.5	32.6	43.6	51.6	52.1
Gross investments	131.4	55.6	45.6	40.1	44.5
% of net sales	7.7	3.6	3.0	2.8	3.1
Average personnel	3,698	3,711	4,444	4,454	4,460
Research and development costs	13.5	15.3	15.0	15.3	13.7
% of net sales *	0.8	1.0	1.0	1.1	1.0
Order stock **	-	-	-	-	-

* Recognised in total as expenditure for the financial year.
** Not a significant indicator as orders are generally delivered on the day following the placement of the order.

SHARE ISSUE ADJUSTED INDICATORS PER SHARE

	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Earnings per share (EPS), EUR	-0.19	-0.24	0.81	0.54	0.58
Adjusted earnings per share (EPS), EUR	1.43	1.27	0.81	0.54	0.58
Shareholders' equity/share, EUR	15.90	16.08	14.96	14.85	14.69
Dividend/share, EUR*	0.70	0.63	0.50	0.42	0.40
Dividend/profit, %*	-371.4	-257.2	61.4	78.4	68.8
Adjusted dividend/profit, %*	49.0	49.5	61.4	78.4	68.8
Effective dividend yield, %*	7.6	5.5	5.1	4.2	6.1
Price/earnings (P/E)	-49.2	-47.0	12.1	18.7	11.3
Adjusted price/earnings (P/E)	6.5	9.1	12.1	18.7	11.3
Market capitalisation	262.0	325.6	278.4	283.8	186.0
Market capitalisation, A series	176.7	219.6	187.8	191.4	125.4
Share turnover/1,000 shares A series	3,505	3,536	4,599	3,831	5,696
Share turnover %, series A	18.4	18.6	24.1	20.1	29.9
Total number of shares, million	28.3	28.3	28.3	28.3	28.3
Number of shares, series A	19.1	19.1	19.1	19.1	19.1
Number of shares, series KII	9.2	9.2	9.2	9.2	9.2
Average share issue-adjusted number of shares	28.3	28.3	28.3	28.3	28.3
Share issue-adjusted number of shares on 31 Dec	28.3	28.3	28.3	28.3	28.3

* Board of Directors' proposal for 2022 to be submitted to the Annual General Meeting on 25 April 2023.

Share price development, series A (EUR)	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Lowest of the period	8.24	9.85	7.13	6.61	6.42
Highest of the period	11.68	13.44	10.86	10.04	13.48
At the end of the period	9.27	11.52	9.85	10.04	6.58
Average rate during the period	9.71	11.60	9.08	8.28	9.58

CALCULATION FORMULAS OF INDICATORS DESCRIBING ECONOMIC DEVELOPMENT

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

Principles for calculating financial indicators:

Adjusted EBIT, adjusted profit before taxes and adjusted profit for the period		In addition to reporting EBIT, profit before taxes and profit for the period the company publishes an adjusted EBIT, adjusted profit before taxes and adjusted profit for the period indicators to describe the actual financial development of the business and to improve comparability between periods. The adjusted figures are determined by adjusting the above items for material items that affect comparability. These may include events that are not part of ordinary business activities, such as the restructuring of operations, capital gains and losses attributable to the sale of operations, impairment, and the costs of discontinuing significant operations.	
Gross investments		Investments in tangible and intangible assets, including acquired businesses	
Free cash flow	=	Cash flow from operating activities - Cash flow from investments	
FTE	=	$\frac{\text{Hours worked during the review period}}{\text{Number of working days during the review period * normal working hours per day}}$	
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 %	=	$\frac{\text{Adjusted profit/loss before tax + interest and other financial expenses}}{\text{Equity + interest-bearing financial liabilities (average)}}$	* 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
$$= \frac{\text{Overall share turnover in euros}}{\text{Undiluted average number of shares traded during the financial period}}$$

Market capitalisation
= Number of shares at the end of the financial period * closing price on 31 Dec

Share turnover (%)
$$= \frac{\text{Number of series A shares traded during the accounting period}}{\text{Undiluted average number of series A shares}} * 100$$

CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1 Jan -31 Dec 2022	1 Jan -31 Dec 2021
Net sales	1, 2	**1,696,707**	**1,540,176**
Cost of goods sold	7, 8	-1,528,162	-1,363,654
Gross profit		**168,545**	**176,522**
Sales and marketing expenses	3, 7, 8	-76,648	-80,962
Administrative expenses	4, 7, 8	-44,502	-45,775
Impairment losses from financial assets and contractual assets	20	328	-556
Other operating income	5	16,377	6,033
Translation differences from sold operation	6	-10,680	-45,109
Other operating expenses	6, 8	-53,287	-3,768
EBIT	1, 11	**133**	**6,385**
Financial income	9, 29	7,811	8,066
Financial expenses	9, 25, 29	-11,213	-12,995
Net financial items		-3,402	-4,930
Income from investments accounted for using the equity method	16	4,941	3,379
Profit before taxes		**1,672**	**4,834**
Income taxes	10, 18	-5,526	-10,233
Profit for the period		**-3,854**	**-5,399**
Profit attributable to:			
Owners of the parent	11	-5,314	-6,900
Non-controlling interests		1,459	1,501
Total		**-3,854**	**-5,399**
Basic earnings per share, EUR	11	-0.19	-0.24
Earnings per share adjusted by the dilution effect, earnings per share, EUR	11	-0.19	-0.24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1 Jan -31 Dec 2022	1 Jan -31 Dec 2021
Profit for the period		**-3,854**	**-5,399**
Other items of comprehensive income after tax:			
Items not reclassified to profit or loss			
Actuarial gains from benefit-based pension obligations	10, 26	1,060	159
Changes in the fair value of equity investments at fair value through other comprehensive income		0	-437
Items reclassified to profit or loss when specific conditions are met			
Cash flow hedges	9, 10, 29	18,985	5,745
Translation differences from sold operation	33	10,680	45,109
Other change in translation differences	9, 10, 29	-8,829	-2,397
Comprehensive income for the period		**18,041**	**42,780**
Comprehensive income distribution for the financial period:			
Owners of the parent		16,582	41,279
Non-controlling interests		1,459	1,501
Total		**18,041**	**42,780**

The notes on pages 69–105 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS, EUR 1,000	Note	31 Dec 2022	31 Dec 2021
Non-current assets			
Property, plant and equipment	12	466,758	385,480
Biological assets	13	680	568
Right-of-use assets	14	29,957	30,378
Goodwill	15	125,024	162,739
Other intangible assets	15	54,016	77,469
Investments in joint ventures and associates	16, 31, 35	19,975	17,156
Other financial assets	17, 29	896	844
Trade receivables, loans and other receivables	20, 29	18,250	6,086
Deferred tax assets	10, 18	939	1,831
Total	32, 33	**716,495**	**682,551**
Current assets			
Inventories	19	152,764	109,646
Biological assets	13	4,286	3,624
Trade and other receivables	20, 29, 32, 33	134,906	106,981
Current tax assets		368	1,328
Cash and cash equivalents	21, 29	31,009	57,332
Total	32, 33	**323,334**	**278,910**
Total assets	1	**1,039,828**	**961,461**

EQUITY AND LIABILITIES, EUR 1,000	Note	31 Dec 2022	31 Dec 2021
Equity attributable to the shareholders of the parent company			
Share capital		48,055	48,055
Treasury shares		-769	-1,057
Other funds		22,985	4,001
Invested unrestricted equity fund		249,107	249,394
Translation differences		-18,108	-19,959
Retained earnings		148,149	174,196
Total	10, 11, 18, 22, 23 ,29	**449,419**	**454,630**
Non-controlling interests		15,037	12,945
Total equity		**464,456**	**467,575**
Non-current liabilities			
Loans	24, 29	232,447	176,079
Lease liabilities	25	20,795	21,282
Deferred tax liabilities	10, 18	36,274	37,429
Pension obligations	26	4,769	6,708
Other liabilities	27, 29	6,907	3,043
Provisions	27	600	0
Total	32, 33	**301,793**	**244,541**
Current liabilities			
Loans	24, 29	2,686	2,946
Lease liabilities	25	9,754	9,587
Trade and other payables	28, 31	257,927	235,367
Current			
tax liabilities		3,213	1,445
Total	32, 33	**273,579**	**249,344**
Total liabilities	1	**575,372**	**493,886**
Total equity and liabilities		**1,039,828**	**961,461**

The notes on pages 69–105 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to the owners of the parent company							Non-controlling interest	Equity total
EUR 1,000	Note	Share capital	Treasury shares	Other funds	Invested unrestricted equity fund	Currency translation differences	Retained earnings	Total		
Equity on 1 Jan 2021		**48,055**	**-1,206**	**-1,310**	**249,544**	**-62,668**	**190,407**	**422,822**	**16,062**	**438,885**
Total comprehensive income for the period										
Profit for the period							-6,900	**-6,900**	1,501	**-5,399**
Other comprehensive income										
Financial assets at fair value through other comprehensive income				-437				**-437**		**-437**
Cash flow hedges	29			5,745				**5,745**		**5,745**
Actuarial gains from pension obligations	26						159	**159**		**159**
Currency translation differences	9			3		42,709		**42,712**		**42,712**
Transactions with owners										
Share of non-controlling interest related to acquisition of subsidiary	22						4,617	**4,617**	-4,092	525
Share incentives	23		149		-149			**0**		**0**
Distribution of dividend	22						-14,088	**-14,088**	-527	**-14,615**
Equity on 31 Dec 2021		**48,055**	**-1,057**	**4,001**	**249,394**	**-19,959**	**174,195**	**454,630**	**12,945**	**467,575**
Total comprehensive income for the period										
Profit for the period							-5,314	**-5,314**	1,459	**-3,854**
Other comprehensive income										
Financial assets at fair value through other										
Cash flow hedges	29			18,985				**18,985**		**18,985**
Actuarial gains from pension obligations	26						1,060	**1,060**		**1,060**
Currency translation differences	9			-1		1,852		**1,851**		**1,851**
Transactions with owners										
Share of non-controlling interest related to acquisition of subsidiary	22						-4,025	**-4,025**	1,384	-2,641
Share incentives	23		287		-287			**0**		**0**
Distribution of dividend	22						-17,767	**-17,767**	-752	**-18,519**
Equity on 31 Dec 2022		**48,055**	**-769**	**22,985**	**249,107**	**-18,108**	**148,149**	**449,419**	**15,037**	**464,456**

The notes on pages 69-105 are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	Note	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
Cash flow from operating activities			
Payments received from sales		1,681,227	1,537,057
Payments received from other operating income		6,552	5,920
Payments on operating expenses		-1,623,856	-1,437,358
Interest paid and payments on other operational financial expenses	9, 25	-7,952	-14,580
Interest payments received and other financial income	9	5,552	7,662
Direct taxes paid	10	-7,766	-10,510
Total cash flow from operating activities		**53,757**	**88,191**
Cash flow from investments			
Investments in tangible and intangible assets		-126,399	-56,011
Proceeds from the sale of tangible and intangible assets	5	20,665	194
Acquired operations	32	-4,248	-76
Sold operations	33	7,369	30,337
Increase (-) / decrease (+) in long-term loan receivables		-187	-405
Change in other investments		-803	-538
Dividends received		2,122	702
Total cash flow from investments		**-101,481**	**-25,797**
Cash flow from financing activities			
Drawdown of long-term loans	24	75,000	120,000
Repayment of long-term loans	24	-27,104	-89,684
Increase (+) / decrease (-) in short-term loans	24	328	-35,251
Principal elements of lease payments	25	-9,368	-9,528
Acquisition of non-controlling interest	22	0	-4,021
Contribution by non-controlling interest	22	0	871
Dividends paid	22	-18,519	-14,615
Total cash flow from financing activities	10, 18	**20,338**	**-32,228**
Change in cash and cash equivalents		**-27,386**	**30,166**
Cash and cash equivalents at the beginning of the financial period		57,332	26,576
Effect of exchange rate changes on cash flows		1,064	589
Cash and cash equivalents at end of the financial period	21	**31,009**	**57,332**

The notes on pages 69-105 are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements, IFRS

Basic corporate information

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

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

The financial statements were approved for publication by the Board of Directors on 21 February 2023.

Accounting policies

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the EU. The IAS and IFRS standards valid on 31 December 2022 have been followed, as well as SIC and IFRIC interpretations. The IFRS refer to standards and interpretations approved for application in the EU in compliance with Regulation (EC) 1606/2002, as referred to in the Finnish Accounting Act and subsequent regulations. The notes to the consolidated financial statements also comply with Finnish accounting and corporate legislation.

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

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

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

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

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

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

The war in Ukraine, the sanctions on Russia, the rising energy prices and the resulting inflation and higher Euribor rates have eroded household purchasing power and public finances, as well as increasing costs for businesses. For these reasons, Atria's management has assessed the uncertainties and risks related to its intangible rights, trade and loan receivables.

Intangible and tangible assets and inventories:

The Group has conducted impairment tests on goodwill and intangible assets with indefinite useful lives. The impairment testing calculation for intangible assets is based on a cash flow forecast for the five-year strategy period, which is evaluated annually, taking into account any changes that have occurred in the business environment, Atria's measures and the results achieved. Together with the business areas, the Group's Management Team has assessed how realistic the cash flow forecast is in the current situation, as well as the WACC applied and the risks. The Board of Directors has processed calculations and approved them.

Impairment testing and sensitivity analyses are described in more detail in Note 15.

Right-of-use assets and lease liabilities:

The Group has leased properties, machinery and equipment. The lease contracts are made for a fixed period or are valid until further notice. The contract period for leases that are valid until further notice, as well as any options to extend them, are assessed on a case-by-case basis.

Trade receivables:

Atria's trade receivables from consumer goods customers are short-term and do not include significant financial components. Consumer product customers are mainly central wholesale businesses. Some of the trade receivables are sold to finance companies. The sold trade receivables are derecognised on the balance sheet when the finance company has settled the payment for the receivables and when all material risks and benefits related to the ownership have transferred to the buyer. Each Group company has assessed their trade receivables and their age distribution. Atria has evaluated its model for expected credit losses from trade receivables, which takes into account macroeconomic developments. It was not necessary to make material changes to the amount of recognised credit loss provision.

Acquired operations:

The assets and liabilities acquired in business combinations are measured at fair value at the time of acquisition, Atria's management assesses the value of the assets, compared them with market prices and made assumptions of their future use. The liabilities have also been critically assessed. The management believes that the assessments and assumptions are sufficiently detailed to be used as the basis for fair value measurement.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

a) New and amended standards, effective for financial periods beginning on or after 1 January 2022

No new standards were adopted during the financial year that would have a material effect on the Group's reported figures.

b) Significant new standards and interpretations that have been issued, but will not become effective until after 1 January 2022

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

According to IAS 1, in order for an entity to classify a debt as non-current, the entity must have the right to postpone the payment of the debt for at least twelve months after the end of the reporting period. The amendments clarify that the expectations of whether the entity will exercise its right to defer payment of the debt do not affect the classification of financial liabilities as short-term or long-term. The amendment may affect the classification of a group's debts that have previously used management's intention as a basis for classification. In addition, the settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash or other economic resources or the entity's own equity instruments unless the settlement option is classified as equity. The amendment may impact the presentation of the group's certain convertible instruments.

Loan arrangements often contain covenants, in case of breach of which the creditor has the right to demand immediate repayment of the debt. The 2022 amendments clarify that covenants in loan arrangements, whose compliance is required and assessed only after the reporting date, do not affect the classification of a liability as short or long-term on the reporting date. However, those covenants that the entity must fulfill on or before the balance sheet date should be taken into account when classifying the debt as short-term or long-term, even if the fulfillment of the covenant is assessed only after the reporting date. The 2022 amendments will also introduce more additional information requirements for loans that contain covenant terms. The amendments must be applied retrospectively in accordance with the normal requirements of IAS 8 Principles of Financial Statements, Changes and Errors in Accounting Estimates. The standard enters into force for fiscal years starting on or after January 1, 2024.

Atria estimates that other known future amendments or interpretations will not have a material effect on the company's financial statements.

Accounting policies for the consolidated financial statements

SUBSIDIARIES

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

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

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

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

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

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

ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

Associated companies are companies in which the group has considerable influence but not control. Usually, this is based on share ownership, which yields 20 to 50% of the voting rights.

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

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

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

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

FOREIGN CURRENCY TRANSLATION

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

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

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

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

PROPERTY, PLANT AND EQUIPMENT

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

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

All other repair and maintenance costs are recognised in the income statement as an incurred expense.

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

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

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

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

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

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

RIGHT-OF-USE ASSETS

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

A right-of-use asset and a corresponding liability is recognised for leases when the leased asset is available for use by the Group. Assets and liabilities arising from leases are initially measured at present value.

Right-of-use assets are measured at acquisition cost, which includes the following items:

- The original amount of the lease liability (see 'Lease liabilities' for more information
- Lease payments made before the beginning of the contract less any incentives received
- Initial direct costs
- Restoration costs

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

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

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

INTANGIBLE ASSETS

Goodwill:

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

Other intangible assets:

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

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

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

* Includes software and subscription fees, among other items

IMPAIRMENT OF NON-CURRENT ASSETS

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

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

INVENTORIES

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

BIOLOGICAL ASSETS

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

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

FINANCIAL ASSETS

Classification

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

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

Financial assets recognised at amortised cost and fair value recognised in other comprehensive income:

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

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

Equity investments recognised at fair value through other comprehensive income:

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

At fair value through profit or loss:

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

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

FINANCIAL LIABILITIES

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

Financial liabilities recognised at amortised cost:

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

Financial liabilities recognised at fair value through profit or loss:

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

LEASE LIABILITIES

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

A right-of-use asset and a corresponding liability is recognised for leases when the leased asset is available for use by the Group. Liabilities arising from leases are initially measured at present value.

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

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

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

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

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

Lease payments to be made are allocated to equity and financial expenses. Financial expenses are recognised through profit or loss over the lease period so that the interest rate for the remaining liabilities remains the same for each reporting period. Payments related to short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis. Leases with a term of 12 months or less are considered to be short-term leases. Atria does not apply the IFRS 16 standard to leases of intangible assets that are in accordance with IAS 38.

HEDGE ACCOUNTING

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

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

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

Valuation principles:

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

Cash flow hedge:

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

ASSETS CLASSIFIED AS HELD FOR SALE

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

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

EQUITY

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

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

PROVISIONS

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

REVENUE RECOGNITION

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

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

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

EMPLOYEE BENEFITS

Pension obligations:

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

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

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

Share-based payments:

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

RESEARCH AND DEVELOPMENT EXPENSES

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

GOVERNMENT GRANTS

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

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

INCOME TAXES

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

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

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

1. SEGMENT INFORMATION, EUR 1,000

The Group's operating segments are based on the Group's internal organisational structure and internal financial reporting, which Atria's Board of Directors uses in strategic and operative decision-making. The Board of Directors assesses the performance of the operating segments based on net sales, EBIT and return on capital employed for the year.

The Group has three recognisable geographical segments that differ essentially from one another in terms of the functioning of the markets. Atria Finland, Atria Sweden and Atria Denmark & Estonia. In addition, Group costs are now reported separately in unallocated items. Group costs consist of personnel and administration costs as well as other revenue and costs that are not allocated to the business areas. A segment's assets and liabilities are items that can be directly attributed or reasonably allocated to the segment. The assets of Atria-Invest Oy, which invested in Russian subsidiaries, are presented as unallocated. Transactions between the segments take place at market prices.

Atria Group's operational structure and financial reporting were changed from January 1, 2021, following Atria's announced sale of OOO Pit-Product, which was part of Atria Russia's business area. Atria Russia no longer formed an independent business area, and thus was not a reportable segment. OOO Pit-Product was sold in April 2021 and the net sales and EBIT for January-April are reported as unallocated. Sibylla Rus LLC, which operated in Russia, is reported as part of the Atria Sweden segment. Sibylla Rus's business was sold in May 2022. The net sales and EBIT for January-April are included in Atria Sweden's result.

