

ATRIA

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Atria Plc
Financial Statement Release 2022

1 January – 31 December 2022

Strong growth and stable results for Atria

October–December 2022

- Consolidated net sales totalled EUR 451.2 million (EUR 403.6 million).
- Consolidated adjusted EBIT was EUR 16.7 million (EUR 10.3 million), or 3.7% (2.5%) of net sales.
- Consolidated EBIT was EUR -34.5 million (EUR 12.6 million).
- The EBIT includes EUR 51.1 million of impairment losses recognised in Sweden, with no effect on cash flow.
- Group net sales increased due to stable retail and Foodservice sales volumes and sales price increases. Net sales grew in all sales channels.
- The increase in EBIT is resulted from improved net sales, which strengthened the EBIT especially in Finland.
- The costs of raw materials, supplies, energy and external services were significantly higher than in the comparison period.
- Atria Finland Ltd acquired 51% of the shares in Ab Korv-Görans Kebab Oy.
- Atria strengthens the competitiveness of its poultry business in Finland – poultry production to be centralised at the Nurmo plant.
- In December, Atria received a licence to export beef to Japan.
- Atria's climate targets were officially approved by Science Based Targets.
- Kai Gyllström was appointed CEO of Atria Plc as of 1 June 2023 – Juha Gröhn will retire.
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.70 (EUR 0.63) be paid for each share for the 2022 financial period.

January–December 2022

- Consolidated net sales totalled EUR 1696.7 million (EUR 1540.2 million).
- Consolidated adjusted EBIT was EUR 49.0 million (EUR 49.2 million), or 2.9% (3.2%) of net sales.
- Consolidated EBIT was EUR 0.1 million (EUR 6.4 million).
- Adjustments affecting EBIT totalled EUR -48.9 million. Adjustments not affecting cash flow totalled EUR -61.8 million (EUR -10.7 million of translation difference and EUR -51.1 million of impairment). EBIT includes capital gains a total of EUR 11.6 million and other incomes a total of EUR 1.3 million, both having an impact on cash flow.
- Adjustments to EBIT for the reference period totalled EUR -42.8 million and consisted of accumulated translation differences recognised in the income statement on the sale of the Russian subsidiary (OOO Pit-Product), EUR -45.1 million, and the refund of EUR 2.3 million in Swedish employment pension contributions.
- Net sales increased as a result of sales price increases and stable retail, Foodservice and feed sales volumes. Net sales strengthened in all sales channels except exports, which were affected by a reduction in export volumes to China.
- Higher costs weighed on the Group's EBIT.
- As part of Atria Sweden's efficiency improvement programme, Atria sold the Malmö industrial property in Sweden in April.
- In May, Atria withdrew from its business operations in Russia and sold its subsidiary engaged in the fast-food business there.
- In January 2022, Atria Finland received a licence to export poultry products to South Korea.

EUR million	Q4	Q4	Q1 - Q4	Q1 - Q4
	2022	2021	2022	2021
Net sales				
Atria Finland	344.4	293.2	1,265.3	1,105.7
Atria Sweden	86.3	92.7	356.2	351.7
Atria Denmark & Estonia	29.4	26.4	112.9	104.9
Unallocated*	0.0	0.2	0.0	15.0
Eliminations	-8.9	-8.9	-37.7	-37.1
Net sales, total	451.2	403.6	1,696.7	1,540.2
EBIT before items affecting comparability				
Atria Finland	20.3	10.6	49.4	48.1
Atria Sweden	-0.9	0.6	2.3	2.7
Atria Denmark & Estonia	-0.9	0.0	1.2	5.1
Unallocated*	-1.8	-0.9	-4.0	-6.8
Adjusted EBIT	16.7	10.3	49.0	49.2
Adjusted EBIT, %	3.7 %	2.5 %	2.9 %	3.2 %
Items affecting comparability of EBIT:				
Atria Sweden				
Refund of employment pension contribution**	0.0	2.3	1.3	2.3
Sale of real estate in Malmö**	-0.1	0.0	9.7	0.0
Impairment of goodwill and trademarks***	-51.1	0.0	-51.1	0.0
Unallocated				
Effect of the sale of subsidiary, Sibylla Rus***	0.0	0.0	-8.8	0.0
Effect of the sale of subsidiary, Pit-Product***	0.0	0.0	0.0	-45.1
EBIT	-34.5	12.6	0.1	6.4
EBIT, %	-7.6 %	3.1 %	0.0 %	0.4 %
Profit before taxes	-36.8	12.3	1.7	4.8
Earnings per share, EUR	-1.34	0.34	-0.19	-0.24
Adjusted earnings per share, EUR	0.36	0.26	1.43	1.27

* "Unallocated" consists of Group costs and Net sales and EBIT of the sold subsidiary in 2021.