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

Operating segments	Atria Finland	Atria Sweden	Atria Denmark & Estonia	Unallocated	Eliminations	Group
Financial period that ended on 31 Dec 2022						
Net sales						
Revenue from consumer products	921,778	341,498	107,933	0		1,371,209
Revenue from primary production	322,955	0	2,543	0		325,498
Revenue from Group companies	20,568	14,748	2,431	0	-37,747	0
Total net sales	1,265,301	356,246	112,907	0	-37,747	1,696,707
EBIT	49,433	-37,754	1,235	-12,781		133
Financial income and expenses						-3,402
Income from joint ventures and associated						4,941
Income taxes						-5,526
Profit for the period						-3,854
Assets	707,720	229,188	112,406	17,032	-26,523	1,039,828
Liabilities	420,522	134,199	47,174	0	-26,523	575,372
Investments	98,345	26,524	6,504	0	0	131,373
Depreciation and impairment	-36,710	-62,849	-4,270	-78		-103,906

* Unallocated includes the classification of the accumulated translation differences EUR -10,7 million of the sold subsidiary in profit or loss.
Atria Sweden's EBIT includes a total of EUR -40.1 million in items affecting comparability.
Items affecting comparability are unaudited.

Operating segments	Atria Finland	Atria Sweden	Atria Denmark & Estonia	Unallocated	Eliminations	Group
Financial period that ended on 31 Dec 2021						
Net sales						
Revenue from consumer products	832,970	336,054	99,609	10,137		1,278,770
Revenue from primary production	259,065		2,342			261,407
Revenue from Group companies	13,620	15,665	2,950	4,874	-37,108	0
Total net sales	1,105,654	351,718	104,901	15,011	-37,108	1,540,176
EBIT	48,132	5,037	5,112	-51,896 *		6,385
Financial income and expenses						-4,930
Income from joint ventures and associated						3,379
Income taxes						-10,233
Profit for the period						-5,399
Assets	580,940	285,580	103,179	34,587	-42,825	961,461
Liabilities	359,149	139,871	37,602	88	-42,825	493,886
Investments	39,973	11,465	4,117	36		55,590
Depreciation and impairment	-37,095	-14,022	-4,545	-1,441		-57,102

* Includes the classification of the accumulated translation differences of the sold subsidiary (EUR -45.1 million) in profit or loss.

2. NET SALES, 1,000 EUR

	2022	2021
Sale of goods:		
Revenue from consumer product customers	1,364,130	1,270,742
Revenue from primary product customers	325,478	261,390
Services, rents and other sales:		
Revenue from consumer product customers	7,079	8,028
Revenue from primary product customers	21	17
Total	1,696,707	1,540,176

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

3. R & D EXPENSES, EUR 1,000

	2022	2021
Research and development costs recognised as expenditure	13,495	15,292
% Of net sales	0.8 %	1.0 %

R & D expenses are included in sales and marketing expenses.

4. AUDITORS' FEES, EUR 1,000

	2022	2021
Firm of authorised public accountants:		
Auditing fees	346	379
Reports and statements	4	1
Other services	8	0
Total	358	380

Auditors' fees are included in administrative expenses.

5. OTHER OPERATING INCOME, EUR 1,000

	2022	2021
Sale of the real estate in Malmö, Sweden	9,745	
Other proceeds from sales of fixed assets	80	113
Grants received	1,991	537
Refund of employment pension contributions in Sweden (FORA)	1,270	2,336
Other	3,291	3,048
Total	16,377	6,033

6. OTHER OPERATING EXPENSES AND TRANSLATION DIFFERENCES FROM SOLD OPERATION, EUR 1,000

	2022	2021
Impairment of goodwill and trademarks value in Atria Sweden	51,105	
Planned depreciation of intangible assets	2,910	3,601
Sold operation *		
Accumulated translation differences from the sold operation	10,680	45,109
Sales result without translation differences	-1,899	
Other	1,171	167
Total	63,967	48,877

* Sale of Sibylla RUS LLC in 2022 and sale of OOO Pit Product in 2021.

7. PERSONNEL EXPENSES, EUR 1,000

	2022	2021
Expenses from employee benefits:		
Salaries	205,562	204,784
Pension costs - defined-contribution plans	30,405	31,036
Pension costs - defined-benefit plans	-197	-198
Other staff-related expenses	22,546	22,910
Total	258,315	258,532

Information on employee benefits for managerial employees is presented in Note 31.

	2022	2021
Expenses from employee benefits by function:		
Costs of goods sold	200,819	200,617
Sales and marketing expenses	30,089	31,124
Administrative expenses	27,408	26,790
Total	258,315	258,532
Group personnel on average by business area (FTE):		
Finland	2,437	2,390
Sweden	819	876
Denmark & Estonia	442	445
Total	3,698	3,711

8. DEPRECIATION AND IMPAIRMENT, EUR 1,000

	2022	2021
Depreciation and write-offs by function:		
Costs of goods sold	42,083	44,487
Sales and marketing expenses	1,119	2,498
Administrative expenses	6,690	6,517
Other operating expenses (Note 6) *	54,015	3,601
Total	103,906	57,102

* Includes EUR 51,1 million impairment on goodwill and trademarks in 2022.

9. FINANCIAL INCOME AND EXPENSES, EUR 1,000

	2022	2021
Financial income:		
Interest income from financial assets measured at amortised cost	1,667	1,534
Exchange rate gains from financial liabilities and loan receivables measured at amortised cost	1,296	1,143
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments - not in hedge accounting	4,839	5,373
Other financial income	8	16
Total	7,811	8,066
Financial expenses:		
Interest expenses from financial liabilities measured at amortised cost	-4,519	-4,166
Interest expenses from lease liabilities (Notes 14, 25)	-555	-580
Exchange rate losses from financial liabilities and loan receivables measured at amortised cost	-5,218	-2,345
Other financial expenses	-118	-1,081
Impairment from loan receivables measured at amortised cost (Note 20)	210	-548
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments – not in hedge accounting	-1,012	-4,276
Total	-11,213	-12,995
Total financial income and expenses	-3,402	-4,930
Items related to financial instruments and recognised in other items of total comprehensive income before taxes:		
Changes in fair value of equity instruments at fair value through other comprehensive income	0	-437
Cash flow hedges	23,731	7,186
Translation differences	1,851	42,712
Total	25,582	49,461

10. INCOME TAXES, EUR 1,000

	2022	2021
Taxes in the income statement:		
Taxes based on the taxable profit for the period	10,294	10,692
Retained taxes	-36	-16
Deferred tax	-4,731	-443
Total	5,526	10,233
Reconciliation of taxes in the income statement and taxes calculated at the parent company's tax rate:		
Profit before taxes	1,672	4,834
Taxes calculated with the parent company's 20.0% tax rate	334	967
Effect of foreign subsidiaries' deviating tax rates	-551	-710
Effect of tax-free income	-2,421	-202
Effect of costs that are non-deductible in taxation		
Translation differences from sold operations (Note 33)	2,136	9,022
Effect of goodwill impairment	7,210	
Other *	42	1,723
Effect of income from joint ventures/associates	-988	-676
Adjustments to taxes for previous periods	-29	-16
Other changes	-208	126
Taxes in income statement	5,526	10,233

* Includes the effect of non-deductible expenses related to the sold subsidiary in year 2021.

Taxes recognised in other items of total comprehensive income	Before tax	Tax effects	After tax
2022:			
Cash flow hedges	23,731	-4,746	18,985
Actuarial gains from pension obligations	1,335	-275	1,060
Total	25,066	-5,021	20,045
2021:			
Cash flow hedges	7,186	-1,438	5,745
Actuarial gains from pension obligations	200	-41	159
Total	7,386	-1,480	5,907

11. EARNINGS PER SHARE

	2022	2021
Profit (+) / loss (-) for the financial period attributable to the owners of the parent company (EUR 1,000)	-5,314	-6,900
Weighted average of shares for the period (1,000 shares)	28,194	28,172
Basic earnings per share, EUR	-0.19	-0.24
Earnings per share adjusted by the dilution effect, EUR	-0.19	-0.24

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

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

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

2022	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisition in progress	Total
Acquisition cost 1 Jan	5,995	472,773	692,745	16,112	34,208	1,221,833
Acquired operations	81	6,515	3,063	29	407	10,095
Sold operations	0	0	-8	-11,474	-22	-11,504
Increases	0	7,895	21,863	173	121,572	151,504
Decreases	-2,429	-4,751	-3,099	0	-27,831	-38,110
Exchange differences	-63	-3,548	-13,007	0	115	-16,504
Acquisition cost 31 Dec	3,584	478,884	701,557	4,840	128,449	1,317,315
Cumulative depreciation and impairment 1 Jan	0	-268,291	-554,692	-13,345	-25	-836,353
Sold operations	0	0	8	11,474	0	11,482
Decreases	0	-340	139	-884	0	-1,085
Depreciation	0	-10,421	-25,689	-458	0	-36,569
Impairment	0	-78	-4	0	0	-82
Exchange differences	0	2,409	9,668	-27	0	12,049
Cumulative depreciation and impairment 31 Dec	0	-276,722	-570,569	-3,240	-25	-850,556
Balance sheet value 1 Jan 2022	5,995	204,482	138,053	2,767	34,183	385,480
Balance sheet value 31 Dec 2022	3,584	202,163	130,988	1,600	128,424	466,758

2021	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisition in progress	Total
Acquisition cost 1 Jan	8,455	491,771	713,758	15,511	9,697	1,239,191
Sold operations	-2,623	-25,507	-22,990	-666	-77	-51,863
Increases	227	7,502	10,736	529	51,718	70,711
Decreases	0	0	-5,088	-2	-27,266	-32,356
Exchange differences	-65	-992	-3,671	740	137	-3,851
Acquisition cost 31 Dec	5,995	472,773	692,745	16,112	34,208	1,221,832
Cumulative depreciation and impairment 1 Jan	0	-266,006	-565,901	-11,766	-25	-843,699
Sold operations	0	9,626	21,179	550	0	31,355
Decreases	0	0	13,922	2	0	13,924
Depreciation	0	-11,683	-26,382	-1,493	0	-39,557
Impairment	0	-860	-95	-7	0	-962
Exchange differences	0	632	2,585	-631	0	2,586
Cumulative depreciation and impairment 31 Dec	0	-268,291	-554,692	-13,345	-25	-836,353
Balance sheet value 1 Jan 2021	8,455	225,764	147,857	3,745	9,672	395,493
Balance sheet value 31 Dec 2021	5,995	204,482	138,053	2,767	34,183	385,480

The tangible assets used as loan collateral amount to EUR 12.8 million (6.8 million).

13. BIOLOGICAL ASSETS, EUR 1,000

	2022	2021
Biological assets:		
Productive	680	568
Consumable	4,286	3,624
At the end of the period	4,967	4,192
The period change	775	-58
Amounts of biological assets at the end of the period:		
Boars, sows, gilts / qty	3,661	3,659
Pigs for fattening / qty	28,261	30,004
Chicken eggs and chicks / 1,000 qty	4,285	3,227
Production of agricultural products during the period:		
Pork / 1,000 kg	4,902	5,132
Chicks / 1,000 qty	45,428	46,144

The fair value of productive biological assets is based on the original acquisition price less a cost corresponding to the reduction of value in use due to the ageing of the animals. The fair value of slaughter animals equals their market price, which is based on the company's slaughter animal procurement/sales in the local. Fair values are classified as Level 3.

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

Right-of-use assets acquired through leases in 2022	Real estate	Machinery and equipment	Total
Opening balance 1 Jan	18,371	12,007	30,378
Increases	5,251	5,057	10,308
Decreases	-622	-489	-1,110
Depreciation	-5,148	-4,471	-9,619
Balance sheet value 31 Dec	17,852	12,105	29,957

Right-of-use assets acquired through leases in 2021	Real estate	Machinery and equipment	Total
Opening balance 1 Jan	26,056	7,641	33,697
Increases	3,999	9,006	13,005
Decreases	-6,457	-88	-6,544
Depreciation	-5,227	-4,552	-9,780
Balance sheet value 31 Dec	18,371	12,007	30,378

In 2022, outgoing cash flow arising from leases was EUR 9.9 million (10.1 million), of which EUR 0.6 million (0.6 million) is recognised in cash flow from operating activities and EUR 9.3 million (9.5 million) is recognised in cash flow from financing activities.

Liabilities related to leases are presented in Note 25.

Rents	2022	2021
Other variable payments related to leases	593	503
Rents recognised as costs during the financial period:		
From short-term leases	2,186	878
From low-value leases	740	797

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

2022	Goodwill	Trademarks	Customer relationship	Other tangible assets	Total
Acquisition cost 1 Jan	177,667	72,146	18,856	50,906	319,575
Acquired operations	3,509	0	0	0	3,509
Increases	0	0	0	1,877	1,877
Decreases	0	0	-9,977	-86	-10,063
Exchange differences	-7,864	-3,660	-333	-485	-12,342
Acquisition cost 31 Dec	173,312	68,486	8,546	52,211	302,555
Cumulative depreciation and impairment 1 Jan	-14,929	-10,805	-15,779	-37,855	-79,367
Depreciation on decreases	0	0	9,977	-102	9,875
Depreciation	0	-1,097	-1,338	-3,999	-6,435
Impairment	-35,098	-16,105	0	0	-51,203
Exchange differences	1,739	1,421	259	196	3,614
Cumulative depreciation 31 Dec	-48,288	-26,586	-6,881	-41,760	-123,515
Balance sheet value 1 Jan 2022	162,739	61,341	3,078	13,050	240,208
Balance sheet value 31 Dec 2022	125,024	41,900	1,665	10,451	179,040

2021	Goodwill	Trademarks	Customer relationship	Other tangible assets	Total
Acquisition cost 1 Jan	180,152	75,522	19,027	48,744	323,445
Sold operations	0	-2,350	0	-879	-3,229
Increases	0	0	0	9,877	9,877
Decreases	-340	-31	-79	-6,718	-7,168
Exchange differences	-2,144	-995	-91	-119	-3,349
Acquisition cost 31 Dec	177,667	72,146	18,856	50,906	319,575
Cumulative depreciation and impairment 1 Jan	-15,323	-10,526	-13,808	-35,026	-74,684
Sold operations	0	750	0	0	750
Depreciation on decreases	340	0	79	857	1,276
Depreciation	0	-1,130	-2,108	-3,717	-6,955
Impairment	0	-86	0	-3	-89
Exchange differences	54	187	59	34	334
Cumulative depreciation 31 Dec	-14,928	-10,805	-15,779	-37,855	-79,367
Balance sheet value 1 Jan 2021	164,829	64,996	5,218	13,718	248,761
Balance sheet value 31 Dec 2021	162,739	61,341	3,078	13,050	240,208

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

	Goodwill		Trademarks	
	2022	**2021**	**2022**	**2021**
Atria Finland	31,847	28,436	2,500	2,500
Atria Sweden	57,306	98,431	19,264	34,340
Atria Denmark	35,872	35,872	13,340	13,340
Atria Estonia			2,857	2,857
Total	125,024	162,739	37,961	53,037

Impairment testing:

Key assumptions for 2022	**Atria Finland**	**Atria Sweden**	**Atria Denmark**	**Atria Estonia**
Long-term net sales growth rate	1.0 %	1.0 %	1.0 %	1.0 %
Discount rate defined before taxes	6.0 %	7.1 %	5.4 %	7.4 %

Key assumptions for 2021	**Atria Finland**	**Atria Sweden**	**Atria Denmark**	**Atria Estonia**
Long-term net sales growth rate	1.0 %	1.0 %	1.0 %	1.0 %
Discount rate defined before taxes	3.6 %	5.9 %	3.2 %	2.6 %

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

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

Growth rate assumptions are moderate in all market areas. Due to the relatively stable development of the food industry and moderately optimistic growth forecasts, it is unlikely that the growth rate assumptions will generate impairment losses in the future.

High inflation affecting consumer behaviour, the exit of fast food operations in Russia, and increased market interest rates have weakened the present value of Atria Sweden's cash flow forecasts. Atria Sweden's cash flow forecasts have previously included Sibylla Rus LLC, which operated in Russia. The market interest rates included in the discount rate used to calculate the present value of the forecasted cash flows have increased by approximately 2 percentage points. Due to the above-mentioned reasons, Atria wrote down goodwill of Atria Sweden by approximately EUR 35 million. In addition, according to its strategy, Atria Sweden has decided to intensify the use of brands and to end the support of four brands (Charkdelikatesser, Pastejköket, Onsala, Lagerbergs) and to move most of the products of these brands under the growing Lönneberga and Lithells brands. As a result of the decision, Atria wrote down the value of the brands by approximately EUR 16 million.

In Atria Sweden, with regard to operating profit margins, an impairment loss must be recorded if the long-term level falls short of the assumed level or the discount rate rises with unchanged cash flow forecasts. In Atria Denmark, with regard to operating profit margins, an impairment loss must be recorded if the long-term level remains 23 percent of the assumed level or the discount rate increases by 1.0 percentage points with unchanged cash flow forecasts. The difference between Atria Denmark's value in use and book value was EUR 19.2 million. In addition to the market interest rate, the discount rate is influenced by e.g. also country and company specific risk premiums. In 2022, the country risk premiums used by the company increased due to global market uncertainty.

It is the company's view that no potential change to be expected would result in the recognition of an impairment in Atria Finland or Atria Estonia.

16. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

1,000 EUR	2022	2021
Effect on the Group's earnings		
Associates	34	7
Joint ventures	4,907	3,372
Total	4,941	3,379
Balance sheet values in the consolidated statement of financial position		
Associates	2,663	2,751
Joint ventures	17,312	14,404
Total	19,975	17,156

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

Summary of Honkajoki Group's results:		
Net sales	66,062	53,135
EBIT	12,435	8,624
Profit before taxes	12,244	8,413
Profit for the period	9,824	6,686
Summary of Honkajoki Group's balance sheet:		
Assets		
Non-current assets	36,020	27,326
Current assets	16,318	19,742
Total assets	52,338	47,068
Liabilities		
Non-current liabilities	6,981	9,090
Current liabilities	11,396	9,840
Total liabilities	18,376	18,930
Net assets	33,962	28,138

Reconciliation of the summary of financial information for Honkajoki Group:

Profit for the period	9,824	6,686
Share of non-controlling interest	-51	2
Income from joint venture (50%)	4,886	3,344
Net assets 1 Jan	28,138	22,672
Profit for the period	9,824	6,686
Other changes		
Dividend distribution	-4,000	-1,220
Net assets 31 Dec	33,962	28,138
Share of non-controlling interest	278	227
Share of joint venture (50%)	16,842	13,955

Non-material investments in joint ventures:

Balance sheet value in the consolidated statement of financial position	471	449
Effect on earnings in the consolidated income statement	21	28

The joint ventures and associates are listed in Note 35.

17. OTHER FINANCIAL ASSETS, EUR 1,000

	2022	2021
Other financial assets 1 Jan	844	1,201
Increases	62	80
Decreases	-10	-437
Other financial assets 1 Dec	896	844

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

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

	2022	2021
Deferred tax assets:		
Tax asset to be realised in more than 12 months	661	1,831
Tax asset to be realised within 12 months	278	1
Total	939	1,831
Deferred tax liabilities:		
Tax liability to be realised in more than 12 months	32,962	37,159
Tax liability to be realised within 12 months	3,312	270
Total	36,274	37,429
Deferred tax assets by balance sheet item:		
Intangible and tangible assets	47	113
Trade and other receivables	488	603
Interest-bearing and non-interest-bearing liabilities	149	793
Recognised losses *	254	322
Total	939	1,831
Deferred tax liabilities by balance sheet item:		
Intangible and tangible assets	30,343	37,007
Financial assets	9	4
Inventories	31	43
Trade and other receivables	5,790	309
Interest-bearing and non-interest-bearing liabilities	101	66
Total	36,274	37,429
Change in deferred taxes:		
Recognised in the income statement	4,731	443
Recognised in other items of total comprehensive income	-5,020	-1,480
Acquired operations (Note 32)	-182	0
Sold operations (Note 33)	186	2,831
Exchange differences	547	377
Total	262	2,171

* Deferred tax assets EUR 0.3 million from recognized losses will expire in year 2032

Deferred tax assets for unused tax losses are recognised to the amount for which obtaining tax benefits on the basis of taxable profit is likely. Unrecognised deferred tax assets were EUR 0.0 million (0.0 million).

19. INVENTORIES, EUR 1,000

	2022	2021
Materials and supplies	71,661	49,906
Unfinished products	4,683	3,727
Finished products	73,903	55,201
Other inventories	2,517	811
Total	152,764	109,646

In the accounting period, inventory was recorded as an expense of EUR 2.5 million (EUR 1.5 million) due to inventory losses.

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

	2022	2021
Non-current:	**Balance sheet value**	**Balance sheet value**
Trade receivables from primary production customers	2,749	3,066
Loan receivables from primary production customers	1,174	777
Other receivables	685	626
Derivative instruments - in hedge accounting	12,838	1,618
Derivative financial instruments – not in hedge accounting	803	
Total	18,250	6,086
Non-current receivables are divided between currencies as follows:		
EUR	17,565	5,460
SEK	655	595
Other	31	31
Total	18,250	6,086
Current:		
Trade receivables from consumer goods customers	58,974	58,068
Trade receivables from primary production customers	31,857	22,608
Loan receivables from primary production customers	3,698	2,866
Other loan receivables	514	508
Other receivables	15,127	12,638
Derivative instruments – in hedge accounting	16,876	4,546
Derivative financial instruments – not in hedge accounting	1,686	163
Accrued credits and deferred charges	6,174	5,584
Total	134,906	106,981
Current receivables are divided between currencies as follows:		
EUR	99,694	72,674
SEK	19,471	17,686
RUB	0	6,091
DKK	7,968	5,245
USD	5,648	3,910
Other	2,126	1,376
Total	134,906	106,981

The currency risk on receivables is a relatively low, because the majority of these currency denominated items are held by companies in their functional currency, except for receivables denominated in USD.

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

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

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

Receivables from consumer goods customers:

Breakdown of trade receivables by age and expected credit losses in 2022	**Trade receivables before provisions**	**Change in credit loss provision**	**Net trade receivables**	**Expected credit losses, %**
Not due	52,580	0	52,580	0.0 %
Overdue				
Less than 30 days	5,504	0	5,504	0.0 %
30–60 days	355	0	355	0.0 %
61–90 days	158	0	158	0.0 %
More than 90 days	173	204	376	-117.8 %
Total	58,770	204	58,974	-0.3 %

Provision for credit risk from trade receivables on 1 Jan	556
Cancelled provisions	-204
Total on 31 Dec	352

Breakdown of trade receivables by age and expected credit losses in 2021	**Trade receivables before provisions**	**Change in credit loss provision**	**Net trade receivables**	**Expected credit losses, %**
Not due	53,240	0	53,240	0.0 %
Overdue				
Less than 30 days	4,138	0	4,138	0.0 %
30–60 days	405	0	405	0.0 %
61–90 days	83	0	83	0.0 %
More than 90 days	598	-397	200	66.5 %
Total	58,465	-397	58,068	0.7 %

Provision for credit risk from trade receivables on 1 Jan	766
Increase in provision	397
Sold operations	-639
Exchange differences	32
Total on 31 Dec	556

Receivables from primary production:

Breakdown of trade receivables by age and expected credit losses in 2022	**Trade receivables before provisions**	**Change in credit loss provision**	**Net trade receivables**	**Expected credit losses, %**
Not due	29,932	200	30,132	-0.7 %
Overdue				
Less than 30 days	2,167	0	2,167	0.0 %
30–60 days	313	0	313	0.0 %
61–90 days	138	0	138	0.0 %
More than 90 days	1,915	-59	1,856	3.1 %
Total	34,465	141	34,606	-0.4 %

Provision for credit risk from trade receivables on 1 Jan	2,326
Increase in provision	59
Cancelled provisions	-200
Total on 31 Dec	2,185

Breakdown of trade receivables by age and expected credit losses in 2021	**Trade receivables before provisions**	**Change in credit loss provision**	**Net trade receivables**	**Expected credit losses, %**
Not due	22,140	76	22,216	-0.3 %
Overdue				
Less than 30 days	1,351	0	1,351	0.0 %
30–60 days	220	0	220	0.0 %
61–90 days	89	0	89	0.0 %
More than 90 days	2,034	-235	1,799	11.5 %
Total	25,833	-159	25,674	0.6 %

Provision for credit risk from trade receivables on 1 Jan	2,167
Increase in provision	235
Cancelled provisions	-76
Total on 31 Dec	2,326

Loan receivables:
At the end of the financial period, loan receivables from primary production customers were EUR 4.9 million (3.6 million). The net effect of credit loss entries on loan receivables was EUR +0.2 million (-0.5 million).

Advances received:
At the end of the financial period, advances from primary production customers amounted to EUR 2.5 million (2.1 million) (Note 28).

21. CASH AND CASH EQUIVALENTS, EUR 1.000

	2022	2021
Cash in hand and at banks	31,009	57,332

22. SHAREHOLDERS' EQUITY, EUR 1,000

Shares and share capital

Shares are divided into A and KII series, which differ in terms of voting rights. A series shares have one vote per share and KII series shares have ten votes per share. A series shares have a right of priority to a dividend of EUR 0.17, after which series KII shares are paid a dividend of up to EUR 0.17. If there is still more dividend available for distribution, A and KII series shares have the same entitlement to the dividend. All issued shares have been paid in full. The share has no nominal value or a maximum number.

Number of shares outstanding (1,000)	A series	KII series	Total
1 Jan 2021	18,958	9,204	28,162
Share incentives *	13		13
31 Dec 2021	18,972	9,204	28,176
Share incentives *	26		26
31 Dec 2022	18,998	9,204	28,202

* Note 23

Reserves included in shareholders' equity:

Treasury shares

The treasury shares reserve contains the acquisition cost of own shares held by the Group. In 2008 and 2009, the Group's parent company, Atria Plc, acquired 145,102 series A shares on the stock exchange for an acquisition cost of EUR 1.3 million. The number of treasury shares transferred as part of the share incentive scheme of the Group's key personnel in 2022 was 26,003 (13,126 shares). At the end of the year, the parent company held a total of 66,182 treasury shares (92,185).

Other funds	2022	2021
Fair value fund		
Change in fair value of financial assets	-437	-437
Hedging fund		
Effective portion of currency and commodity derivatives	22,920	5,967
Effective portion of interest rate derivatives	6,357	-420
Deferred tax	-5,855	-1,110
Total hedging fund	23,422	4,438
Total other funds	22,985	4,001

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

Invested unrestricted equity fund

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

Translation differences

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

Dividend per share paid for the period	2022	2021
Dividend/share, EUR	0.63	0.50
Dividend distributed by the parent company	17,767	14,088

The Board of Directors proposes to the Annual General Meeting to be held on 25 April 2023 that a dividend of EUR 0.70 per share be distributed, totalling EUR 19,779,644.50.

Share of non-controlling interest	2022	2021
Non-controlling interest 1 Jan	12,945	16,062
Profit for the period	1,459	1,501
Distribution of dividend	-752	-527
Ab Korv-Görans Kebab Oy's 49% minority share *	1,360	
Contribution by non-controlling interest **	0	871
Acquisition of non-controlling interest ***	25	-4,962
Non-controlling interest 31 Dec	15,037	12,945

* Note 32

** Includes the non-controlling interest in EUR 0.3 million of the established Nautasuomi Oy and an increase in share capital of EUR 0.6 million in A-Farmers Ltd.

*** Atria increased its ownership in Well-Beef Kaunismaa Ltd by 20 per cent through share transactions made on 19th of March, 2021. Atria now owns 90 per cent of Well-Beef Kaunismaa's stock. The purchase price was EUR 4.0 million. In addition, the value of the put option on the company's minority shareholders (10%) was revalued. The value of the put option on December 31, 2021 was EUR 2.1 million and it is recorded in long-term interest-free liabilities.

23. SHARE-BASED PAYMENTS, EUR 1,000

Atria has a long-term incentive plan for key personnel approved by Atria Plc's Board of Directors. The share-based incentive scheme aims to encourage Atria's management to acquire company shares as well as to increase the company's value through their decisions and actions over the long term.

The scheme is based on a share bonus and a cash bonus and is divided into three one-year periods. The possible bonus in the scheme is based on the company's earnings per share (70%) and organic growth (30%). The bonuses for each period are paid in equal installments over three years following the earning period. The cash proportion covers any taxes and tax-like payments incurred by the person due to the bonus.

The share-based incentive scheme covers a maximum of 40 people. The bonuses to be paid for the 2022 earning period are estimated at EUR 1.1 million (EUR 1.4 million).

Earning period:	2022	2021
Grant date	14 Feb 2022	15 Feb 2021
Earning period begins	1 Jan 2022	1 Jan 2021
Earning period ends	31 Dec 2022	31 Dec 2021
Maximum number of shares granted as remuneration	47,400	46,400
Earnings criteria:		
- EPS	70.0 %	70.0 %
- Organic growth	30.0 %	30.0 %
Achievement of earnings criteria, %	100.0 %	100.0 %
Share incentives earned	47,400	46,400
Share price listed on grant date, EUR	10.88	11.42
Share price listed on balance sheet date, EUR	9.27	11.52

24. LOANS, EUR 1,000

	2022	2021
	Balance sheet value	**Balance sheet value**
Non-current:		
Loans from financial institutions	232,447	176,079
Total	232,447	176,079
Current:		
Loans from financial institutions	1,270	171
Pension fund loans	0	2,000
Other loans	1,416	774
Total	2,686	2,946
Loans total	235,133	179,025

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

With fixed interest rates	25.7 %	17.0 %
With variable interest rates	74.3 %	83.0 %
Average interest rate	3.53%	1.18%

Long-term loans mature as follows:		
2023		1,092
2024	2,732	92
2025	26,674	25,092
2026	61,011	60,017
2027	80,705	
Later	61,326	89,786
Total	232,447	176,079

Short-term and long-term loans by currency:		
EUR	150,095	100,446
SEK	61,957	58,836
DKK	22,856	19,321
Other	225	421
Total	235,133	179,025

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

Reconciliation of loans	2021	Proceeds	Repayments	Total cash flows	Acquired subsidiary	Other changes	2022
Long-term loans	176,079	75,000	-25,104	49,897	6,471	0	232,447
Short-term loans							
Proceeds from long-term borrowings	4,067		-4,067	-4,067		0	0
Short-term loans	-1,121	97,274	-94,879	2,395	1,412		2,686
Total Short-term loans	2,946	97,274	-98,946	-1,672	1,412	0	2,686
Total	179,025	172,274	-124,049	48,225	7,883	0	235,133

25. LEASE LIABILITIES, EUR 1,000

	2022	2021
Lease liabilities		
Long-term	20,795	21,282
Short-term	9,754	9,587
Total	30,549	30,868

Reconciliation of lease liabilities:	
Liabilities 1 Jan	30,868
Payments	-9,368
Increases	9,049
Liabilities 31 Dec	30,549

The interest expenses from lease liabilities recognised during the period were EUR 0.6 million (0.6 million). A maturity analysis of payments related to lease liabilities is presented in Note 29.

26. PENSION OBLIGATIONS, EUR 1,000

	2022	2021
The defined benefit pension obligation on the balance sheet is determined as follows:		
Present value of funded obligations	4,769	6,708
Present value of funded obligations		
Deficit(+) / Surplus(-)	4,769	6,708
Pension obligation in the balance sheet	4,769	6,708
Benefits paid	-197	-198
Interest expenses	115	72
Pension costs in the profit and loss account	-83	-126
Items recognised in other items of total comprehensive income due to reassessment	-1,335	-200
Pension costs in total comprehensive income	-1,335	-200
Changes to liabilities in the balance sheet:		
Liability of the ITP2 pension arrangement on Jan 1	6,708	7,185
Pension costs in the income statement and total comprehensive income	-1,417	-327
Exchange differences	-522	-150
At the end of the period, on 31 Dec	4,769	6,708
Actuarial assumptions used (%):		
Discount rate	3.70	1.80
Inflation rate	2.00	2.20

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

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

	2022	2021
Other non-current liabilities:		
Other liabilities *	6,529	2,466
Derivative instruments - in hedge accounting	336	512
Accruals and deferred income	43	65
Total	6,907	3,043

* Other liabilities include the current value, EUR 6.1 million (EUR 2.1 million), of the put option related to the minority share in the subsidiaries.

Other non-current liabilities are mainly in euros.

Financial liabilities by class are presented in Note 29.

Provisions:	
Provisions 1 Jan 2022	0
Cost of goods sold	
Provision related to Atria Finland's procurement contracts	487
Other operating expenses	
The cost of Atria Sweden's efficiency measures	113
Provisions 31 Dec 2022	600

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

	2022	2021
Trade payables	145,059	129,524
Advances received (Note 20)	2,529	2,062
Other liabilities	53,149	48,519
Derivative instruments - in hedge accounting	101	104
Derivative financial instruments - not in hedge accounting	300	210
Accruals and deferred income	56,788	54,948
Total	257,927	235,367

Material items in accrued liabilities consist of personnel expenses and the amortisation of debt interests.

Financial liabilities by class are presented in Note 29.

Current liabilities consist of the following currencies:		
EUR	194,122	175,506
SEK	55,248	49,416
RUB	0	3,734
DKK	7,506	5,465
PLN	530	1,021
USD	278	199
Other	242	25
Total	257,927	235,367

29. FINANCIAL RISK MANAGEMENT

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

Interest rate risk

Interest rate risk is managed by dividing financing into instruments with floating and fixed interest rates and by hedging with interest rate derivatives. During the financial year, the Group used interest rate swaps and interest rate cap agreements for interest rate risk management. The Group links interest rate risk management to the interest cover ratio that is forecast by dividing the 12-month rolling operating margin by the forecast net interest rate expenses. The lower the EBITDA is in relation to net financial costs, the larger the share of debt that must have a fixed interest rate. Consolidated interest-bearing debt on the balance sheet date amounted to EUR 265.7 million (209.9 million). The interest-bearing debt includes EUR 235.1 million (179.0 million) in loans and EUR 30.5 million (30.9 million) in lease liabilities. Fixed-rate loans accounted for EUR 60.3 million (30.4 million), or 25.7% (17.0%), of the loans. The ratio of debt with fixed and floating interest rates is at the level defined by the Group's treasury policy.

The interest rate risk is mainly related to the Group's interest-bearing liabilities, because the amount of money market investments is low, as is the related interest rate risk. The Group's cash flows from operating activities are to a large extent independent of fluctuations in interest rates. At the balance sheet date, Atria Plc had one EUR 30 million interest rate cap agreement with an interest rate cap of 0.5%. The agreement is valid until 27 December 2023 and is included in the share of the loan portfolio with a fixed interest rate. The interest rate cap agreement is not subject to hedge accounting. In addition, the company has entered into two interest rate swap agreements of EUR 30 million that will come into effect in the future, one of which came to effect on 31 October 2022 are subject to hedge accounting. Interest rate swaps are subject to hedge accounting and their detailed information is:

An interest rate swap amounting to EUR 30 million for the period 27 December 2023 – 23 June 2027, where Atria pays a fixed interest rate of 0.686% and receives the 6-month Euribor rate. The interest rate swap hedges a EUR 30 million floating rate loan maturing on 25 September 2027, which will be included in fixed rate interest-bearing debt from 27 December 2023, when the interest rate swap becomes effective.

An interest rate swap amounting to EUR 30 million for the period 31 October 2022 to 1 November 2027, where Atria pays a fixed interest rate of 0.182% and receives the 6-month Euribor rate. The interest rate swap hedges a EUR 30 million portion of a EUR 60 million floating rate loan maturing on 2 May 2028. The interest rate swap agreement has been included in fixed rate interest-bearing debt from 31 October 2022, when the interest rate swap becomes effective.

The sensitivity analysis of net interest rate expenses is based on a 1% change in interest rates, which is considered to be reasonably realistic. It is calculated for year-end interest-bearing, floating rate net liabilities that are expected to remain the same over the financial period. EUR 30 million interest rate cap agreement and EUR 30 million interest rate swap agreement are taken into accounts in the calculation. In simulations, the same change in interest rate is used for all currencies. On 31 December 2022, net floating rate liabilities excluding lease liabilities amounted to EUR 142.8 million (91.3 million). At the end of 2022, a +/-1% increase in interest rates corresponded to a change of EUR +/-1.4 million in the Group's annual interest rate expenses (+/-0.9 million). The effect on equity would be EUR 2.0 million (2.5 million) with an increase of 1% and EUR -2.1 million (-2.6 million) with a decrease of 1%.

Currency risk

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

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

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

During the financial year, translation differences recognised in the consolidated statement of comprehensive income amounted to EUR +1.9 million (+42,7 million). During the financial year, Atria sold its Russian subsidiary LLC Sibylla Rus. The accumulated translation differences related to the company were EUR -10.7 million on 30 April 2022. These translation differences were transferred from translation differences in comprehensive income to other operating expenses. At the end of the year, the value of net investments exposed to fluctuations of the rouble was EUR 0.0 million (11.0 million).

If, at the end of the financial year, the euro had been 10% weaker/stronger than the Swedish krona (all other factors being equal), profit before taxes would have been EUR 0.8 million higher/lower due to the Swedish subsidiaries' unhedged euro-denominated net position of accounts receivable and accounts payable (0.6 million). The effect on equity would have been EUR 0.2 million higher/lower (0.4 million). Sensitivity analyses also take into account the effects of currency derivatives, which offset the effects of change in exchange rates.

Liquidity and refinancing risk

Atria Plc's Treasury raises the majority of the Group's interest-bearing financing. Liquidity and refinancing risks are managed through a balanced loan maturity distribution and by having sufficient committed credit facilities with sufficiently long periods of validity at hand, by using several financial institutions and instruments to raise financing and by keeping a sufficient amount of cash funds. Atria uses commercial papers for short-term financing and liquidity management. Unused committed credit facilities totalled EUR 85.0 million (85.0 million) at the end of the year, and EUR 200 million of the EUR 200 million commercial paper programme had not been used at the end of the financial year (200.0 million). The average maturity of the Group's loans and committed credit facilities was 4 years 1 months (4 years 11 months).

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

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

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

		Maturity, 31 Dec 2022			
EUR 1,000		< 1 year	1-5 years	> 5 years	Total
Loans	Instalments	0	93,130	139,316	232,446
	Interest payments	8,565	30,565	140	39,269
Lease payments	Instalments and interests	9,187	19,440	1,895	30,523
Derivative financial instruments *	Electricity derivatives		336		336
	Interest rate swaps		1,751	487	2,238
	Currency derivatives**				
	- Capital payments	95,811			95,811
	- Capital income	-98,089			-98,089
Other liabilities	Instalments	6,369	6,529		12,898
Trade payables	Payments	145,059	0		145,059
Total	Total payments	264,991	151,750	141,838	558,579
	Total income	-98,089	0	0	-98,089
	Net payments	166,902	151,750	141,838	460,491

		Maturity, 31 Dec 2021			
EUR 1,000		< 1 year	1-5 years	> 5 years	Total
Loans	Instalments	2,946	85,815	90,264	179,025
	Interest payments	2,210	9,734	512	12,456
Lease payments	Instalments and interests	10,147	19,761	1,568	31,476
Derivative financial instruments*	Electricity derivatives		92		92
	Interest rate swaps		833	193	1,027
	Currency derivatives**				
	- Capital payments	91,714			91,714
	- Capital income	-91,934			-91,934
Other liabilities	Instalments	5,668	2,466		8,134
Trade payables	Payments	129,524	0		129,524
Total	Total payments	242,209	118,701	92,537	453,447
	Total income	-91,934	0	0	-91,934
	Net payments	150,276	118,701	92,537	361,514

* There is an agreement on the offsetting right with all derivative counterparties.
The figures for derivative liabilities and assets presented in the table are gross amounts.
If the figures were offset, derivative liabilities would amount to EUR 31.5 million (5.5million).