** Included in other operating income.

*** Included in other operating expenses.

Juha Gröhn, CEO

"In 2022, Atria's net sales increased by almost EUR 160 million compared to 2021. The net sales were now EUR 1696.7 million (EUR 1540.2 million). This growth was necessary to maintain profitability. The adjusted EBIT was EUR 49.0 million (EUR 49.2 million). We can be satisfied with both the growth and the result.

In the fourth quarter of 2022, net sales increased to EUR 451.2 million (EUR 403.6 million) and adjusted EBIT was EUR 16.7 million (EUR 10.3 million). High cost inflation has affected consumer purchasing behaviour with consumers now choosing more affordable products in their shopping baskets. Atria's broad product range allows us to adapt well to changes in the shopping basket, and we have performed well with the current product portfolio in our various sales channels.



Cost increases have been exceptionally high, making it necessary to pass on the costs to selling prices. Atria and its customers reacted to the change in the market situation immediately after Russia invaded Ukraine. Previously agreed deals for the summer period were renegotiated and sales prices increased. If our customers had not agreed to the renegotiations and price increases, the situation would have become very difficult, especially for primary production. As sales prices rose, so did producer prices. Cost inflation will continue and a great deal of attention will be paid to cost and price management during the current year.

Measured in kilograms, the market for Atria's product groups in the retail sector contracted by around 3%. Foodservice sales, on the other hand, have recovered to pre-pandemic levels more quickly than expected. Atria's sales in kilograms to retail and Foodservice customers were at 2021 levels, which means that compared to the overall market development, we performed well. Fast food sales declined due to the divestment of Sibylla operations in Russia. Exports as a whole decreased due to a reduction in exports to China. In other export markets, trading was good. Sales volumes of the feed industry increased.

In value terms, the market for the products in which Atria is involved grew by around 6% in the retail sector, with stronger growth taking place in the second half of the year. The product group whose value grew the most is poultry products, but the sales of convenience food, meat and meat products also increased in euro terms. Our market position in Finland, Sweden and Estonia strengthened. In Denmark, we lost some market share.

The market situation and consumer behaviour are similar in all the countries where Atria operates. In the last quarter of the year, sales in October and November were in line with expectations, but Christmas sales were lower than in 2021. Rapid sales fluctuations are typical when households' confidence in their own economic situation is lower than usual.

Free cash flow in 2022 was negative, as expected, due to gross investments of more than EUR 130 million. Investments have progressed as planned. In Sweden, the logistics section of the Sköllersta plant in Örebro was completed at the turn of the year and is being commissioned. The investment in the Nurmo poultry plant is in the equipment installation phase. Due to the impact of cost inflation, almost EUR 40 million more money is committed to working capital than at the end of 2021.

The operating environment was challenging in the past year. Just as the coronavirus restrictions were being lifted, Russia started a war. In this context of recurrent crises, Atria's personnel have remained focused on their work and performed well. The same approach will be required in the year ahead."

October–December 2022

Atria Group's net sales for the October–December period were EUR 451.2 million (EUR 403.6 million). Consolidated adjusted EBIT was EUR 16.7 million (EUR 10.3 million), or 3.7% (2.5%) of net sales. Consolidated EBIT was EUR -34.5 million (EUR 12.6 million). Operating profit includes EUR 51.1 million of impairment losses recognised in Sweden, with no cash flow impact.

Group net sales increased due to stable retail and Foodservice sales volumes and sales price increases. Sales to Foodservice customers increased and the sales during the period under review were well above the pre-pandemic level. High cost inflation affected consumer behaviour, increasing the demand for more affordable products. The change in consumer behaviour has favoured the sales of Atria's diverse product range, especially in the retail sector.

Adjusted EBIT was better than in the corresponding period last year. The increase in EBIT resulted from higher net sales, which strengthened EBIT especially in Finland. The costs of raw materials, supplies, energy and external services were significantly higher than in the comparison period.

Atria recorded total impairment of EUR 51.1 million in Sweden. 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 projections 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 projected 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. The write-offs have no impact on cash flow or adjusted EBIT.