** Forward exchange agreements implemented in gross amounts.

Credit risk

Credit risk is managed at Group level in accordance with the Group's risk management policy approved by the Board of Directors. The credit risk related to financing (counterparty risk) is managed by selecting only well-established highly rated counterparties with good credit ratings. The Group's liquid assets are only invested with counterparties that meet the criteria mentioned above. This is also the procedure when entering into financing and derivative agreements. The credit risk related to derivatives is also reduced by the fact that all payments related to interest rate derivatives are net payments. Atria has only made derivatives with banks that are among Atria's main lenders. The credit risk of the Group's operative business is related to our customers, of which the main ones are large retail chains. Part of the Group's trade receivables are related to feed and animal trading in primary production. The credit risk related to this is higher, but also more dispersed. The Group's trade receivables are also dispersed over several market areas and many customers. To secure the supply of domestically produced meat raw material in Finland, Atria has granted financing to meat producers. The interest-bearing loan receivables are primarily related to these loans.
Credit loss risk is managed with securities, such as credit insurance policies and bank guarantees, as well as with advance invoicing. Each business area has been assigned a separate credit policy that takes into account the special features of the market area. Credit risk is examined and monitored on a case-by-case basis for major customers and customer groups. More detailed information about trade receivables is provided in Note 20.

Commodity risk

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

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

Period	Minimum hedging level	Maximum hedging level
1-12 months	70%	100%
13-24 months	40%	80%
25-36 months	0%	50%
37-48 months	0%	40%
49-60 months	0%	30%

Hedge accounting in accordance with the IFRS is applied to electricity hedges. On 31 December 2022, the volume protected was 497,713 MWh (543,456 MWh), with a nominal value of EUR 14.8 million (EUR 12.4 million). The value, EUR 22.6 million (6.0 million), of the effective portion of electricity derivatives which meet the criteria for hedge accounting were recognised in the equity hedge fund.

If the market price for electricity derivatives changed by +/-10% from the level of 31 December 2022, the effect on equity would be EUR +/-3.8 million (+/-1.8 million), on the assumption that all hedges are 100% effective.

Capital structure management

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

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

Equity ratio is affected by the balance sheet total and equity. The company is able to affect the balance sheet total and, thereby, the capital structure through the management of working capital, the amount of investments and the sale of business operations or assets. Correspondingly, the company can affect the amount of its own equity through dividend distribution and share issues. The equity ratio was 44.8% (31 December 2021: 48.7%).

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

Values of financial assets and liabilities by category:

EUR 1,000

2022 Balance sheet item	Recognised at amortised cost	Recognised at fair value though profit or loss	Recognised at fair value through total comprehensive income	Derivatives in hedge accounting	Balance sheet value in total
Non-current assets					
Trade receivables	2,749				2,749
Other financial assets			896		896
Loan receivables	1,174				1,174
Other receivables *	685				685
Derivative financial instrument		803		12,838	13,641
Current assets					
Trade receivables	87,422		3,409		90,831
Loan receivables	4,207				4,207
Other receivables *	4,777				4,777
Derivative financial instruments		1,686		16,876	18,562
Cash and cash equivalents	31,009				31,009
Total financial assets	132,025	2,489	4,305	29,714	168,533
Non-current liabilities					
Loans	232,447				232,447
Lease liabilities	20,795				20,795
Other liabilities **	6,529				6,529
Derivative financial instruments				336	336
Current liabilities					
Loans	2,686				2,686
Lease liabilities	9,754				9,754
Trade payables	145,059				145,059
Other liabilities **	6,369				6,369
Derivative financial instruments		300		101	402
Total financial liabilities	423,638	300	0	437	424,376

* Do not include VAT or income tax assets
** Do not include VAT or income tax liabilities

EUR 1,000

2021 Balance sheet item	Recognised at amortised cost	Recognised at fair value though profit or loss	Recognised at fair value through total comprehensive income	Derivatives in hedge accounting	Balance sheet value in total
Non-current assets					
Trade receivables	3,066				3,066
Other financial assets			844		844
Loan receivables	777				777
Other receivables *	625				625
Derivative financial instrument				1,618	1,618
Current assets					
Trade receivables	79,266		1,410		80,676
Loan receivables	3,374				3,374
Other receivables *	4,331				4,331
Derivative financial instruments		163		4,546	4,709
Cash and cash equivalents	57,332				57,332
Total financial assets	148,770	163	2,254	6,163	157,351
Non-current liabilities					
Loans	176,079				176,079
Lease liabilities	21,282				21,282
Other liabilities **	2,466				2,466
Derivative financial instruments				512	512
Current liabilities					
Loans	2,946				2,946
Lease liabilities	9,587				9,587
Trade payables	129,524				129,524
Other liabilities **	5,668				5,668
Derivative financial instruments		210		104	315
Total financial liabilities	347,551	210	0	616	348,377

* Do not include VAT or income tax assets
** Do not include VAT or income tax liabilities

Fair value hierarchy:

EUR 1,000

Balance sheet item	**2022**	**Level 2**	**Level 3**
Non-current assets			
Financial assets at fair value through other comprehensive income			
– Unlisted shares	896		896
Derivative financial instruments	13,641	13,641	
Current assets			
Derivative financial instruments	18,562	18,562	
Total	33,100	32,203	896
Non-current liabilities			
Derivative financial instruments	336	336	
Current liabilities			
Derivative financial instruments	402	402	
Total	738	738	0

Balance sheet item	**2021**	**Level 2**	**Level 3**
Non-current assets			
Financial assets at fair value through other comprehensive income			
– Unlisted shares	844		844
Derivative financial instruments	1,618	1,618	
Current assets			
Derivative financial instruments	4,709	4,709	
Total	7,170	6,326	844
Non-current liabilities			
Derivative financial instruments	512	512	
Current liabilities			
Derivative financial instruments	315	315	
Total	827	827	0

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

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

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

A fair value is established through valuation techniques for financial instruments that are not traded in active markets (such as OTC derivatives). These valuation techniques make maximum use of observable market information, when available, and rely as little as possible on company-specific assessments. If all significant input required for determining the fair value of the instrument is observable, the instrument is on level 2.

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

If one or more significant piece of input information is not based on observable market information, the instrument is classified as level 3. Assessments by external parties are used to measure financial instruments and, if such assessments are not available, the company's own calculations/assessments are used.

Changes in financial instruments belonging to level 3:

Unlisted shares	2022	2021
Opening balance 1 Jan	844	1,201
Increases	62	80
Decreases	-10	-437
Closing balance 31 Dec	896	844

Derivative financial instruments:

Fair values of derivative instruments EUR 1,000	Derivative assets 2022	Derivative liabilities 2022	Net fair value 2022	Net fair value 2021
Forward exchange agreements				
Cash flow hedges under hedge accounting	46	18	28	-82
Other hedges	1,686	0	1,686	-47
Interest rate swaps and interest rate cap agreements, due in more than one year				
Cash flow hedges under hedge accounting	6,357		6,357	-420
Interest rate cap agreements	803		803	31
Electricity derivatives				
Cash flow hedges under hedge accounting	23,311	719	22,592	6,049
Total	32,203	738	31,466	5,531

Nominal values of derivative financial instruments

EUR 1,000	2022	2021
Forward exchange agreements		
Cash flow hedges under hedge accounting	11,020	13,763
Other hedges	83,125	78,005
Interest rate swaps and interest rate cap agreements		
Cash flow hedges under hedge accounting	60,000	60,000
Interest rate cap agreements	30,000	30,000
Electricity derivatives		
Cash flow hedges under hedge accounting	14,825	12,365
Other hedges		
Total	198,969	194,133

30. CONTINGENT LIABILITIES, EUR 1,000

Debts with mortgages or other collateral given as security	2022	2021
Loans from financial institutions *	8,648	1,186
Pension fund loans	4,337	4,170
Total	12,985	5,356
Mortgages and other securities given as comprehensive security		
Real estate mortgages *	6,180	1,186
Corporate mortgages *	3,600	
Total	9,780	1,186
Contingent liabilities not included in the balance sheet		
Guarantees	87	83

* Growth is due to the acquired subsidiary (note 32).

31. RELATED PARTY TRANSACTIONS, EUR 1,000

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

Group companies, Group joint ventures and associates are presented in more detail in Note 35.

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

Transactions with related parties and related-party assets and liabilities	Joint ventures and associates	Other related party	Total
1 Jan–31 Dec 2022			
Sale of goods	9,661	11,311	20,971
Sale of services *	1,771	185	1,956
Rental income	4,820	0	4,820
Purchase of goods	17,205	18,460	35,665
Purchase of services	68,529	105	68,634
Rental costs	6,125	5,385	11,509
31 Dec 2022			
Trade receivables	1,293	481	1,774
Other receivables	4	0	4
Interest-bearing liabilities	0	557	557
Trade payables	7,058	-208	6,850

Transactions with related parties and related-party assets and liabilities	Joint ventures and associates	Other related party	Total
1 Jan–31 Dec 2021			
Sale of goods	6,030	12,689	18,720
Sale of services	9	186	195
Rental income	4,797	0	4,797
Purchase of goods	13,699	18,638	32,337
Purchase of services	59,596	57	59,653
Rental costs	5,874	5,423	11,296
31 Dec 2021			
Trade receivables	928	792	1,720
Other receivables	3	0	3
Interest-bearing liabilities	0	262	262
Trade payables	6,248	-232	6,015

The sale of goods and services to related parties is based on the Group's valid price lists. The largest expense item under purchase of services is formed by the logistics services purchased from Tuoretie Oy.

* The increase in 2022 is due to changes in transfer transports.

Employee benefits and fees of the Group's key managerial personnel (on an accrual basis)	2022	2021
Short-term employee benefits	3,420	3,603
Post-employment benefits (group pension benefits)	300	406
Share-based incentives	520	594
Total	4,240	4,604

The key personnel in the Group's management are the members of the Board of Directors and the Supervisory Board, the CEO, the Deputy CEO and the other members of the Group's Management Team. For the CEO and Deputy CEO, the retirement age is 63 years.

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

Incentive schemes for management

Long-term incentive scheme:
Atria Plc has a long-term incentive scheme for key persons. The share-based incentive scheme aims to encourage Atria's management to acquire company shares as well as to increase the company's value through their decisions and actions over the long term.

The scheme is based on a share bonus and a cash bonus and is divided into three one-year periods. The possible bonus in the scheme is based on the company's earnings per share (70%) and organic growth (30%). The bonuses for each period are paid in equal instalments over three years following the earning period, The cash proportion aims to cover any taxes and tax-like payments incurred by the person due to the bonus. The share-based incentive scheme covers a maximum of 40 people. The bonuses to be paid for the 2022 earning period are estimated at EUR 1.1 million (EUR 1.4 million).

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

Salaries, benefits and pension contributions for the members of the Supervisory Board and the Board of Directors, the CEO and the Deputy CEO	Salaries and benefits	Supplementary pension contributions	Total
Members of the Supervisory Board:			
Halonen Jyrki, Chair	23		23
Anttikoski Juho, Deputy Chair	14		14
Other members of the Supervisory Board	99		99
Total	135	0	135
Members of the Board of Directors:			
Paavola Seppo, Chair	74		74
Korhonen Pasi, Deputy Chair	46		46
Ginmann-Tjeder Nella	35		35
Joukio Mika, member since May 2022	21		21
Kaikkonen Jukka	36		36
Laitinen Leena	32		32
Moisio Jukka, member until May 2022	13		13
Paxal Kjell-Göran	40		40
Ritola Ahti	56		56
Total	351	0	351
CEO:			
Gröhn Juha	874	117	991
Deputy CEO:			
Back Tomas	449	62	512

32. ACQUIRED OPERATIONS, EUR 1,000

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

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

Atria has the obligation to redeem the remaining 49% of the shares during 2028 at the earliest if the non-controlling owners decide to exercise their put option. A liability has been recorded for the redemption obligation, which is valued at the present value of the estimated obligation (see note 27).

The acquisition has no significant impact on Atria's financial position or result.

Ab Korv-Görans Kebab Oy	2022
Acquisition price for the share of 51%	4,924
Assets and liabilities of the company, fair values employed in the acquisition:	
Property, plant and equipment	10,095
Investments	2
Inventories	2,844
Current receivables	1,095
Cash and cash equivalents	427
Total assets	14,463
Deferred tax liabilities	182
Non-current liabilities	6,471
Current liabilities	5,035
Total liabilities	11,687
Net assets	2,775
Share of non-controlling interest 49 % *	1,360
Goodwill from acquisition	3,509

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

The total purchase price to be paid in cash	4,924
Part of the purchase price to be paid later	250
The company's cash and cash equivalents	427
Effect of the acquisition on cash flow on 31 Dec 2022	4,248

The calculation is preliminary because the acquisition took place at the end of the financial year. Purchase price has not yet been fully allocated to the identifiable net assets. Identifiable net assets and goodwill are expected to be specified in the 2023 reporting.

33. SOLD OPERATIONS, EUR 1,000

In May, 2022 Atria divested its subsidiary Sibylla Rus LLC, engaged in the fast-food business, to Limited Liability Company Agricultural Complex Mikhailovskiy, which is part of Cherkizovo Group. The transaction price was EUR 8.2 million. The transaction does not include the Sibylla brand. The net sales of the Russian fast-food company have accounted for approximately 2 per cent of Atria Group's net sales and the business has been profitable. The fast-food operations have been reported in the Atria Sweden segment.

Atria recognised a sales gain of EUR 1.9 million on the transaction. An accumulated translation difference loss of EUR 10.7 million was also recognised on the sale. The translation difference is recognised in the income statement, but it has no effect on the Group's equity ratio or cash flow.

Sibylla Rus LLC	2022
Asset 30 Apr 2022	
Property, plant and equipment	977
Right-of-use assets	744
Deferred tax assets	51
Inventories	1,496
Trade and other receivables	6,598
Cash and cash equivalents	823
Total assets	10,689
Liabilities 30 Apr 2022	
Long-term lease liabilities	627
Deferred tax liabilities	238
Short-term lease liabilities	164
Short-term trade and other payables	3,750
Total liabilities	4,779

Consideration received:	
Cash	8,193
Sold net assets	-5,910
Transactions costs	-382
Result on sale before reclassification of accumulated translation differences	1,901
Reclassification of foreign currency translation reserve	-10,680
Loss on sale	-8,779
Cash flow from sold operations:	
Received payment	8,193
Company´s cash and cash equivalents	-823
Total	7,370

OOO Pit-Product:

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 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. 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.

OOO Pit-Product	2021
Asset 30 Apr 2021	
Property, plant and equipment	20,793
Right-of-use assets	240
Other intangible assets	1,636
Inventories	7,567
Trade and other receivables	4,475
Cash and cash equivalents	1,438
Total assets	36,149
Liabilities 30 Apr 2021	
Long-term lease liabilities	134
Deferred tax liabilities	1,841
Short-term lease liabilities	131
Short-term trade and other payables	3,421
Total liabilities	5,527
Consideration received:	
Cash	31,775
Sold net assets	-30,623
Transactions costs	-1,026
Result on sale before reclassification of accumulated translation differences	126
Reclassification of foreign currency translation reserve	-45,109
Loss on sale	-44,982
Cash flow from sold operations:	
Received payment	31,775
Company´s cash and cash equivalents	-1,438
Total	30,337

34. EVENTS AFTER THE PERIOD UNDER REVIEW

Lars Ohlin, Executive Vice President, Human Resources, and member of Atria Group's Management Team will retire as of 1 March 2023.

35. GROUP COMPANIES, GROUP JOINT VENTURES AND ASSOCIATES

The most significant subsidiaries of Atria Group are Atria Finland Ltd, Atria Sverige AB, Atria Danmark A/S and Atria Eesti AS, all of which are manufacturers of foodstuffs as well as A-Farmers Ltd, which is responsible for animal procurement and trading, and A-Rehu Oy, which manufactures animal feed.

Group companies by business area	Domicile	Share of holding (%)	Share of votes (%)
Atria Finland:			
A-Liha Jyväskylä Oy	Finland	100.0	100.0
A-Lihatukkurin Oy	Finland	100.0	100.0
A-Logistics Ltd	Finland	100.0	100.0
A-Pekoni Nurmo Oy	Finland	100.0	100.0
A-Pihvi Kauhajoki Oy	Finland	100.0	100.0
A-Rehu Oy *	Finland	51.0	51.0
A-Sikateurastamo Oy	Finland	100.0	100.0
Atria Plc	Finland		
Atria Finland Ltd	Finland	100.0	100.0
Atria-Chick Oy	Finland	100.0	100.0
Atria-Lihavalmiste Oy	Finland	100.0	100.0
Atria-Tekniikka Oy	Finland	100.0	100.0
Atria-Tuoreliha Oy	Finland	100.0	100.0
Atria-Valmisruoka Oy	Finland	100.0	100.0
A-Farmers Ltd *	Finland	97.9	99.0
Best-In Oy	Finland	100.0	100.0
Domretor Oy	Finland	100.0	100.0
Fastighets Ab Görans, as of 30 Dec 2022 *	Finland	51.0	51.0
Kauhajoen Teurastamokiinteistöt Oy	Finland	100.0	100.0
Well Beef Ltd *	Finland	90.0	90.0
Kiinteistö Oy Tievapolku 3	Finland	100.0	100.0
Korv-Görans Kebab Oy, as of 30 Dec 2022 *	Finland	51.0	51.0
Liha ja Säilyke Oy	Finland	100.0	100.0
Nautasuomi Oy *	Finland	51.0	51.0
Rokes Oy	Finland	100.0	100.0
Sahalahden Broiler Oy	Finland	100.0	100.0
Suomen Kalkkuna Oy	Finland	100.0	100.0
Atria Sweden:			
Atria Concept SP Z.o.o	Poland	100.0	100.0
Atria Concept UK Ltd	UK	100.0	100.0
Atria Korea LLC	Republic of Korea	100.0	100.0
Atria Sverige AB	Sweden	100.0	100.0
Atria Sweden AB	Sweden	100.0	100.0
Sibylla Sweden AB	Sweden	100.0	100.0
Atria Denmark & Estonia:			
Atria Danmark A/S	Denmark	100.0	100.0
Atria Denmark Holding A/S	Denmark	100.0	100.0
Atria Eesti AS	Estonia	100.0	100.0
Atria Farmid OÜ	Estonia	100.0	100.0
OÜ Atria **	Estonia	100.0	100.0
Unallocated:			
Atria-Invest Oy	Finland	100.0	100.0

* Note 22, 32
** Dormant company

The consolidated financial statements include all subsidiaries.

Group joint ventures and associates	Domicile	Share of holding (%)	Share of votes (%)
Group joint ventures:			
Honkajoki Oy *	Finland	50.0	50.0
Länsi-Kalkkuna Oy	Finland	50.0	50.0
Group associates:			
Findest Protein Oy	Finland	33.1	33.1
Finnpig Oy	Finland	49.0	49.5
Foodwest Oy	Finland	24.5	24.5
Kiinteistö Oy Itikanmäen Teollisuustalo	Finland	12.6	12.6
Transbox Oy	Finland	25.7	25.7
Tuoretie Oy	Finland	33.3	33.3

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

PARENT COMPANY FINANCIAL STATEMENTS, FAS

INCOME STATEMENT, EUR 1,000

	Note	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
NET SALES	2.1	38,859	37,705
Other operating income	2.2	5,786	5,892
Personnel expenses	2.3	-5,349	-5,555
Depreciation and impairment	2.4		
Depreciation according to plan		-22,269	-21,999
Other operating expenses	2.5	-6,501	-5,618
EBIT		10,526	10,426
Financial income and expenses	2.6	-25,748	2,143
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		-15,221	12,569
Appropriations	2.7	31,827	20,675
Income taxes	2.8	-9,965	-6,282
PROFIT/LOSS FOR THE PERIOD		6,641	26,963

BALANCE SHEET, EUR 1,000

Assets	Note	31 Dec 2022	31 Dec 2021
FIXED ASSETS			
Intangible assets	3.1		
Intangible rights		7	10
Other long-term expenditure		6,382	7,643
Total intangible assets		6,389	7,653
Tangible assets	3.1	297,650	231,357
Investments	3.2		
Investments in Group companies		267,832	355,125
Investments in associates		3,520	3,520
Other shares and investments		615	624
Total investments		271,967	359,270
Non-current receivables	3.3	164,142	146,500
TOTAL FIXED ASSETS		740,147	744,779
CURRENT ASSETS			
Current receivables	3.3	61,579	40,403
Cash in hand and at bank		29,844	55,984
TOTAL CURRENT ASSETS		91,423	96,386
Total assets		831,570	841,166

Liabilities	Note	31 Dec 2022	31 Dec 2021
EQUITY	3.4		
Share capital		48,055	48,055
Treasury shares		-769	-1,057
Invested unrestricted equity fund		248,252	248,540
Retained earnings		15,386	6,190
Profit/loss for the period		6,641	26,963
TOTAL EQUITY		317,565	328,691
ACCRUED APPROPRIATIONS	3.5		
Depreciation difference		76,188	84,756
LIABILITIES			
Non-current liabilities	3.6	225,000	175,420
Current liabilities	3.7	212,817	252,299
TOTAL LIABILITIES		437,817	427,719
Total liabilities		831,570	841,166

CASH FLOW STATEMENT, EUR 1,000

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Payments received from sales	39,295	37,133
Other business revenue	5,786	5,892
Payments on operating expenses	-12,629	-7,106
Cash flow from operating activities	32,452	35,919
Dividends received	54,785	2,195
Interest received and other financial income	-1,681	4,654
Interest paid and financial expenses	-2,366	-7,974
Tax paid	-4,201	-5,559
Cash flow from operating activities	78,989	29,235
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-87,297	-37,100
Investments in subsidiaries	-852	-72,457
Change in Group receivables	-29,350	95,046
Change in loan receivables	0	5
Cash flow from investments	-117,499	-14,507
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of long-term loans	50,000	120,000
Repayment of long-term loans	-2,000	-89,000
Drawdown of short-term loans	109,919	65
Repayment of short-term loans	-109,985	-34,972
Change in other liabilities	24	0
Change in Group liabilities	-42,822	23,443
Received or given Group contributions	25,000	15,000
Dividends paid	-17,767	-14,088
Cash flow from financing activities	12,370	20,448

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
CASH FLOW FROM OPERATING ACTIVITIES	78,989	29,235
CASH FLOW FROM INVESTMENTS	-117,499	-14,507
CASH FLOW FROM FINANCING ACTIVITIES	12,370	20,448
TOTAL	-26,140	35,176
Change in cash and cash equivalents		
Cash and cash equivalents 1 Jan	55,984	20,807
Cash and cash equivalents 31 Dec	29,844	55,984
Change	-26,140	35,176

1. PRINCIPLES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

General principles applied in preparing the financial statements

Atria Plc's financial statements have been drawn up in accordance with Finland's accounting Act and the other rules and regulations pertaining to the compilation of financial statements (FAS).

Information concerning the Group

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

Valuation principles

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

The depreciation periods are as follows:

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

Investments under non-current assets are originally entered at acquisition price. The book value of investments is assessed annually in connection with the preparation of the financial statements and, if the criteria of Chapter 5, section 13 of the Accounting Act are met, revaluations can be made as necessary.

Items presented in foreign currencies

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

Financial assets and liabilities

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

Derivative financial instruments

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

2. NOTES TO THE INCOME STATEMENT, EUR 1,000

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
2.1 NET SALES	38,859	37,705

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

2.2 OTHER OPERATING INCOME

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Service charges from Group companies	5,486	5,808
Other	300	84
Total	5,786	5,892

2.3 PERSONNEL EXPENSES

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Average number of personnel		
Office personnel in Finland	19	19
Personnel expenses		
Salaries:		
CEO, Executive Vice President and Deputy CEO and members of the Board	1,466	1,375
Members of the Supervisory Board	82	61
Other salaries	2,802	2,841
Total	4,350	4,277
Pension costs	860	1,127
Other staff-related expenses	139	151
Total	999	1,278
Total personnel expenses	5,349	5,555

Pension commitments of the members of the Board of Directors and the CEO:
The company's statutory pensions are defined contribution plans and have been arranged through an insurance company (see Note 31 to the consolidated financial statements).

2.4 DEPRECIATION AND IMPAIRMENT

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Depreciations of tangible and intangible assets	22,269	21,999

Depreciation specification per balance sheet item included in section 3.1.

2.5 OTHER OPERATING EXPENSES

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Other operating expenses	6,501	5,618

Including administration, marketing, energy, cleaning, operational and other costs as well as fees paid to auditors.

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Fees paid to auditors/PricewaterhouseCoopers Oy		
Auditing fees	191	158
Other fees	3	0
Total	194	158

2.6 FINANCIAL INCOME AND EXPENSES

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Return on long-term investments:		
From Group companies	52,661	1,493
From other companies	2,124	702
Total	54,785	2,195
Other interest and financial income:		
From Group companies	4,242	3,305
From other companies	5,445	4,989
Total	9,687	8,294

	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Interest expenses and other financial expenses:		
To Group companies	-303	-3
Impairment of investments in fixed assets *	-88,078	-437
To other companies	-1,839	-7,906
Total	-90,220	-8,346
Total financial income and expenses	-25,748	2,143
Interest expenses and other financial expenses		
include exchange rate gains/losses (net)	-92	112

* In 2022 pursuant to Chapter 5, section 13 of the Accounting Act, the company has reduced the value of the shares of Atria-Invest Oy, which had invested in Russian subsidiaries, on Atria Plc's balance sheet. The impairment is due to the divestment of the Russian business. The reduction in value has no effect on the financial statements of Atria Group.

2.7 APPROPRIATIONS

Difference between planned depreciation and		
depreciation implemented in taxation	8,569	-4,325
Group contributions received	23,259	25,000
Total	31,827	20,675

2.8 INCOME TAXES

Income taxes for the accounting period	9,965	6,290
Taxes for previous financial periods	0	-8
Total	9,965	6,282

3. NOTES TO THE BALANCE SHEET, EUR 1,000

3.1 INTANGIBLE AND TANGIBLE ASSETS	31 Dec 2022	31 Dec 2021
Intangible assets:		
Intangible rights		
Acquisition cost 1 Jan	1,483	1,483
Acquisition cost 31 Dec	1,483	1,483
Cumulative depreciation 1 Jan	-1,473	-1,470
Depreciation for the period	-3	-3
Cumulative depreciation 31 Dec	-1,476	-1,473
Balance sheet value 31 Dec	7	10
Other long-term expenditure		
Acquisition cost 1 Jan	39,997	38,291
Increases	1,337	1,717
Decreases	-86	-11
Acquisition cost 31 Dec	41,248	39,997
Cumulative depreciation 1 Jan	-33,424	-30,794
Depreciation for the period	-2,622	-2,629
Cumulative depreciation 31 Dec	-36,046	-33,424
Balance sheet value 31 Dec	5,202	6,573
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	1,070	416
Changes +/-	109	655
Acquisition cost 31 Dec	1,180	1,070
Balance sheet value 31 Dec	1,180	1,070
Total intangible assets	6,389	7,653

	31 Dec 2022	31 Dec 2021
Tangible assets:		
Land and water		
Acquisition cost 1 Jan	1,179	1,179
Decreases	-178	0
Acquisition cost 31 Dec	1,001	1,179
Balance sheet value 31 Dec	1,001	1,179
Buildings and structures		
Acquisition cost 1 Jan	333,925	330,720
Increases	2,631	3,205
Decreases	-3	0
Acquisition cost 31 Dec	336,554	333,925
Cumulative depreciation 1 Jan	-196,449	-189,563
Depreciation for the period	-6,927	-6,886
Cumulative depreciation 31 Dec	-203,376	-196,449
Balance sheet value 31 Dec	133,178	137,476
Machinery and equipment		
Acquisition cost 1 Jan	404,552	396,288
Increases	12,242	8,285
Decreases	-51	-21
Acquisition cost 31 Dec	416,743	404,552
Cumulative depreciation 1 Jan	-341,068	-328,695
Depreciation for the period	-12,613	-12,373
Cumulative depreciation 31 Dec	-353,680	-341,068
Balance sheet value 31 Dec	63,063	63,485
Other tangible assets		
Acquisition cost 1 Jan	3,794	3,794
Acquisition cost 31 Dec	3,794	3,794
Cumulative depreciation 1 Jan	-2,478	-2,370
Depreciation for the period	-105	-108
Cumulative depreciation 31 Dec	-2,582	-2,478
Balance sheet value 31 Dec	1,212	1,316

	31 Dec 2022	31 Dec 2021
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	27,901	4,630
Changes +/- *	71,295	23,270
Acquisition cost 31 Dec	99,196	27,900
Balance sheet value 31 Dec	99,196	27,900
Total tangible assets	297,650	231,357
Non-depreciated acquisition cost of machinery and equipment	63,063	63,485

The share of items other than production machinery and equipment is not significant in amount.
The acquisition costs of completely depreciated and scrapped items are presented as decreases.
* Growth due to the new poultry factory to be built in Nurmo.

3.2 INVESTMENTS

Group companies:	Parent company holding %	Parent company holding %
Ab Botnia Food Oy, Seinäjoki *	100	100
Atria Concept UK Ltd, United Kingdom	100	100
Atria Denmark Holding A/S, Denmark	100	100
Atria Eesti AS, Estonia	100	100
Atria Korea LLC, Republic of Korea	100	100
Atria Sweden AB, Sköllersta, Sweden	100	100
Atria Finland Ltd, Kuopio	100	100
Atria-Invest Oy, Seinäjoki	100	100
A-Farmers Ltd, Seinäjoki	97.9	97.9
Best-In Oy, Kuopio	100	100
Kauhajoen Teurastamokiinteistöt Oy, Kauhajoki	100	100
Kiinteistö Oy Tievapolku 3, Helsinki	100	100
Liha ja Säilyke Oy, Forssa	63.2	63.2
Mestari Forsman Oy, Seinäjoki *	100	100
OÜ Atria, Estonia	100	100
Rokes Oy, Forssa	100	100
Suomen Kalkkuna Oy, Seinäjoki	100	100

	31 Dec 2022	31 Dec 2021
Joint ventures and associates:		
Foodwest Oy, Seinäjoki	24.5	24.5
Honkajoki Oy, Honkajoki	50.0	50.0
Kiinteistö Oy Itikanmäen Teollisuustalo, Seinäjoki	12.6	12.6
Länsi-Kalkkuna Oy, Säkylä	50.0	50.0
Transbox Oy, Helsinki	18.6	18.6
Tuoretie Oy, Seinäjoki	33.3	33.3

*Merged with Atria Plc, the completion date of the merger was 31 December 2022

3.3 RECEIVABLES

Non-current receivables:		
Derivatives	7,160	0
Receivables from group companies:		
Loan receivables	156,981	146,500
Total non-current receivables	164,142	146,500
Current receivables:		
Trade receivables	27	20
Other receivables	2,621	251
Accrued credits and deferred charges	1,727	259
Receivables from group companies:		
Trade receivables	2,613	3,056
Other receivables	30,091	11,146
Accrued credits and deferred charges	24,500	25,670
Total current receivables	61,579	40,403
Material items included in accrued credits and deferred charges:		
– group contributions	23,259	25,000
– interest accruals	1,241	674
– valuation of forward contracts	1,392	140
– other	336	115
Total	26,227	25,929

3.4 EQUITY	31 Dec 2022	31 Dec 2021
Share capital 1 Jan	48,055	48,055
Share capital 31 Dec	48,055	48,055
Total restricted equity	48,055	48,055
Treasury shares 1 Jan	-1,057	-1,206
Share incentives	287	149
Treasury shares 31 Dec	-769	-1,057
Invested unrestricted equity fund 1 Jan	248,540	248,689
Change	-287	-149
Invested unrestricted equity fund 31 Dec	248,252	248,540
Retained earnings 1 Jan	33,153	20,278
Distribution of dividends	-17,767	-14,088
Retained earnings 31 Dec	15,386	6,190
Profit/loss for the period	6,641	26,963
Retained earnings 31 Dec	22,027	33,153
Total unrestricted equity	269,510	280,636
Total equity	317,565	328,691

At the end of the financial period on 31 December 2022, the company held a total of 66,182 treasury shares, representing 0.2% of the shares and 0.1% of the votes in the company. The number of treasury shares transferred as share incentives during the financial period was 26,003

Calculation of distributable funds:		
Invested unrestricted equity fund	248,252	248,540
Retained earnings	15,386	6,190
Profit/loss for the period	6,641	26,963
Treasury shares	-769	-1,057
Total	269,510	280,636

The breakdown of the share capital is as follows:

	2022		2021	
	Number of	EUR 1,000	Number of	EUR 1,000
Series A (1 vote per share)	19,063,747	32,408	19,063,747	32,408
Series KII (10 votes per share)	9,203,981	15,647	9,203,981	15,647
Total	28,267,728	48,055	28,267,728	48,055

3.5 ACCRUED APPROPRIATIONS	31 Dec 2022	31 Dec 2021
Depreciation difference	76,188	84,756

3.6 NON-CURRENT LIABILITIES

Loans from financial institutions	225,000	175,000
Accruals and deferred income	0	420
Total non-current liabilities	225,000	175,420

3.7 CURRENT LIABILITIES

Loans from financial institutions	0	61
Pension fund loans	0	2,000
Trade payables	6,575	7,701
Other payables	886	643
Accruals and deferred income	9,671	3,367
Liabilities to Group companies:		
Trade payables	546	571
Other payables	195,131	237,953
Accruals and deferred income	7	3
Total current liabilities	212,817	252,299

Material items included in accruals and deferred income:		
– accruals of salaries and social security payments	2,201	1,891
– interest accruals	920	544
– valuation of forward contracts	6	187
– amortised taxes	6,265	499
– other	286	250
Total	9,679	3,371

4. OTHER NOTES, EUR 1,000

4.1 SECURITIES GIVEN, CONTINGENT LIABILITIES AND OTHER LIABILITIES	31 Dec 2022	31 Dec 2021
Contingent liabilities and other liabilities not included in the balance sheet		
Guarantees		
On behalf of Group companies	38,251	36,933
Total	38,251	36,933
Other leases		
Within one year	769	756
Within more than one year and a maximum of five years	1,125	1,263
After more than five years	2,261	2,194
Total	4,155	4,213

4.2 VAT LIABILITIES

The company has made property investments as referred to in the Value Added Tax Act. The remaining verification liability of these investments was assessed for each verification period on 31 December 2022.

Year of completion of the investment		Remaining amount of verification liability
2013		87
2014	93	185
2015	419	628
2016	569	758
2017	447	559
2018	270	324
2019	433	505
2020	1,116	1,275
2021	4,230	4,759
2022	11,884	
Total	19,461	9,081

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

4.3 INTEREST RATE SWAP AND INTEREST RATE CAP AGREEMENTS

Interest rate swap agreement:

Asset being hedged: A loan of EUR 60 million, 28 April 2021 – 2 May 2028, interest 6-month Euribor

Hedging derivative: Interest rate swap with a nominal value of EUR 30 million; the company receives a 6-month Euribor rate and pays a fixed interest rate. The fair value of the agreement on the closing date is EUR 4,002,078. The cash flow from the interest rate swap is recognised in the income statement with the same periods as the interest flows from the hedged loan.

Hedging derivative: Interest rate swap with a nominal value of EUR 30 million; the company receives a 6-month Euribor rate and pays a fixed interest rate. The fair value of the agreement on the closing date is EUR 2,355,007. The cash flow from the interest rate swap is recognised in the income statement with the same periods as the interest flows from the hedged loan. The derivative enters into force on 27 December 2023.

Interest rate cap agreement:

Asset being hedged: A loan of EUR 30 million, 22 September 2020 – 25 September 2027, interest 6-month Euribor

Hedging derivative: Interest rate cap agreement with a nominal value of EUR 30 million; interest rate cap 0.5%, reference rate 6-month Euribor. Should the 6-month Euribor exceed the 0.5% interest rate cap, the bank pays the derivative for the exceeding portion as calculated for the nominal amount. The fair value of the agreement on the closing date is EUR 803,404. The cash flow from the interest rate cap agreement is recognised in the income statement with the same periods as the interest flows from the hedged loan.

4.4 DERIVATIVE FINANCIAL INSTRUMENTS

Fair values of derivative financial instruments:	Derivative assets 31 Dec 2022	Derivative liabilities 31 Dec 2022	Net fair value 31 Dec 2022	Net fair value 31 Dec 2021
Forward exchange agreements (maturity less than a year)	1,392	-6	1,385	-47
Interest rate swaps and cap agreements	7,160		7,160	-420
Total	8,552	-6	8,546	-467

Nominal values of derivative financial instruments:	31 Dec 2022	31 Dec 2021
Forward exchange agreements	83,125	78,005
Interest rate swaps	60,000	60,000
Interest rate cap agreements	30,000	30,000
Total	173,125	168,005

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

Fair value hierarchy:

Balance sheet item	31 Dec 2022	Level 1	Level 2	Level 3
Current assets				
Derivative financial instruments	8,552		8,552	
Non-current liabilities				
Current liabilities				
Derivative financial instruments	-6		-6	

Balance sheet item	31 Dec 2021	Level 1	Level 2	Level 3
Current assets				
Derivative financial instruments	140		140	
Non-current liabilities				
Interest rate swaps	-420		-420	
Current liabilities				
Derivative financial instruments	-187		-187	

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

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

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

On the balance sheet date, 31 December 2022, the company had EUR 0.6 million (EUR 0,6 million on 31 December 2021) in other financial assets, in addition to derivatives, consisting of unlisted shares. These belong to level 3.

Signatures to the financial statements and annual report

Helsinki, 21 February 2023

Seppo Paavola
Chair

Nella Ginman-Tjeder

Mika Joukio

Jukka Kaikkonen

Pasi Korhonen

Leena Laitinen

Kjell-Göran Paxal

Ahti Ritola

Juha Gröhn
CEO

Note to the financial statement

A report on the audit performed has been issued today.

Helsinki, 3 February 2023

PricewaterhouseCoopers Oy
Firm of authorised public accountants

Samuli Perälä
Authorised public accountant

Report on the Audit of the Financial Statements

To the Annual General Meeting of Atria Plc

Report on the audit of the financial statements

Opinion

In our opinion

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

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

What we have audited

We have audited the financial statements of Atria Plc (business identity code 0841066-1) for the period of 1 January to 31 December 2022. The financial statements comprise:

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

Basis for opinion

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

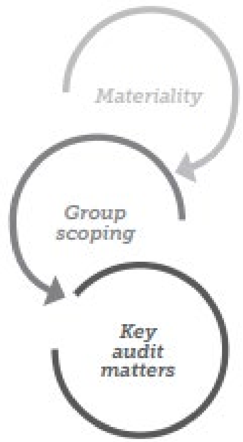
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview



- Overall group materiality: 3,400,000 euros.

- Audit scope: The audit scope included the parent company of the Group and subsidiaries in Finland, Sweden, Estonia and Denmark.

The following items have been recognised as key audit matters:

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

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

Materiality

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

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

Overall group materiality	3,400,000 euros
How we determined it	Materiality has been determined taking into consideration net sales, gross profit and profit before taxes.

Rationale for the materiality benchmark applied	We chose profit before taxes as the main benchmark because, in our view, it is the benchmark commonly used by users of the financial statements to measure the performance of the group. We have also chosen net sales and gross margin as benchmarks as we consider these to be relevant for the users of the financial statements when assessing the performance of the group.

How we tailored our group audit scope

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

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

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

Key audit matters

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

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

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Revenue recognition *Refer to the Accounting policies for the consolidated financial statements and Notes 1 and 2* Atria has identified two client segments: consumer product clients and primary production clients. Sales revenue is recognised based on customer contracts. The contracts specify the contractual obligations and the prices applicable to them. Revenue recognition is considered a key audit matter in the audit of the group due to the financial significance of net sales in the financial statements.	Our audit procedures included for example the following procedures: – We evaluated the internal control activities and controls over revenue recognition and assessed the appropriateness of the accounting policies related to revenue recognition by comparing those to the applicable accounting standards. – We tested the cut-off of individual sales transactions by comparing to delivery documents and by checking significant credit notes issued after year-end. – We tested discounts and rebate accruals on a sample basis. – We tested a sample of other revenue transactions based on the results of data analysis procedures.