Atria's change negotiations initiated on 19 September 2022 in accordance with the Act on Co-operation within Undertakings regarding the improvement of the competitiveness of the poultry business at the Sahalahti plant were completed. In the changed operating environment and competitive and market situation, Atria aims to improve the competitiveness and profitability of its poultry business and increase the efficiency of its industrial operations. As a result of the negotiations, Atria will centralise its poultry production at the Nurmo plant and the Sahalahti plant will be closed in 2024. The negotiations concern the entire workforce of the Sahalahti plant, approximately 130 people. All those made redundant have been offered the opportunity to transfer to work at Atria's other plants in Finland. With these measures, Atria is aiming to achieve total annual savings of around EUR 5 million. The savings are expected to be realised from the end of 2024 onwards. The negotiations in accordance with the Act on Co-operation within Undertakings regarding the changes at the Nurmo poultry unit are still ongoing. The aim of these negotiations is to prepare for the commissioning of a new poultry plant and to prepare for the renewal of tasks and working practices.

Atria Finland Ltd acquired 51% of the shares in Ab Korv-Görans Kebab Oy. Korv-Görans Kebab makes frozen meat products and is Atria's longstanding partner as a contract manufacturer of kebab slices, cooked chicken products and other meat products made from Finnish raw materials. The acquisition is not estimated to have major impact on Atria's financial position or result.

In December, Atria received a licence to export beef to Japan. Atria has established customer relationships in Japan and exports are expected to start in summer 2023.

Juha Gröhn, Atria's long-time CEO, will retire on 31 May 2023. Atria Plc's Board of Directors has appointed Kai Gyllström, MSc (Econ.), MBA, as the new CEO of Atria Group as of 1 June 2023. Juha Gröhn will continue as CEO until his retirement.

January–December 2022

Atria Group's full-year net sales were EUR 1696.7 million (EUR 1540.2 million). Adjusted EBIT was EUR 49.0 million (EUR 49.2 million), or 2.9% (3.2%) of net sales. Consolidated EBIT was EUR 0.1 million (EUR 6.4 million).

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.

The EBIT includes a EUR 9.7 million sales gain from an industrial property located in Malmö and a EUR 1.3 million 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.

Cash flow was negative due to large investments and an increase in working capital.

As part of the efficiency programme initiated in 2020, Atria sold the industrial property in Malmö for approximately EUR 21 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, which is part of Cherkizovo Group. The sales 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.

News on sustainability: Atria's climate targets officially approved by Science Based Targets

The Science Based Targets Initiative (SBTi) has officially approved Atria's emission reduction targets. The targets are based on the Paris Climate Agreement and aim to limit global warming to 1.5 degrees Celsius globally. In the targets approved by SBTi, Atria commits to reducing the greenhouse gas emissions from its

own operations (Scopes 1 and 2) by 42% by 2030 from 2020 levels. The target for Scope 3 emissions includes emissions related to purchased goods, raw materials and services. The reduction target for Scope 3 emissions is 20% per tonne of meat processed by 2030.

The Atria feed plant in Koskenkorva, Ilmajoki, is investing in new technology for drying barley feed. The investment will bring energy savings of more than 85% compared to the previous equipment. The savings are based on the recovery and utilisation of heat and steam at the A-Rehu plant.

Atria was one of the first companies to join the food industry's material efficiency commitment in 2019 and is continuing its commitment in the new operating period 2022–2026. The material efficiency commitment aims to reduce the environmental impact of food production, distribution and consumption. Supporting the joint goals of the industry through the commitment, Atria has specified practical measures to further improve material efficiency in production processes, in addition to developing product and packaging solutions. Atria's aim is to improve its already high level of raw material utilisation and reduce material and food waste at all stages of each product's life cycle. In addition, Atria is committed to promoting consumer awareness of ways to reduce food waste.



Business development by area January–December 2022

Atria Finland

	Q4	Q4	Q1 - Q4	Q1 - Q4
EUR million	2022	2021	2022	2021
Net sales	344.4	293.2	1,265.3	1,105.7
EBIT	20.3	10.6	49.4	48.1
EBIT, %	5.9 %	3.6 %	3.9 %	4.4 %

Atria Finland's net sales during the October-December period were EUR 344.4 million (EUR 293.2 million). Net sales grew in all sales channels except exports, where they were at last year's level. The impact of cost inflation on consumer behaviour has favoured the sales of Atria's diverse product range, especially in the retail sector, and sales price increases in all channels strengthened net sales. Sales to Foodservice customers increased and the sales during the period under review were well above the pre-pandemic level. EBIT totalled EUR 20.3 million (EUR 10.6 million). EBIT was significantly higher than in the corresponding period last year, thanks to higher net sales, an improved sales structure and improved efficiency. The costs of raw materials, supplies, commodities and external services were significantly higher than in the comparison period. Among commodities, energy costs in particular increased. Meat producer prices were significantly higher than in the same period in the previous year.