Valuation of goodwill and trademarks with indefinite useful lives

Refer to Accounting policies for the consolidated financial statements and Note 15

The group tests annually goodwill and the intangible assets with indefinite useful lives for possible impairment. Goodwill in the Atria Group consolidated balance sheet totalled to 125 million euros and trademarks with indefinite useful lives to 38 million euros at 31 December 2022.

Impairment testing for goodwill and other intangible assets are subject to significant management judgement. The fair value of intangible assets is determined based on estimates of future cash flows. Key assumptions in these estimates include e.g. growth in net sales, profitability levels, and discount rates.

The valuation of goodwill and trademarks with indefinite useful lives is considered a key audit matter in the audit of the group due to its financial significance as well as due to the high degree of management judgement involved in the impairment testing.

Our audit procedures included for example the following procedures:

- We discussed the accounting policies and significant management's estimates and assumptions.
- Where possible, we compared the key variables of discount rate and long-term growth rate of net sales to information generally available at the market.
- We reconciled the estimates of future cash flows to the strategy information approved by the board of directors.
- We tested the appropriateness of the key assumptions applied to the cash flow estimates and consistency of accounting policies in relation to previous accounting periods.
- We assessed the historical accuracy of management's estimates including growth of net sales and profit margin by comparing these to actual results for the period.
- We tested mathematical accuracy of the calculations.
- We assess the appropriateness of the information presented in the consolidated financial statements.

Valuation of inventories

Refer to Accounting policies for the consolidated financial statements and Note 19

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

Valuation of inventories is considered a key audit matter in the audit of the group due to its financial significance and as it includes judgement as described in the accounting principles.

Our audit procedures included for example the following procedures:

- We evaluated the internal key controls of inventories and the purchasing process.
- We tested the appropriateness of the accounting principles relating to valuation of inventories.
- We tested price variances of single inventory items on a sample basis.
- We tested the appropriateness of key assumptions used in the valuation of inventory and the mathematic accuracy of the calculations.

Key audit matter in the audit of the parent company	How our audit addressed the key audit matter

Valuation of subsidiary shares and loan receivables

Refer to Accounting Policies and Notes to the parent company financial statements 3.2 and 3.3

Value of shares in subsidiaries in the Atria Plc financial statements at 31 December 2022 totalled 268 million euros and long-term loan receivables from group companies 157 million euros. Valuation of shares in subsidiaries and loan receivables in accordance with the Accounting Act is subject to management judgement. These valuations include significant management judgement in relation to for example subsidiaries projected future cash flows.

Valuation of subsidiary shares and loan receivables is considered a key audit matter in the audit of the parent company due to its financial significance as well as due to the high degree of management judgement involved in the valuation.

Our audit procedures included for example the following procedures:

- We assessed the book value of Atria Plc's shares in subsidiaries based on the subsidiary's equity and the management estimates of the projected future cash flows.
- We discussed with the management the most significant assumptions used in the valuation of shares in subsidiaries and assessed the assumptions of the valuation calculations.
- We evaluated the reliability of estimates from previous years by comparing those to the actual results for the period.

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

Responsibilities of the board of directors and the managing director for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Reporting Requirements

Appointment

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

Other information

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

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

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

In our opinion

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

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

Helsinki 3 March 2023
PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant

CORPORATE GOVERNANCE STATEMENT AND REMUNERATION REPORT

Contents

1. Corporate Governance Statement

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

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

Decision-making and governance at Atria comply with the Finnish Limited Liability Companies Act, the Securities Markets Act, the Auditing Act and the Accounting Act and other regulations pertaining to listed companies, as well as with Atria Plc's Articles of Association and the rules of procedure of Atria's Board and Board committees. Atria is also bound by EU-level regulations and Nasdaq Helsinki Ltd's rules, as well as by orders and guidelines issued by the Financial Supervisory Authority. Atria follows the Securities Market Association's (SMA) Corporate Governance Code, which came into effect on 1 January 2020. The Corporate Governance Code is available on the SMA website at www.cgfinland.fi.

In accordance with the 'comply or explain' principle, the company departs from the recommendations of the Corporate Governance Code as follows (the execptions are explained under the relevant items):

- As an exception to recommendation 6 of the Corporate Governance Code, the term of each Board member is three years in accordance with Atria's Articles of Association.
- As an exception to recommendation 10 of the Corporate Governance Code, three of the eight members on the Board of Directors are independent of the company.
- As an exception to recommendation 17 and 18 of the Corporate Governance Code, one of the three members on the Nomination and Remuneration Committee is independent of the company.

The Corporate Governnace Statement is presented as a report separate from the Board of Director's Report. The Corporate Governance Statement is available on the company's website at www.atria.com (Investors -> Corporate Governance).

1.1 Articles of Association

The Articles of Association and the redemption clause are available on the company's website at www.atria.com (Investors > Corporate Governance).

1.2 Shareholder Agreement

Lihakunta and Itikka Co-operative, two of Atria's shareholders, have agreed to ensure that they are both represented on the Supervisory Board in proportion to their holdings of Series KII shares in the company, and that all members of the Supervisory Board are appointed by them, unless it has been separately agreed on a case-by-case basis that some Supervisory Board members are selected from among candidates designated by other shareholders. It has also been agreed that when the Chair of the Supervisory Board and the Vice Chair of the Board of Directors are appointed by one of these two parties, the Chair of the Board of Directors and the Vice Chair of the Supervisory Board are appointed by the other party.

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

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

The company is not aware of any other shareholder agreements.

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

2. Annual General Meeting

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

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

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

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

The company's Annual General Meeting for 2022 was held in Helsinki on 3 May 2022 at Atria's office. The meeting was attended, either in person or by a representative, by a total of 57 holders of A shares, representing a total of 9,134,084 shares and votes, and three (3) holders of KII shares, representing a total of 9,203,981 shares and 92,039,810 votes. The minutes of the meeting, as well as other documents related to the meeting, are available on Atria's website at www.atria.com (Investors > Annual General Meeting).

3. Shareholders' Nomination Board

Atria Plc has a Shareholders' Nomination Board. Atria Plc's Annual General Meeting on 3 May 2012 established a Nomination Board and confirmed its written rules of procedure. The rules of procedure were amended by the Annual General Meeting on 6 May 2014 and 27 April 2017. In accordance with its charter, the Nomination Board is charged with preparing proposals concerning the remuneration of the Board of Directors and Supervisory Board and the election of the members of the Board of Directors for the next Annual General Meeting.

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

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

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

On 23 September 2022, the owners of Atria's KII shares and the largest owner of series A shares nominated the following members on the Nomination Board: Juho Anttikoski (Itikka Co-operative), Pasi Korhonen (Lihakunta), Ola Sandberg (Pohjanmaan Liha Co-operative) and Timo Sallinen (Varma Mutual Pension Insurance Company). Juho Anttikoski was elected as Chair of the Nomination Board, and Seppo Paavola, Chair of Atria's Board of Directors, serves as an expert member of the Nomination Board.

The Nomination Board, which prepared the proposal for the 2023 Annual General Meeting, convened 2 times. The Nomination Board submitted its proposals for the Annual General Meeting to be held on 25 April 2023 to the Board of Directors on 12 January 2023. The proposals were published by means of a stock exchange release on 12 January 2023.

Name	Year of birth	Education	Main occupation	Attendance at meetings	Shareholding on 31 Dec 2022
Pasi Korhonen	1975		Farmer	2/2	0
Juho Anttikoski	1970		Farmer	2/2	4,000
Ola Sandberg	1981	Agrologist	Farmer	2/2	90
Timo Sallinen	1970	MSc (Econ)	SVP, Investments (listed equities)	2/2	0

4. Supervisory Board

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

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

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

The Board of Directors has deemed all members of the Supervisory Board to be dependent of Atria, as they are either full-time farmers who have – or are members of the operative management of a company that has – a customer, supplier or cooperation relationship with Atria Group that is significant for the entrepreneur/company in question.

All members of the Atria Supervisory Board are also members of Board of Directors or Supervisory Board of Atria`s significant shareholder Itikka Co-operative`s, significant shareholder Lihakunta`s or Co-operative Pohjanmaan Liha. The Board of Directors has deemed that the members of Atria's Supervisory Board who are also members of the Board of Directors of a significant shareholder (Itikka Co-operative or Lihakunta) are dependent of a significant shareholder. Membership of the Supervisory Board of a significant shareholder alone has not been deemed to constitute dependence.

Atria has a Supervisory Board because Atria`s shareholders representing moren than 50 % of the votes granten by the company`s shares have expressed their satisfaction with the current model based on the Supervisory Board, because it brings a far-reaching perspective on the company's operations and decision-making. The company believes that understanding its business requires a deep familiarity with and commitment to meat operations from its Supervisory Board members.

In 2022, Atria Plc's Supervisory Board met four times, and the average attendance of the members was 98,75%.

On 31 December 2022, Atria Plc's Supervisory Board consisted of the following 20 members:

Name	Year of birth	Member since	Education	Main occupation	Attendance at meetings	Shareholding on 31 Dec 2022	Independence of the company and its significant shareholders
Juho Anttikoski	1970	2009		Farmer	4/4	4,000	Dependent of the company
Mika Asunmaa	1970	2005		Farmer	4/4	11,000	Dependent of the company and significant shareholder (Itikka Co-operative)
Lassi-Antti Haarala	1966	2006	Agrologist	Farmer	4/4	6,000	Dependent of the company and significant shareholder (Itikka Co-operative)
Jyrki Halonen	1961	2019	Agricultural technician	Farmer	4/4	250	Dependent of the company
Mika Herrala	1974	2021	M.Sc (Biophysics)	Farmer	4/4	100	Dependent of the company
Veli Hyttinen	1973	2010	Agrologist	Farmer	4/4	1,500	Dependent of the company and significant shareholder (Lihakunta)
Pasi Ingalsuo	1966	2004	Agrologist	Farmer	4/4	4,000	Dependent of the company and significant shareholder (Itikka Co-operative)
Jussi Joki-Erkkilä	1977	2016		Agricultural entrepreneur	3/4	0	Dependent of the company
Marja-Liisa Juuse	1963	2015		Farmer	4/4	250	Dependent of the company
Juha Kiviniemi	1972	2010	M.Sc. (Agr)	Farmer	4/4	300 controlling company 184	Dependent of the company and significant shareholder (Itikka Co-operative)
Risto Lahti	1990	2020	B.Sc. (Food Science)	CEO	4/4	57	Independent of the company and dependent of significant shareholders (Itikka Co-operative and Lihakunta)
Ari Lajunen	1975	2013	M.Sc. (Agr)	Farmer	4/4	0	Dependent of the company and significant shareholder (Lihakunta)
Vesa Lapatto	1968	2020	Agrologist	Dairy farmer	4/4	0	Dependent of the company
Juha Nikkola	1976	2018	M.Sc. (Agr)	Farmer	4/4	100	Dependent of the company and significant shareholder (Itikka Co-operative)
Mika Niku	1970	2009		Farmer	4/4	300	Dependent of the company and significant shareholder (Lihakunta)
Ari Pöyhönen	1970	2020	M.Sc. (Agr)	Farmer	4/4	1,000	Dependent of the company
Suvi Rantala	1977	2022	B.Ba. (Business Administration)		3/3	controlling company 518	Dependent of the company
Risto Sairanen	1960	2013		Farmer	4/4	0	Dependent of the company and significant shareholder (Lihakunta)
Ola Sandberg	1981	2018	Agrologist	Farmer	4/4	90	Dependent of the company
Timo Tuhkasaari	1965	2002		Farmer	4/4	600	Dependent of the company

5. Board of Directors

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

The Chair and the Vice Chair of the Board of Directors are nominated in accordance with the shareholder agreement of Lihakunta and Itikka Co-operative.

5.1 Duties of the Board of Directors

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

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

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

5.2 Meeting practices and information flow

The Board of Directors meets at regular intervals around 10 times during the term in accordance with a separate meeting schedule confirmed in advance by the Board, and when necessary. In 2022, the Board of Directors met 16 times. The average attendance of the members of the Board of Directors was 99%.

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

5.3 Members of the Board of Directors 31 December 2022

Name	Seppo Paavola, Chair	Pasi Korhonen, Vice Chair
		
Year of birth	1962	1975
Education	Agrologist (secondary school graduate)	
Main occupation	Farmer	Farmer
Relevant work experience	• Agricultural entrepreneur 1996–present • Farm advisor, Rural Centre of Central Ostrobothnia 1991–1996	Farmer
Member of the Board since	2012	2016
Concurrent key positions of trust	• Member of the Supervisory Board of Itikka Co-operative 2000–present, • Deputy Chair of the Supervisory Board of Itikka Co-operative 2008–2011 • Chair of the Supervisory Board of Itikka Co-operative 2012–present • Chair of the Board of Directors of Jokilaakso Co-operative Bank (former Perhonjokilaakso Co-operative Bank, former Kaustinen Co-operative Bank) 2002–present • Member of the Board of Directors of Pellervo 2012–present	• Member of the Board of Directors of Nautasuomi 2021-present • Chair of the Board of Directors of Lihakunta 2019–present • Member of the Board of Directors of Lihakunta 2013–present • Member of the Board of Directors of Kainuun maa- ja metsäsäätiö 2013–present
Past key positions of trust	• Member of the Supervisory Board of Atria Plc 2006–2012, • Deputy Chair of the Supervisory Board of Atria Plc 2009–2012 • Member of the Co-operative Advisory Committee of Pellervo Confederation 2012–2017	• Deputy Chair of the Board of Directors of Lihakunta 2016–2019 • Councillor of the Sotkamo Municipal Council 2005–2017
Independence	Dependent of the company, independent of the significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2022	4,400	0
Share-based rights in the company	None	None
Attendance in meetings	16/16	16/16

Name	Nella Ginman-Tjeder	Jukka Kaikkonen
		
Year of birth	1959	1963
Education	M.Sc. (Econ.)	Agrologist
Main occupation	Eira Hospital Ltd, Managing Director	Farmer, beef producer
Relevant work experience	• Ifolor Oy, Managing Director 2007–2014 • American Express, Country Manager 2004–2007	• Agricultural entrepreneur 1990–present • Salaojakeskus 1987–1990
Member of the Board since	2016	2020
Concurrent key positions of trust	• Member of the Board of Directors of Viking Malt Oy 2014–present • Member of the Board of Directors of Oy Indmeas Ab 2008–2022	• Member of the Board of Directors of Lihakunta 2019–present
Past key positions of trust	• Member of the Board of Directors of Stiftelsen Arcada 2010–2020 • Member of the Board of Directors of Tulikivi Corporation 2013–2015	• Deputy Chair and Member of the Supervisory Board of Lihakunta 2013–2019 • Member of the Supervisory Board of Atria Plc 2013–2019 • Chair of the Supervisory Board of Atria Plc 2017–2019
Independence	Independent of the company and significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2022	0	500
Share-based rights in the company	None	None
Attendance in meetings	16/16	16/16

Name	Leena Laitinen	Mika Joukio
		
Year of birth	1970	1964
Education	M.Sc. (Econ.)	M.Sc. (Tech.), MBA
Main occupation	President and CEO of Alko Inc. 2017–present	CEO of Metsä Board Corporation 2014-present
Relevant work experience	• Snellman Group, CEO 2014-2017 • SOK, Home Goods Trade Director 2009-2013 • SOK, Prisma Chain Director 2007-2009 • SOK, Managing Director of As Prisma Peremarket 2004-2007 • Keskimaa OSK, Director of Prisma 2000-2004 • Cooperative PeeÄssä, Director of Prisma 1997 – 2000	• Metsä Tissue Corporation, CEO 2012–2014 • M-real Corporation (today Metsä Board Corporation), Head of Consumer Packaging 2006–2012 • Metsä-Serla Corporation and M-real Corporation (today Metsä Board Corporation), various management positions 1990–2006
Member of the Board since	2021	2022
Concurrent key positions of trust	• Ilmarinen Mutual Pension Insurance Company, Member of the Board 2018-present • Viljava Oy, Member of the Board 2021-present • Chair of the Board of Directors of Viljava Oy 2022-present • The Central Union for Child Welfare, Chair of the Board 2022-	• Chair of the Finnish Forest Industries Trade Policy Committee 2022-present • Member of the Board of Directors of Metsä Fibre Oy 2014–present • Member of the Supervisory Board of Varma Mutual Pension Insurance Company 2019-present • Chair of the Board of Directors of Husum Pulp AB 2021–present
Past key positions of trust	• Service Sector Employers Palta, Member of the Board and Executive Committee 2019-2021 • Aava Health Services, Member of the Board 2017-2020 • Sponda Plc, Member of the Board 2014-2017 • Finnish Food and Drink Industries' Federation, Member of the Board 2014-2017	
Independence	Independent of the company and significant shareholders	Independent of the company and significant shareholders
Shareholding on 31 December 2022	0	0
Share-based rights in the company	None	None
Attendance in meetings	16/16	11/11

Name	Kjell-Göran Paxal	Ahti Ritola
		
Year of birth	1967	1964
Education	Agrologist	B.Ba. (Business Administration)
Main occupation	Farmer, piglet and pork producer	Farmer, beef producer
Relevant work experience	• Feed salesman, Oy Foremix Ab 1990–1997 • Primary Production Manager, Pohjanmaan Liha Co-operative 1990–1997	• Entrepreneur in agriculture, real estate and commerce since 1985
Member of the Board since	2012	2018
Concurrent key positions of trust	• Member of the Board of Directors of Pohjanmaan Liha Co-operative 2002– present • Deputy Chair of the Board of Directors of Pohjanmaan Liha Co-operative 2021–present • Chair of the Board of Directors of Oy Foremix Ab 2010–present • Member of the Board of Directors of A–Rehu Oy 2010–present • Chair of the Board of Directors of Ab WestFarm Oy 2010–present • Member of the Board of Directors of Oy Foremix Ab 2004–present	• Chair of the Board of Directors of A–Rehu Oy 2018–present • Member of the Board of Directors of Itikka Co–operative 2013–present • Chair of the Board of Directors of Itikka Co–operative 2018–present, • Member of the Board of Directors of Nautasuomi Oy 2021–present • Chair of the Board of Directors of Nautasuomi Oy 2021–present • Member of the Board of Directors of Pellervo Economic Research PTT 2019-present
Past key positions of trust	• Member of the Board of Directors of A-Farmers Ltd 2003–2021 • Chair of the Board of Directors of Pohjanmaan Liha Co-operative 2010–2020 • Debuty Chair of the Board of Directors of Pohjanmaan Liha Co-operative 2002–2009 • Deputy member of the Board of Directors of the Central Union of Swedish speaking Agricultural Producers in Finland 1999–2001	• Member of Itikka Co-operative's Representative Counsil 2001–2012 • Member of the Supervisory Board of Itikka Co-operative's 2012–2013 • Member of the Supervisory Board of Atria Plc 2013–2018 • Member of the Representative Counsil of South Ostrobothnia Co-operative Bank 2004–2017
Independence	Dependent of the company, independent of the significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2022	2,566	0
Share-based rights in the company	None	None
Attendance in meetings	15/16	16/16

The Board of Directors has deemed that the following members of the Board are dependent of Atria: Seppo Paavola, Jukka Kaikkonen, Ahti Ritola, Pasi Korhonen and Kjell-Göran Paxal. These members are either full-time farmers who have – or are members of the operative management of a company that has – a customer, supplier or cooperation relationship with Atria Group that is significant for the entrepreneur/company in question.

Of the Board members, Ahti Ritola is a member of the Board of Directors of Itikka Co-operative, a significant shareholder, and Pasi Korhonen and Jukka Kaikkonen are members of the Board of Directors of Lihakunta, a significant shareholder. They are therefore dependent of a significant shareholder. Seppo Paavola is a member of the Supervisory Board of Itikka Co-operative, a significant shareholder. Membership of the Supervisory Board of a significant shareholder alone has not been deemed to constitute dependence of a significant shareholder. The members of the Board of Directors are obliged to provide the Board with information sufficient to assess their skills and independence and to notify the Board of any changes to the information.

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

Diversity is part of Atria's responsible business operations. When planning the composition of Atria's Board of Directors and/or Supervisory Board, diversity is considered from a variety of perspectives, and the company's development needs and the scope of its business operations are taken into account.

When selecting the members of the Board of Directors and/or Supervisory Board, the goal is that the members' broad-based expertise and the composition of the Board support the development of Atria's current and future business operations. A constructively questioning and challenging Board of Directors and Supervisory Board create added value for the company's operations. This also brings diversity to their work. Atria seeks to promote the selection of members who are as qualified as possible and have broad and varied experience in various fields and to ensure that candidates of both genders have equal opportunities to be selected on the Board. Atria's goal is to ensure that both genders are represented on the Board of Directors and the Supervisory Board, and that the representative of the minority gender is given preference if two candidates are equally competent. In addition to the aforementioned areas, the selection considers the candidates' ability to spend a sufficient amount of time on their Board duties.

5.4.1. Diversity of the Board of Directors

The selection aims to ensure that the Board has core competence from a variety of fields within the value chain of Atria's business operations, a wide range of experience of entrepreneurship and business activities, as well as know-how and understanding of international business required by the company's strategy. Rather than every member of the Board being qualified in all of the aforementioned areas, the aim is that every Board member possesses some skills in one or more of the aforementioned areas. The diversity of the Board of Directors is furthermore supported by the members' other complementary skills, their training and experience from different occupational fields and industries, as well as by a consideration of the Board members' age and gender distribution. In addition to the aforementioned areas, the selection considers the candidates' ability to spend a sufficient amount of time on their Board duties.

5.4.2 Diversity of the Supervisory Board

When selecting members of the Supervisory Board, the goal is to consider their expertise in the meat industry and its various types of production. Diversity is also ensured by selecting members who represent various areas of Finland. In addition, the age and gender distribution of the members of the Supervisory Board are considered, along with other skills that support the Board's work.

5.4.3. Implementation of the diversity principles

To achieve the goals for the principles on diversity, the company has sought and seeks to actively communicate these goals to Atria's shareholders. During the 2022 financial year, two members of the Board of Directors were women, and the other members were men, meaning that the minority gender represented 25% of all Board members. During the 2022 financial year, two members of the Supervisory Board were women, and the other members were men, meaning that the minority gender represented 10% of all Supervisory Board members. The share of women in the Supervisory Board has grown compared to the previous year. The company's goal of both genders being represented has therefore been met. The company's other goals concerning the diversity of the Board of Directors and the Supervisory Board have also been met with regard to the Board members' in-depth knowledge of the meat business and commercial and industrial operations, and the Supervisory Board members' expertise in the meat industry and various types of production, as well as geographical representation.

6. Board Committees

The Board of Directors may decide to establish committees to handle duties designated by the Board. The Board confirms the committees' rules of procedure.

The Board of Directors has one committee: the Nomination and Remuneration Committee. The Board of Directors appoints the members of the Committee from among its members in accordance with the Committee's rules of procedure. The Committee has no autonomous decision-making power. The Board of Directors makes decisions on the basis of the Committee's preparations and proposals. The Committee reports regularly to the Board of Directors, which supervises the operations of the Committee.

The aim of the Nomination and Remuneration Committee is to prepare the CEO's, the Deputy CEO's and the management's terms of employment, ensure objective decisionmaking, promote the achievement of the company's goals through bonus schemes, increase the company's value and ensure that bonus schemes are transparent and systematic. The aim of the Nomination and

Remuneration Committee is also to ensure that the performance bonus systems are linked to the company's strategy and the results achieved.

The Nomination and Remuneration Committee has three (3) members. The Nomination and Remuneration Committee consists of the Chair, Vice Chair and one member of the Board of Directors elected by the Board in accordance with its rules of procedure. As an exception to recommendations 17 and 18 of the Corporate Governance Code, one (1) of the members of the Nomination and Remuneration Committee is independent of the company. The Nomination and Remuneration Committee is composed of members of the Board of Directors.

The Chair of the Nomination and Remuneration Committee is Seppo Paavola, and the other members are Pasi Korhonen and Nella Ginman-Tjeder. In 2022, the Nomination and Remuneration Committee met six times, and its members' average attendance was 100% as follows: Seppo Paavola 6/6, Pasi Korhonen 6/6 and Nella Ginman-Tjeder 6/6.

According to its rules of procedure, the Nomination and Remuneration Committee has the following duties:

- Preparing the nomination of the CEO and Deputy CEO
- Preparing the search for successors to the CEO and Deputy CEO
- Preparing the terms of the service contracts of the CEO and Deputy CEO for the Board of Directors to decide on
- Preparing the remuneration, fees and other employment benefits of the directors who report to the CEO and bringing them before the Board of Directors
- Preparing the forms and criteria of the bonus and incentive schemes of top management and bringing them before the Board of Directors
- Preparing the content and group assignments of the pension programmes of the company's management and bringing them before the Board of Directors
- Submitting its statement on the bonus arrangements for the entire personnel before their approval and assessing their functionality and the achievement of the systems' goals
- If required, discussing possible interpretation problems related to the application of the approved bonus schemes and recommending a solution
- If required, reviews information to be published in the financial statements and, where applicable, in other bonus-related documents
- Preparing the remuneration policy and report for the Annual General Meeting, and presenting the remuneration policy and report at the Annual General Meeting and answering any questions concerning the policy and report with regard to the remuneration of the CEO and the Deputy CEO
- Performing other duties separately assigned to it by the Board of Directors.

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

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

7. CEO

The company's CEO in charge of managing its day-to-day operations in accordance with the instructions and orders issued by the Board of Directors and informing the Board of Directors of the development of the company's operations and financial performance. The CEO also is also responsible for ensuring the legality of the company's accounting and the reliability of asset management. The CEO is appointed by the Board of Directors, which decides on the terms of their service contract.

Since March 2011, Atria's CEO has been Juha Gröhn, MSc (Food Sc). Atria also has a Deputy CEO. Tomas Back has served as Deputy CEO since 2018. Atria Board of Directors decided on 30th November to appoint M.Sc. (Econ.), MBA Kai Gyllström as the new CEO of Atria Group as on 1 June 2023, as Juha Gröhn retires on 31 May 2023.

8. Management Team

Atria Group has a Management Team chaired by the CEO. The Management Team assists the CEO in planning the operations and in operational management. The duties of the Management Team include, among others, preparing strategic plans and putting them into practice, handling significant projects and organisational changes, as well as reviewing and implementing the Group's risk management measures in their respective areas of responsibility. In 2022, the Management Team met nine times.

Management Team on 31 December 2022

Name	Juha Gröhn, CEO	Tomas Back, CFO, deputy CEO, Executive Vice President, Atria Denmark
		
Joined Atria in	1990	2007
Year of birth	1963	1964
Education	M.Sc. (Food Sc.)	M.Sc. (Econ)
Relevant work experience	• CEO, Atria Plc 2011–present • Managing Director of Atria Scandinavia Ab; Vice President of Atria Plc 2010–2011 • Managing Director of Atria Finland Ltd; Vice Managing Director of Atria Plc 2006–2010 • Director for Meat Industry and Vice Managing Director, Atria Ltd 2004–2006 • Director for Steering and Vice Managing Director, Atria Ltd 2003–2004 • Director for Slaughterhouse Industry and Vice Managing Director, Atria Ltd 1999–2003 • Director, Meat Products and Convenience Food Industries, Atria Ltd 1993–1998 • R&D Manager Itikka-Lihapolar 1991–1993 • Foreman Lihapolar 1990–1991	• CFO, Deputy CEO Atria Plc, Executive Vice President Atria Denmark 2018–present • Executive Vice President, Atria Scandinavia 2011–2017 • Executive Vice President, Atria Baltic 2010–2011 • CFO, Atria Plc 2007–2011 • CFO, Huhtamäki Americas / Rigid Europe 2003–2007 • Financial Manager/CFO, Huhtamäki Oyj 1996–2002 • Financial Manager, Huhtamäki Finance Oy, Lausanne 1990–1995
Concurrent key positions of trust	• Member of the Board of Directors of Finnish Food and Drink Industries' Federation (ETL) 2012– present • Member of the Board of Directors of Laihian Mallas 2018–present • Member of the Board of Directors of China Office of Finnish Industries 2022-present •	
Past key positions of trust	• Chair of the Board of Directors of Finnish Food and Drink Industries' Federation (ETL) 2013–2015 • Member of the Board of Directors of East Office of Finnish Industries Ltd 2011- 2021	• Member and Deputy Chair of the Board of Directors of Swedish Meat Industry Association 2012–2018 • Member of the Board of Directors of Swedish Food Federation 2012–2018 • Member of the Board of Directors of the Svensk Fågel Service Ab 2017–2018
Shareholding on 31 December 2022	30,879	4,372

Name	Mika Ala-Fossi, Executive Vice President, Atria Finland	Jarmo Lindholm, Executive Vice President, Atria Sweden
		
Joined Atria in	2000	2002
Year of birth	1971	1973
Education	Meat industry technician	M. Sc. (Econ.)
Relevant work experience	• Executive Vice President, Atria Finland 2011–present • Director, Convenience Food and Meat Product Production, Atria Finland 2007–2011 • Director, Poultry Business, Atria Finland 2006–2007 • Production Manager, Atria Ltd 2003–2006 • Unit Manager, Atria Ltd 2000–2003 • Foreman, Liha-Saarioinen Oy 1997–2000	• Executive Vice President, Atria Sweden 2018–present • Executive Vice President, Atria Russia 2011–2017 • Group Vice President, Product Leadership, Atria Plc 2010–2011 • Group Vice President, Product Group Management and Product Development, Atria Plc, Commercial Director, Atria Finland Ltd, 2005–2010 • Marketing Manager, Atria Ltd 2002–2005 • Account Manager, Marketing Manager, AC Nielsen 2000–2002 • Custom Service Manager & e-Business, Unilever Finland 1998–2000
Concurrent key positions of trust	• Member of the Board of Directors of Länsi-Kalkkuna Oy 2007–present • Chair of the Board of Directors of Honkajoki Oy 2015–present and Member of the Board of Directors 2011–present • Member of the Board of Directors of Nautasuomi Oy 2021–present	• Member of the Board of Directors of Swedish Food Federation since 2018–present • DLF, (Dagligvaruleverantörers Förbund), hallituksen jäsen 2022- • Member of the Board of Directors of KCF (Svenska Kött & Chark Företagen) 2020–2022
Past key positions of trust		• Member of the Board of Directors of the East Office of Finnish Industries 2012–2018
Shareholding on 31 December 2022	3,432	3,512

Name	Olle Horm Executive Vice President, Atria Estonia	Lars Ohlin Executive Vice President, Human Resources
		
Joined Atria in	2012	2007
Year of birth	1967	1958
Education	Engineer	B.A. (International Business Administration)
Relevant work experience	• Executive Vice President, Atria Estonia 2018–present • Executive Vice President, Atria Baltic 2012–2017 • Chair of the Board, Maag Meat Industry 2009–2012 • Chair of the Board, Skanska EMV AS 2008–2009 • Chair of the Board, Rakvere Lihakombinaat AS 2000–2008 • Head of transportation and equipment department, EMV AS 1998–1999 • Management and development duties, EK AS 1992–1998	• Executive Vice President Human Resources, Atria Plc 2016–present • Senior Vice President Human Resources, Atria Scandinavia 2014–2016 • General Manager, Ridderheims & Falbygdens (Atria Deli) 2010–2014 • Business Development Director, Atria Scandinavia 2007–2010 • Business Development Director, Sardus 2000–2007 • Business Area Director, Nationalencyklopedin 1997–2000 • Vice Managing Director, Forte 1995–1997 • Market Development Director, Master Foods Finland and Baltics 1992–1995 • Human Resource Director, Master Foods Sweden and Finland 1988–1992 • Product Manager, Master Foods Sweden 1987–1988 • Product Manager, Findus/Nestlé 1984–1987
Concurrent key positions of trust	• Member of the Board of Directors of the Estonian Food Industry Federation • Member of the Board of Directors of the Estonian Pig Breeders' Association	
Past key positions of trust		
Shareholding on 31 December 2022		3,002

Name	Pasi Luostarinen Executive Vice President, Marketing & Market Insight	Merja Leino Executive Vice President, Sustainability
		
Joined Atria in	2000	1996
Year of birth	1966	1960
Education	M.Sc. (Econ)	PhD (Food Chemistry)
Relevant work experience	• Executive Vice President Marketing & Marketing Insight, Atria Plc 2016–present • Senior Vice President Marketing & Product Development, Atria Finland 2011–2016 • Group Vice President Brand Management & Cold Cuts / Senior Vice President Meat Products, Atria Plc and Atria Finland 2007–2011 • Group Vice President Marketing & Product Development, Atria Plc 2006–2007 • Marketing Director, Atria Plc, Atria Finland and Atria Sweden 2000– 2006 • Marketing Director, Valio 1997–2000 • Trade Development Manager, British American Tobacco Nordic 1996–1997 • Key Account Manager/ Category Manager, Fazer Makeiset Oy 1993– 1996 • Product Manager, Mallasjuoma Oy 1991–1993	• Executive Vice President, Sustainability, Atria Plc 2019– present • Senior Vice President, Convenience Food Business, Quality, Food Safety and Sustainability, Atria Finland 2016–2019 • Senior Vice President, Poultry Business, Quality, Food Safety and Sustainability, Atria Finland 2011–2016 • Group Vice President, Quality, Product Safety and Food Business (poultry and convenience food), Atria Plc 2007–2011 • Director, Poultry Business, Quality and Product Safety, Atria Finland 2000–2007 • Director, Consumer Packed Meat, Quality Development and Product Safety, Atria Finland 1999–2000 • Product Development Director, Atria Finland 1996–1999 • National Coordinator, Elintarviketalouden Osaamiskeskus 1995–1996 • Packaging Developer / Packaging Manager, Unilever 1993–1995 • Researcher, University of Turku 1991–1993 • Product Developer, Huhtamäki, Jalostaja 1987–1991
Concurrent key positions of trust		• Chairman of the Board of Directors, Foodwest Oy 2005–present • Member of the Supervisory Board, Finnish 4H organization 2005–present
Past key positions of trust	• Member of the Board of Seinäjoen Tangomarkkinat Ltd 2019–2020 • Chair of the Board of Seinäjoen Tangomarkkinat 2019–2020	• Member of the Board of Directors, Foodwest Oy 1996–2005
Shareholding on 31 December 2022	4,456	4,015

9. Remuneration

Atria has prepared a remuneration report in compliance with the Corporate Governance Code that came into effect on 1 January 2020. The statement is available on the company's website at www.atria.com (Investors > Corporate Governance).

10. Internal control, risk management and internal audit

10.1 Internal control

The purpose of internal control within the Atria Group is to support the implementation of Atria's strategy and the achievement of its goals, and to ensure Atria's operations´ appropriateness and efficiency and the reliability of financial reporting. Internal control also ensures compliance with legislation, regulations, agreements and Atria's values, as well as internal procedures and principles.

Atria has strategic and annual financial goals which steer the entire Group's operations. These goals are set to all business areas, and they have been approved as part of the strategy process or the annual goal-setting process. The achievement of the financial goals is monitored on a monthly, quarterly and yearly basis.

Atria uses Group policies, principles and guidelines for internal control and related steering. The company ensures compliance with the guidelines and rules by providing training. In addition, internal control is supported by internal audit and risk management. Approval procedures, user rights and controls are also part of internal control.

The reliability of financial and business reporting is ensured through the documentation of financial processes and by means of financial management guidelines, as well as control practices and the related guidelines. The control practices consist of both preventive and investigative measures. Typical control practices include approval procedures, verification, reconciliation, operational inspections, the protection of assets, the separation of jobs and the administration of user rights.

The Group's CEO and Board of Directors are responsible for the appropriate organisation of internal control. The Board of Directors is responsible for ensuring that Atria has internal control principles and their governance and monitoring in place. Each business area is responsible for arranging effective and appropriate control procedures.

10.2 Risk management

Risk management supports the implementation of Atria's strategy and the achievement of its goals, as well as organisation developing in the operating environment defined in Atria's strategy. Risk management also aims to prevent unfavourable events and safeguard business continuity.

Atria defines risk as the impact of uncertainty on the company's objectives. Risks can cause positive or negative deviations from set goals. For reporting purposes, Atria's risks are divided into four categories: strategic risks, operational risks, liability risks and financial risks. Risks are also divided into internal and external risks depending on whether they are posed by factors external to the Group or by internal factors. Risk management is guided by the company's risk management policy, which has been approved by the Board of Directors, and by the ISO 31000 and ISO 31010 standards as applicable. The recommendations of the Securities Market Association (SMA) for listed companies have also been observed in the arrangement of risk management. The risk management policy specifies Atria's risk management goals, principles, responsibilities and authorisations, along with the principles of risk assessment and reporting. More detailed guidelines for operating methods concerning risk identification and reporting are provided in Atria's risk management process guidelines.

Risk management is part of Atria's day-to-day business operations, and risk management enables the company to consider the impact of uncertainty on its operations when making decisions. Risk management at Atria Group is based on consistent risk identification, assessment and reporting, and risk management is part of the annual planning process. Communication related to risks complies with the Group's communication plan. Risks are managed in accordance with the specified approved principles in all business areas and Group operations.

The Board of Directors approves the Risk Management Policy and any changes to the policy, and supervises the implementation of the principles specified in the policy. The Group's CEO is responsible for the appropriate organisation of risk management at Atria, and the CFO sees to the development of the risk management and reporting framework.

Board of Directors and the members of the Group's Management Team are responsible for identifying and assessing strategic risks and for implementing risk management in their respective areas of responsibility. The management teams of the business areas are responsible for identifying and assessing operational risks and for implementing risk management in their respective business areas. The Group's Treasury Committee is responsible for identifying and assessing financial risks and for implementing risk management throughout the Group.

When preparing an annual plan for internal audit, key observations from the risk assessments made as part of the Group's planning process are taken into account. Every Atria employee is responsible for identifying and assessing risks associated with their work and any other risks that they encounter, and for drawing attention to and preventing such risks.

Major risks and uncertainties known to the Board of Directors are discussed in more detail in the Board of Directors' report under 'Risk management at Atria'.

10.3 Internal audit

Internal Audit evaluates and inspects the effectiveness of the Group's internal control system, the relevance and efficiency of the activities, and compliance with guidelines. It also aims to promote the quality of operations and the process, ensure the achievement of Atria's goals and the effectiveness of risk management and highlight best practices and development opportunities in various functions.

Internal Audit assesses the following areas:

- Accuracy and adequacy of financial information
- Compliance with operating principles, guidelines and regulations
- Protection of property against losses
- Economical and efficient use of resources
- Implementation of changes
- Measures resulting from changes in the operating environment
- Opportunities provided by various practices and the utilisation of best practices

The results of internal auditing are documented and discussed with the audited area of operation and Group management. A summary of the audit results is presented to the Board of Directors at least once a year. Regular discussions are held with the auditor to ensure that the audit activities cover a sufficiently wide range of operations and to avoid overlapping audit operations.

The Board of Directors approves the annual plan for internal auditing. The preparation of the audit plan is guided by risk management, issues identified as part of the Group's internal reporting, goals related to improving the quality and efficiency of the operations, and current issues in the company's operating environment. Atria's Group Control function is responsible for internal auditing in cooperation with an external service provider. Where necessary, separate studies commissioned by the Board of Directors or the Group's management will be conducted.

11. Auditing

In line with its Articles of Association, the company has one (1) auditor. Its auditor must be an audit firm approved by the Finnish Patent and Registration Office. The auditor's term of service ends at the close of the Annual General Meeting following their election.

The auditor is responsible for auditing the Group's accounts, its financial statements, and administration.

The auditor provides Atria's shareholders with an auditor's report in accordance with the law, in connection with the company's financial statements, reports regularly to the Board of Directors and management, and presents the audit plan. The auditor participates in a Board meeting at least once a year.