January–December net sales amounted to EUR 1265.3 million (EUR 1105.7 million). The increase in net sales was driven by stable retail, Foodservice and feed sales volumes and sales price increases. The growth of Foodservice sales was boosted by the lifting of the COVID-19 restrictions on restaurants from the beginning of March. EBIT totalled EUR 49.4 million (EUR 48.1 million). Taking into account the changes in the operating environment, EBIT was stable. The increase in net sales strengthened EBIT. Costs for raw materials, consumables, 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.

The Finnish market in the last quarter of 2022 was characterised by strong consumer price increases in the product groups represented by Atria. The retail market in the product groups where Atria operates grew by 11.7% in value, while the Foodservice market grew by 16.0%. In terms of volume, the retail market contracted by 1.5%.

The growth in the consumption of convenience food, which has continued for several years, did not stop at the end of the year, with growth of 2.5% in volume and 12.6% in value. During the October–December period, Atria's supplier share of the retail market in its product groups was 27.6%.

The Foodservice market grew in September-November in all Atria's product groups. The highest growth took place in poultry products: 28% in value. Other product groups represented by Atria also grew by 13-17% in value. Atria's supplier share of the Foodservice market in October-December was 21.6%. (Source: Atria's market outlook, retail market 10-12/2022, Foodservice market 9-11/2022)

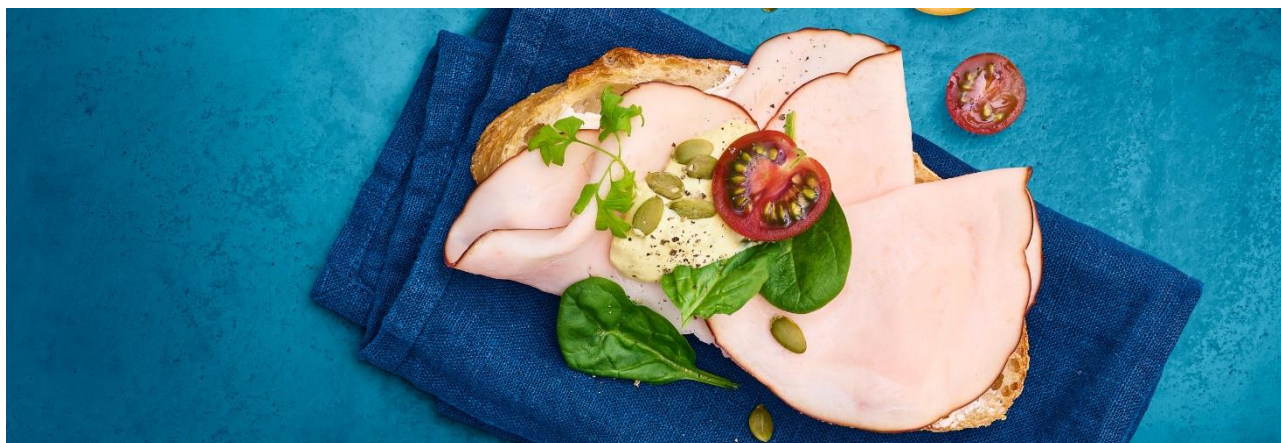
In January-December, the retail market for Atria's product groups grew by a total of 6.7% in value. Atria's share of the retail market for the product groups it represents was 25.1% and 21% in the Foodservice market. (Source: Atria's market outlook)

In January-December, exports decreased slightly in value compared to the previous year. Atria Finland's main countries of export are South Korea, Japan, Denmark, Sweden and China. 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. In December, Atria received a licence to export beef to Japan. Atria has established customer relationships in Japan and exports are expected to start in summer 2023.

Atria's change negotiations initiated in September in accordance with the Act on Co-operation within Undertakings regarding the improvement of the competitiveness of the poultry business at the Sahalahti plant were completed. As a result of the negotiations, Atria decided to centralise its poultry production at the Nurmo plant and the Sahalahti plant will be closed during 2024. The negotiations concern the entire workforce of the Sahalahti plant, approximately 130 people. All those made redundant have been offered the opportunity to transfer to work at Atria's other plants in Finland. Through these measures, Atria aims to improve the profitability of its poultry business, increase the efficiency of its industrial operations and achieve total annual savings of around EUR 5 million. The savings are expected to be realised from the end of 2024 onwards. The negotiations in accordance with the Act on Co-operation within Undertakings regarding the changes at the Nurmo poultry unit are still ongoing. The aim of these negotiations is to prepare for the commissioning of a new poultry plant and to prepare for the renewal of work tasks and working practices.

Atria acquired 51% of the shares in Ab Korv-Görans Kebab Oy in December. Korv-Görans Kebab makes frozen meat products and is Atria's longstanding partner as a contract manufacturer of kebab slices, cooked chicken products and other meat products made from Finnish raw materials. Atria's aim is to strengthen its position in the convenience food and Foodservice market. The acquisition will provide Atria with new opportunities to respond to the growth of the convenience food market and the development of the Foodservice markets and customers' wishes.

The construction of the new poultry plant is progressing according to plan. The first equipment installations will be carried out at the beginning of 2023, and the interoperability tests of the building services systems will start at the same time. Construction work will focus on the coating of walls and floors.



Atria Sweden

	Q4	Q4	Q1 - Q4	Q1 - Q4
EUR million	2022	2021	2022	2021
Net sales	86.3	92.7	356.2	351.7
Adjusted EBIT	-0.9	0.6	2.3	2.7
Adjusted EBIT, %	-1.0 %	0.7 %	0.7 %	0.8 %
Items affecting comparability of EBIT:				
Impairment of goodwill and brands	-51.1	0.0	-51.1	0.0
Refund of employment pension contribution	0.0	2.3	1.3	2.3
Sale of real estate in Malmö	-0.1	0.0	9.7	0.0
EBIT	-52.1	2.9	-37.8	5.0
EBIT, %	-60.4 %	3.2 %	-10.6 %	1.4 %

Atria Sweden's October–December net sales were EUR 86.3 million (EUR 92.7 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 12.5%. Sales price increases increased net sales. Adjusted EBIT was EUR -0.9 million (EUR 0.6 million). The constantly high raw-material, transport and energy costs brought down EBIT during the review period, and the increases in selling prices were not high enough to cover the increased costs.

EBIT was EUR -52.1 million (EUR 2.9 million). EBIT includes a total impairment of EUR -51.1 million: goodwill write-down of EUR 35.0 million and a brand write-down of EUR 16.1 million.

January–December net sales amounted to 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 increased 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. EBIT of the comparative period includes a EUR 2.3 million refund of an employment pension contribution.

In January–December, the sales value of Atria's product groups in the Swedish retail sector increased compared to the corresponding period last year. In terms of value, the sausage market grew by 4.1%, the cold cuts market by 3.6% and the poultry products market by 6.3%. Atria's year-on-year market shares in retail strengthened in all the product groups represented by the company. In January–December, Atria's supplier share was 20.3% in sausages, 13.3% in cold cuts and 19.1% in fresh chicken products. (Source: AC Nielsen).

Atria recorded total impairment of EUR 51.1 million in Sweden. 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 projections 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 projected cash flows have increased by approximately 2 percentage points. Due to the above reasons, Atria wrote down goodwill 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, Pastejkköket, 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 the brands by approximately EUR 16 million. The write-offs have no impact on cash flow or adjusted EBIT.

As part of the efficiency programme initiated in 2020, Atria sold the industrial property in Malmö for approximately EUR 21 million at the end of April. Atria will continue its industrial operations at the plant until its production in the premises will end during 2023. The transaction was completed on 26 April 2022. A non-recurring sales gain of EUR 9.7 million on the sale of the property was recognised.

In May, Atria divested its subsidiary Sibylla Rus LLC, engaged in the fast-food business, to Limited Liability Company Agricultural Complex Mikhailovsky, which is part of Cherkizovo Group. 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. The fast-food operations have been reported in the Atria Sweden segment.

The construction project for new production facilities at the Sköllersta factory in Örebro is progressing on schedule. Part of the production of cold cuts at the Malmö plant was transferred to the Horsens plant in Denmark in October. The remainder of the Malmö plant's production will be transferred to Sköllersta by autumn 2023.



Atria Denmark & Estonia

	Q4	Q4	Q1 - Q4	Q1 - Q4
EUR million	2022	2021	2022	2021
Net sales	29.4	26.4	112.9	104.9
EBIT	-0.9	0.0	1.2	5.1
EBIT, %	-3.2 %	0.0 %	1.1 %	4.9 %

Atria Denmark & Estonia's net sales in **October–December** were EUR 29.4 million (EUR 26.4 million). EBIT totalled EUR -0.9 million (EUR 0.0 million). Atria's net sales in Estonia grew by approximately 24% year-on-year as a result of increases in sales prices and sales volumes. In Denmark, net sales strengthened slightly, driven by sales price increases.

EBIT was weighed down by a sharp increase in energy and raw material 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. Households' purchasing power is being eroded by very high electricity and gas prices. The transfer of cold cuts production from Malmö to the Horsens plant in Denmark in October resulted in additional costs.

January–December net sales amounted to EUR 112.9 million (104.9 million). EBIT totalled 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, commodity costs and additional cost caused by the transfer of the production lines.