PriceWaterhouseCoopers Oy Ab, were appointed as the company's Auditor on 3 May 2022, with Authorized Public Accountant Mr. Samuli Perälä as the principally responsible auditor, until the end of the next Annual General Meeting. Remuneration is paid to the auditor according to an invoice approved by the company.

Auditor's remuneration for the 2022 financial year

In 2022, the Group paid EUR 346,000 to PricewaterhouseCoopers Ltd. as the auditor's remuneration. For non-audit services, EUR 12,000, was paid in 2022.

12. Insider policy

Atria complies with Nasdaq Helsinki Ltd's Guidelines for Insiders. In addition, Atria's Board of Directors has confirmed Atria's insider guidelines, which complement other insider guidelines and include instructions concerning insiders and insider administration. The company's insider guidelines have been distributed to all persons discharging managerial duties as defined by the company, as well as to the people involved in the preparation of financial reporting. The guidelines are also available on the company's intranet.

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) has been applied since 3 July 2016. Atria has not established a permanent insider register. Insider information is managed by means of project-specific insider registers that are established and maintained as needed. All projectspecific insiders are informed about their insider status in writing and provided with the appropriate insider instructions.

Atria has determined that the members of the Board of Directors, the members of the Supervisory Board, the CEO, the Deputy CEO and the CFO satisfy the definition of personnel discharging managerial duties with a notification obligation. The company maintains a list of the personnel discharging managerial duties and their related parties.

The company maintains registers of managers subject to the notification obligation and their related parties, as well as of Atria's project-specific insiders when necessary. The company's legal department and CFO monitor compliance with the insider guidelines. The right of personnel discharging managerial duties and involved in the preparation of financial reporting to trade in the company's financial instruments has been restricted in such a way that the aforementioned people may not trade in the company's shares 30 days prior to the publication of an interim report and a release of the financial statements and further should the period between the end of a review period and the publication of the report/release exceed 30 days.

13. Related-party transactions

Atria's business operations may include regular business transactions with its related parties. The ordinary business activities of Atria Group's primary production companies may include the sale and purchase of animals, grain and feed to and from people included in Atria's related parties. In addition, Atria Group's companies may purchase and sell services and raw materials from and to companies included in Atria's related parties.

The company has defined its related parties and maintains a list of such related parties. The related parties have been provided with the necessary guidelines. Each person included in Atria's related parties is responsible for ensuring that Atria has up-to-date information about their related parties. The company updates its list of related parties at least once a year by sending an information request to the people included in its related parties. The communities included in Atria's related parties are checked in connection with this.

Decision-making guidelines have been prepared for business transactions with related parties. These guidelines enable Atria to identify related party transactions and the related requirements and to assess in advance whether the transaction is part of is ordinary business activities. The purpose of the guidelines is to ensure the careful preparation of related party transactions and the acquisition of any reports, statements and/or assessments necessary for the preparation, as well as decision-making in accordance with the disqualification regulations.

Atria has a monitoring and reporting system for related party transactions, and control measures are also targeted regularly at related party transactions. Related party transactions are reported annually to the Board of Directors to ensure that the transactions are part of the company's ordinary business activities and are conducted on market terms.

14. Communications

The aim of Atria's investor communications is to ensure that the markets have accurate and sufficient information to determine the value of Atria's shares at all times. Another aim is to provide the financial markets with comprehensive information to enable active participants in the capital markets to create an overview of Atria as an investment.

Silent period

Atria has established a silent period for its investor relations communications. The silent period covers 30 calendar days prior to the publication of interim reports and annual reports and, if there are more than 30 days between the end of the review period and the publication of the report/release, the period in question. Atria will not issue any statements on its financial standing during this period.

Investor information

Atria publishes financial information in real time on its website at www.atria.com. The website contains annual reports, interim reports, and press and stock exchange releases. Information about the company's largest shareholders is updated regularly on the website. The disclosure policy approved by Atria's Board of Directors describes the key principles and procedures followed by Atria as a listed company in its communications with the media, capital markets and other stakeholders. Atria's disclosure policy is available in its entirety on the company's website at www.atriagroup.com, under Investors, Disclosure Policy.

Remuneration report 2022

This Remuneration Report includes information concerning the remuneration of the Board of Directors, Supervisory Board, CEO and deputy CEO of Atria Plc during 1 January 2022 – 31 December 2022. This Report describes the remuneration of our governing bodies according to Finnish Securities Market Act, Liability Companies Act and Corporate Governance Code 2020 published by Finnish Securities Market Association.

1. Shortly about our Remuneration Policy

The Remuneration Policy of Atria Oyj was presented for the Annual General Meeting held on April, 29, 2020. The Policy is applied until the Annual General Meeting in 2024, unless the Board decides to bring it to the General Meeting earlier.

The objective of remuneration in Atria is to attract, motivate and retain the right people capabilities and leadership necessary to achieve performance and strategic goals. The structure of the total remuneration should be aligned with the long-term value creation of Atria, the business strategy, the financial results as well as the employee's contribution. Remuneration is based on predetermined and measurable performance and result criteria.

The long-term goal of Atria is to secure and improve profitability, boost growth and increase the Company's value. Remuneration at Atria aims to promote the Company´s long-term financial success, competitiveness and the favourable development of shareholder value. Remuneration is based on performance, results and contribution to Atria. Remuneration should be understandable, consistent, transparent, internally fair and non-discriminating. Remuneration complies with statutory regulations and good corporate governance.

During 1 January 2022 - 31 December 2022 Atria has followed its Remuneration Policy and the Policy has been seen to support our long term targets well. In the remuneration policy, it is described that the board can, based on its own discretion, temporarily deviate from any part of the policy, on the recommendation of the nomination and remuneration committee, e.g. in connection with the change of CEO or deputy CEO. According to the Remuneration Policy, the temporary deviation must be explained in the annual remuneration report. If it has been decided to deviate from the policy, and the deviation is not considered temporary, the company will present the revised policy to the next annual general meeting.

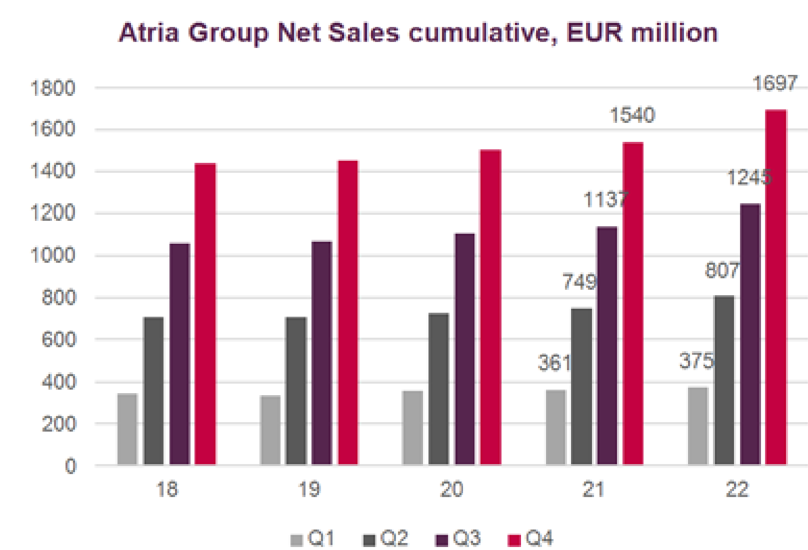
2. Shortly about the remuneration in 2022

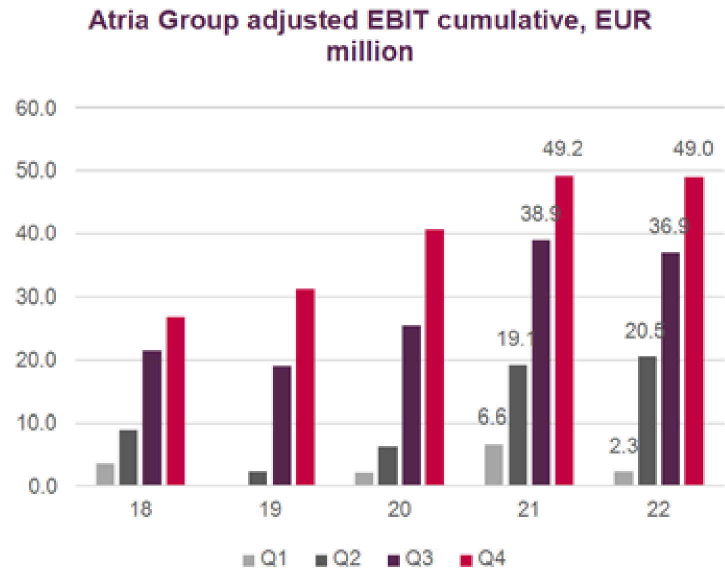
No major changes have been made in the remuneration of Board of Directors' or Supervisory Board's or CEO's or Deputy CEO's remuneration during 2022. Minor salary increases have been made in line with the market development. No changes have been made in the STI or LTI conditions. Atria's Board of Directors has temporarily deviated from the Remuneration policy in connection with the selection of a new CEO, and the deviation is described in more detail in section 6 of this report. In other respects, the policy has not been deviated from during 2022 and no remuneration recovery has been done.

3. Development of Atria's financial performance and remuneration

In terms of growth and earnings, 2022 was strong for Atria. Atria's net sales rose to EUR 1,697 million, an increase of EUR 156 million on the previous year. In terms of results, the year 2022 is better than what the situation looked like especially in the winter and spring. Adjusted EBIT was EUR 49.0 million.

Remuneration for Atria's governing bodies and remuneration per FTE during past five years is described below.





Paid remunarations, EUR	2018	2019	2020	2021	2022
Supervisory Board	102,600	111,300	101,800	114,900	134,700
Board of Directors	347,300	345,100	337,850	332,700	351,400
CEO	744,301	735,964	758,257	939,995	991,110
Deputy CEO	338,543	406,314	426,949	504,929	511,657
Remuneration per FTE *	43,791	44,852	46,146	55,723	55,382

* Remuneration paid to the personnel of the subsidiaries sold in 2022 and 2021 are not included in the reported figures.

4. Remuneration of the members of the Supervisory Board

The Annual General Meeting 2022 decided on the remuneration of the members of the Supervisory Board, on the basis of the proposal prepared to the Annual General Meeting by the Shareholders' Nomination Board as follows:

- Meeting compensation: EUR 300/meeting
- Compensation for loss of working time: EUR 300 for meeting and assignment dates
- Fee of the Chairman of the Supervisory Board: EUR 1,500/month
- Fee of the Deputy Chairman of the Supervisory Board: EUR 750/month
- Travel allowance according to the Company's travel policy.

Meeting compensation and compensation for loss of working time is paid for meetings of Supervisory Board and for Chairman and Deputy Chairman for those Board of Director`s meeting where they attend to carry out the tasks of Supervisory Board. The members of the Supervisory Board have no share incentive plans or share-based bonus schemes, nor are they entitled to any other financial benefits besides the remunerations decided on by the Annual General Meeting.

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In 2022 monthly fees and meeting fees paid to the members of the Board of Directors (including being a member of the Board of another company that is part

The members of the Supervisory Board	Atria Plc		A-Farmers Ltd		A-Rehu Oy		Total
	Monthly fees	Meeting fees	Monthly fees	Meeting fees	Monthly fees	Meeting fees	
Halonen Jyrki, chairman	18,000	4,500					22,500
Anttikoski Juho, deputy chairman	9,000	4,500					13,500
Asunmaa Mika		2,400		5,100			7,500
Haarala Lassi-Antti		2,400					2,400
Herrala Mika		2,700					2,700
Hyttinen Veli		2,700			7,800	3,600	14,100
Ingalsuo Pasi		3,000		5,100			8,100
Joki-Erkkilä Jussi		2,100					2,100
Juuse Marja-Liisa		2,700					2,700
Kiviniemi Juha		2,400					2,400
Lahti Risto		1,200					1,200
Lajunen Ari		3,300					3,300
Lapatto Vesa		2,700					2,700
Nikkola Juha		2,400					2,400
Niku Mika		2,700	15,600	5,100			23,400
Panula Heikki, until 2 May 2022		300					300
Pöyhönen Ari		3,000					3,000
Rantala Suvi, as of 3 May 2022		2,100					2,100
Sairanen Risto		3,000	5,100	5,100			13,200
Sandberg Ola		2,400					2,400
Tuhkasaari Timo		2,700					2,700

5. Remuneration of the members of the Board of Directors

The Annual General Meeting 2022 decided on the remuneration of the members of the Board of Directors, on the basis of the proposal prepared to the Annual General Meeting by the Shareholders' Nomination Board as follows:

- Meeting compensation: EUR 300/meeting
- Compensation for loss of working time: EUR 300 for meeting and assignment dates
- Fee of the Chair of the Board of Directors: EUR 4,800/month
- Fee of the Deputy Chair of the Board of Directors: EUR 2,600/month
- Fee of members of the Board of Directors: EUR 2,200/month
- Travel allowance according to the Company`s travel policy.

Meeting compensation and compensation for loss of working time is paid for members of Board of Directors beside of Board meetings also for meetings of Remuneration and Nomination Committee and those meetings of Supervisory Board where Board members attended. Remuneration is handled in the form of monetary compensation. The members of the Board of Directors have no share incentive plans or share-based bonus schemes, nor are they entitled to any other financial benefits besides the remunerations decided on by the Annual General Meeting.

In 2022 monthly fees and meeting fees paid to the members of the Board of Directors (including being a member of the Board of another company that is part of the same Group) were as follows:

The members of the Board	Atria Plc		A-Farmers Ltd		A-Rehu Oy		Total
	Monthly fees	Meeting fees	Monthly fees	Meeting fees	Monthly fees	Meeting fees	
Paavola Seppo, chairman	57,600	15,900					73,500
Korhonen Pasi, deputy chairman	31,200	14,700					45,900
Ginman-Tjeder Nella	26,400	8,400					34,800
Joukio Mika, as of 3 May 2022	17,600	3,600					21,200
Kaikkonen Jukka	26,400	9,600					36,000
Laitinen Leena	26,400	5,400					31,800
Moisio Jukka, until 2 May 2022	11,000	1,800					12,800
Paxal Kjell-Göran	26,400	9,600				3,600	39,600
Ritola Ahti	26,400	10,200			15,600	3,600	55,800

6. Remuneration of CEO and deputy CEO

The remuneration of Atria Plc's management aims to promote the company's long-term financial success and competitiveness and the favorable development of shareholder value.

The remuneration of the CEO and the Deputy CEO consists of base salary (including fringe benefits), short-term incentive (STI) and long-term incentive (LTI), pension and other benefits. The pension arrangement is payment based and the amount of pension is based on the annual earnings of CEO as decided by the Board of Directors of Atria. The amount of the pension is based on the monetary salary and fringe benefits without short- or long-term incentives. For the members of Atria Group Management Team, belonging to Finnish social security, there has been agreed a group pension arrangement accepted by the Atria Board of Directors. The retirement age based on the group pension arrangement is at least 63 years. According to the pension arrangement agreement, if the legislation concerning pension changes, the retirement age is altered. CEO and Deputy CEO have nevertheless the right with certain conditions to retire at the age of 60. The pension arrangement is payment based and the amount of pension is based on the annual earnings as decided by the Board of Directors (including monetary salary and fringe benefits without cash payments of incentive schemes).

The CEO's period of notice is six months for both parties. If the Company terminates the contract, the CEO is entitled to the salary for the period of notice and severance pay, which together correspond to 18 months' salary. There are no terms and conditions for any other compensation based on the termination of employment. The Deputy CEO's period of notice is six months for both parties. If the Company terminates the contract, the Deputy CEO is entitled to the salary for the period of notice and severance pay, which together correspond to 14 months' salary. There are no terms and conditions for any other compensation based on the termination of employment. The remuneration of the new CEO, Kai Gyllström, will also follow the principles described above. Temporarily deviating from the remuneration policy, Kai Gyllström was additionally paid a one-time signing bonus of 200,000 euros in connection with the signing of the CEO contract in 2022. The purpose of the award is to replace Gyllström's fees, which Gyllström has to give up when he leaves his former employer.

Short-term incentive plan

The maximum amount of bonus pay under Atria's short-term incentive plan is 25 to 50% of the annual salary, depending on the effect on the results and the level of competence required for the role. The criteria in the bonus pay plan are the performance requirements and net sales at Group level and in the area of responsibility of the person concerned

Long-term incentive plans

In 2020, Atria Plc's Board of Directors decided on the long-term incentive program for management and key personnel for the period 2021-2023. The programme is principally the same as in 2018–2020. The purpose of the share-based incentive plan is to encourage Atria's management to acquire the company's shares and to increase the company's long-term value increase through its decisions and operations.

The programme is based on incentives paid in shares and cash, and it is divided into three earnings periods of one year, with the first earning period was 1 January 2021-31 December 2021 and the second earning perio 1 January 2022-31 December 2022. The bonuses, partly in the form of shares in the company and partly in cash, will be paid in three equal instalments during the following three years after the earning period. The cash sum is intended to cover the taxes and tax-like fees arising from the bonus. The potential reward of the plan is based on the company's earnings per share EPS (70%) and organic growth (30%). If the person's employment or business relationship ends before the reward is paid, the reward may not be paid.There are no restrictions regarding the ownership of paid shares.

The total paid salary for CEO during 2022 was EUR 874,030 and for deputy CEO EUR 449,227. The proportion of variable remuneration actually paid in 2022 was 35% for the CEO and 28% for the Deputy CEO of the total paid remuneration.

The remuneration of the CEO and the deputy CEO in 2022 was as follows:

Element	CEO	Deputy CEO
Base salary (including fringe benefits)	EUR 569,403	EUR 321,563
Pension benefits	EUR 117,080	EUR 62,430
2022 paid short-term incentives 2022 earned short-term incentives	EUR 154.927 (paid in 2022) EUR 155,483 (earned in 2022)	EUR 91,711 (paid in 2022) EUR 81,388 (earned in 2022)
2022 paid long-term incentives	EUR 149,700 EUR 90,201 paid in cash + 5,771 shares at EUR 10.31 / 22 March 2022, cash and shares both earned based on earning periods 2019, 2020 and 2021.	EUR 35,953 EUR 21,663 paid in cash + 1,386 shares at EUR 10.31 / 22 March 2022, cash and shares both earned based on earning periods 2019, 2020 and 2021.
In years 2020, 2021 and 2022 earned long-time incentives, not paid	EUR 435,513 Earned from earning periods 2020, 2021, 2022. Total value 47,287 shares (part of the shares is given as cash equivalent), with share value EUR 9.21 (share value per 31 December 2022, total value EUR 435,513. Shares/cash equivalent will be paid in 2023.	EUR 104,534 Earned from earning periods 2020, 2021, 2022. Total value 11,350 shares (part of the shares is given as cash equivalent), with share value EUR 9.21 (share value per 31 December 2022), total value EUR 104,534. Shares/cash equivalent will be paid in 2022, 2023 and 2024.
Other benefits	No other benefits during 2022	No other benefits during 2022

Financial communications

The aim of Atria's investor reporting is to ensure that the market has at all times correct and sufficient information available to determine the value of Atria's share. In addition the aim is to provide the financial markets with versatile information, based on which those active in the capital markets can form a justified image of Atria as an investment object.

Atria has established a silent period for its investor relations communications; this period covers 30 calendar days prior to the publication of interim reports and annual reports and, if there are more than 30 days between the end of the review period and the publication of the report/release, the period in question. Atria will not issue any statements on its financial standing during this period.

Investor information

Atria publishes financial information in real time on its web pages at www.atria.com. Here you can find annual reports, interim reports and press and company announcements. The company's largest shareholders and insiders as well as their holdings are updated regularly to the web pages.

Company announcements

Atria Plc published a total of 25 company announcements or investor news in 2022. The releases can be found on the Atria Group website www.atria.com.

Disclosure policy

The disclosure policy approved by the Atria Board of Directors describes the key principles followed by Atria as a listed company in its communications with the capital markets and other stakeholders. The disclosure policy is available in full on the company's website.

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