In 2022, Atria's total market share in the Estonian retail market in its product groups was 18.7% in terms of value. This represents an increase of about one percentage point compared to the total market share in the previous year. Atria's sales to Foodservice customers have returned to the pre-pandemic level of 2019. In Estonia, high inflation has weakened consumer purchasing power and increased sales of more affordable product groups in grocery shops and restaurants. In Denmark, Atria's share of the retail market in cold cuts fell to 16% in terms of value in 2022. Atria Denmark's exports of pizza toppings to the UK continued to be strong in 2022.

In Estonia, Atria's most successful new launch in 2022 was the Kodu product range. Kodu is the more affordable product line of the Maks&Moorits brand. Consumers' weakening purchasing power meant that lower-priced products sold best.

Atria's most successful product in Denmark for the second year in a row was Aalbaek Specialiteter sliced ham. Its sales have continued to be strong throughout the year.

Average number of personnel (FTE)

Personnel by Business Area average FTE	Q1 - Q4	Q1 - Q4
	2022	2021
Atria Finland	2,437	2,390
Atria Sweden	819	876
Atria Denmark & Estonia	442	445
Total	3,698	3,711

Financial position

Consolidated interest-bearing net liabilities on 31 December 2022 amounted to EUR 234.7 million (31/12/2021: EUR 152.6 million).

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 sustainability targets, with a maturity of five years and 1+1 year extension options. The sustainability targets for the loan are the reduction of carbon emissions and occupational accidents and the improvement of energy efficiency.

The Group's liquidity during the review period remained good. On 31 December 2022, the Group had undrawn committed credit facilities worth EUR 85.0 million (31/12/2021: EUR 85.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 4 years 1 month (31/12/2021: 4 years 11 months). At the end of the financial year, the share of the group's fixed interest rate debt of the entire loan portfolio was 25.7 percent (December 31, 2021: 17.0%).

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.

Business risks during the review period and in the short term

Atria's business, net sales and results may be affected by a number of uncertainties. Risk management and business risks are comprehensively described in Atria's Annual Report 2021, which can be found at www.atria.fi/en/group/investors/financial-information/annual-reports.

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 and 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 accelerated the rise, as Russia has been a major energy producer for Europe. The 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 increasing cybercrime and information system failures. The purpose of systematic monitoring is to ensure rapid responsiveness 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.

Outlook for the future

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

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

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

Board of Directors' proposal for profit distribution for 2022

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

Financial calendar and financial reporting in 2023

The Annual General Meeting of Atria Plc will be held on 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, Lökkisepäntie 23, FI-00620 Helsinki.

Atria Plc's Annual Report 2022 will be published in week 10/2023.

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

- Interim report January–March on 25/04/2023 at approximately 8:00 am
- Half-year report January–June on 20/07/2023 at approximately 8:00 am
- Interim report for January–September on 24/10/2023 at approximately 8:00 a.m.

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

Proposals of the Nomination Committee for the Annual General Meeting 2023

The Nomination Committee proposes to the General Meeting that a total of eight members be elected to the Board of Directors. The Nomination Committee proposes to the General Meeting that Seppo Paavola and Mika Joukio, who are due to resign, be re-elected as members of the Board of Directors.

The Nomination Committee proposes to the General Meeting that the remuneration of the members of the Board of Directors be raised. The proposed new remuneration is as follows:

- compensation for meetings: EUR 300 per meeting;
- compensation for loss of working time for meeting and proceeding days: EUR 300;
- fee payable to the Chairperson of the Board of Directors: EUR 5,000 per month;
- fee payable to the Deputy Chairperson: EUR 2,800 per month;

- fee payable to members of the Board of Directors: EUR 2,500 per month;
- travel expense compensation in accordance with the company's travel policy.

The Nomination Committee proposes to the General Meeting that the remuneration of the members of the Supervisory Board remain the same as in 2022. The fees and compensation for meeting expenses are as follows:

- compensation for meetings: EUR 300 per meeting;
- compensation for loss of working time for meeting and proceeding days: EUR 300;
- fee payable to the Chairperson of the Supervisory Board: EUR 1500 per month;
- fee payable to the Deputy Chairperson: EUR 750 per month
- compensation for travel expenses in accordance with the company's travel policy.

Compensation for meeting expenses is also paid to the Chairperson and Deputy Chairperson of the Supervisory Board when attending Board of Directors' meetings.

Decisions of the Annual General Meeting 2022

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

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

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

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

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

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

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

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

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

Shares

Atria Plc's share capital consists of a total of 28,267,728 shares, divided into 19,063,747 series A shares and 9,203,981 series KII shares. Each series A share entitles its holder to one (1) vote at a General Meeting and each series KII share to ten (10) votes. Atria Plc's shareholders are entitled to a total of 111,103,557 votes. The company holds 66,182 series A treasury shares.

Composition of Atria Plc's Nomination Committee

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

- Juho Anttikoski, Farmer, representative of Itikka Co-operative
- Pasi Korhonen, Farmer, representative of Lihakunta
- Ola Sandberg, Farmer, representative of Pohjanmaan Liha
- Timo Sallinen, Head of Equity Investments (listed investments), representative of Varma Mutual Pension Insurance Company
- Seppo Paavola, Agrologist, Expert Member, Chairperson of Atria Plc's Board of Directors

At its first meeting, the Nomination Committee elects a chairperson from among its members. The Nomination Committee prepares proposals to the next Annual General Meeting regarding the remuneration of the members of the Board of Directors and the Supervisory Board as well as the election of the members of the Board of Directors. The Nomination Committee must submit its proposal to the Board of Directors no later than on 1 February 2023.

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

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

Corporate governance principles

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

Incentive programmes for management and key personnel

Long-term incentive scheme for 2021–2023

Atria Plc has a long-term incentive scheme for key persons approved by the Board of Directors for 2021–2023. 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 first earnings period was from 1 January 2021 to 31 December 2021 and the second from 1 January 2022 to 31 December 2022. The bonuses, payable partly in shares and partly in cash, will be paid in three equal instalments over the three years following the earnings period. 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. There are no restrictions on the ownership of the shares issued.

The target group for the share-based incentive scheme can consist of 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 merit pay payable under Atria Plc's short-term incentive scheme is 25–50% of the annual salary, depending on the performance impact and requirement level of each individual's role. The criteria in the merit pay scheme are the performance requirements and net sales at Group level and in the area of responsibility of the individual concerned. In addition to the CEO and other members of the Management Team, Atria Plc's merit pay schemes cover approximately 40 people.

Major shareholders**Major shareholders on 31 December 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
The estate of Sofia Margareta von Julin		160,000	160,000	0.84
Elo Mutual Pension Insurance Company		126,289	126,289	0.45

Major shareholders by voting rights 31 December 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 Limited		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
The estate of Sofia Margareta von Julin		160,000	160,000	0.14
Elo Mutual Pension Insurance Company		126,289	126,289	0.11

*) Nominee registered

Financial indicators

mill. EUR	31.12.22	31.12.21	31.12.20	31.12.19	31.12.18
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 tax	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 tax	50.5	47.6	37.3	26.2	22.3
% of net sales	3.0	3.1	2.5	1.8	1.6
Return of equity (ROE), %	-0.8	-1.2	5.7	3.9	4.1
Adjusted return of equity (ROE), %	8.9	8.2	5.7	3.9	4.1
Return of investment (ROI), %	1.1	1.9	7.2	5.3	5.0
Adjusted return of 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 FTE	3,698	3,711	4,444	4,454	4,460
R&D costs	13.5	15.3	15.0	15.3	13.7
% of net sales *	0.8	1.0	1.0	1.1	1.0
Volume of orders **	-	-	-	-	-

* Booked in total as expenditure for the financial year.

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

Share-issued adjusted per-share indicators

	31.12.22	31.12.21	31.12.20	31.12.19	31.12.18
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 per share, EUR	15.90	16.08	14.96	14.85	14.69
Dividend per share, EUR*	0.70	0.63	0.50	0.42	0.40
Dividend per profit, %*	-371.4	-257.2	61.4	78.4	68.8
Adjusted dividend per 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 per earnings (P/E)	-49.2	-47.0	12.1	18.7	11.3
Adjusted price per 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, series A	176.7	219.6	187.8	191.4	125.4
Share turnover per 1 000 shares, series A	3,505	3,536	4,599	3,831	5,696
Share turnover %, series A	18.4	18.6	24.1	20.1	29.9
Number of shares, million, total	28.3	28.3	28.3	28.3	28.3
Number of shares, series A	19.1	19.1	19.1	19.1	19.1
Number of shares, series KII	9.2	9.2	9.2	9.2	9.2
Share issue-adjusted average number of shares	28.3	28.3	28.3	28.3	28.3
Share issue-adjusted number of shares on 31 December	28.3	28.3	28.3	28.3	28.3

* The Board of Directors' proposal from year 2022 for the Annual Meeting to be held on 25 April 2022.

Share price development, series A (EUR)

	31.12.22	31.12.21	31.12.20	31.12.19	31.12.18
Lowest of period, series A	8.24	9.85	7.13	6.61	6.42
Highest of period, series A	11.68	13.44	10.86	10.04	13.48
At end of period, series A	9.27	11.52	9.85	10.04	6.58
Average price for period, series A	9.71	11.60	9.08	8.28	9.58

ATRIA GROUP

Consolidated income statement

EUR million	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Net sales	451.2	403.6	1,696.7	1,540.2
Costs of goods sold	-402.5	-359.5	-1,528.2	-1,363.7
Gross profit	48.7	44.1	168.5	176.5
Sales and marketing expenses	-20.0	-21.5	-76.6	-81.0
Administrative expenses	-12.4	-12.5	-44.5	-45.8
Other operating income	0.8	3.4	16.4	6.0
Other operating expenses	-51.6	-0.8	-63.6	-49.4
EBIT	-34.5	12.6	0.1	6.4
Finance income and costs	-1.5	-0.9	-3.4	-4.9
Income from joint ventures and associates	-0.8	0.6	4.9	3.4
Profit before taxes	-36.8	12.3	1.7	4.8
Income taxes	0.2	-2.2	-5.5	-10.2
Profit for the period	-36.6	10.1	-3.9	-5.4
Profit attributable to:				
Owners of the parent	-37.9	9.6	-5.3	-6.9
Non-controlling interests	1.2	0.5	1.5	1.5
Total	-36.6	10.1	-3.9	-5.4
Basic earnings per share, EUR	-1.34	0.34	-0.19	-0.24
Diluted earnings per share, EUR	-1.34	0.34	-0.19	-0.24

Consolidated statement of comprehensive income

EUR million	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Profit for the period	-36.6	10.1	-3.9	-5.4
Other comprehensive income after tax:				
Items that will not be reclassified to profit or loss				
Actuarial losses from benefit-based pension obligations	0.2	0.2	1.1	0.2
Changes in fair value of equity items at fair value through other comprehensive income	0.0	-0.4	0.0	-0.4
Items reclassified to profit or loss when specific conditions are met				
Cash flow hedges	-10.3	1.8	19.0	5.7
Currency translation differences	-0.5	-1.1	1.9	42.7
Total comprehensive income for the period	-47.2	10.5	18.0	42.8
Total comprehensive income attributable to:				
Owners of the parent	-48.4	10.1	16.6	41.3
Non-controlling interests	1.2	0.5	1.5	1.5
Total	-47.2	10.5	18.0	42.8

Consolidated statement of financial position

Assets		
EUR million	31.12.2022	31.12.2021
Non-current assets		
Property, plant and equipment	466.8	385.5
Biological assets	0.7	0.6
Right-of-use assets	30.0	30.4
Goodwill	125.0	162.7
Other intangible assets	54.0	77.5
Investments in joint ventures and associates	20.0	17.2
Other financial assets	0.9	0.8
Loan and other receivables	18.3	6.1
Deferred tax assets	0.9	1.8
Total	716.5	682.6
Current assets		
Inventories	152.8	109.6
Biological assets	4.3	3.6
Trade and other receivables	135.3	108.3
Cash and cash equivalents	31.0	57.3
Total	323.3	278.9
Total assets	1,039.8	961.5
Equity and liabilities		
EUR million	31.12.2022	31.12.2021
Equity attributable to the shareholders of the parent company	449.4	454.6
Non-controlling interests	15.0	12.9
Total equity	464.5	467.6
Non-current liabilities		
Loans	232.4	176.1
Lease liabilities	20.8	21.3
Deferred tax liabilities	36.3	37.4
Pension obligations	4.8	6.7
Other non-interest-bearing liabilities	6.9	3.0
Provisions	0.6	0.0
Total	301.8	244.5
Current liabilities		
Loans	2.7	2.9
Lease liabilities	9.8	9.6
Trade and other payables	261.1	236.8
Total	273.6	249.3
Total liabilities	575.4	493.9
Total equity and liabilities	1,039.8	961.5

Consolidated statement of changes in equity

EUR million	Equity attributable to the shareholders of the parent company							Non-controlling interests	Total equity
	Share capital	Treasury shares	Other funds	Inv. non-rest. equity fund	Trans. lation diff.	Retained earnings	Total		
Equity 1.1.2021	48.1	-1.2	-1.3	249.5	-62.7	190.4	422.8	16.1	438.9
Profit for the period						-6.9	-6.9	1.5	-5.4
Other comprehensive income									
Changes in fair value			-0.4				-0.4		-0.4
Cash flow hedges			5.7				5.7		5.7
Actuarial gains from pension benefits						0.2	0.2		0.2
Currency translation differences			0.0		42.7		42.7		42.7
Changes in shares of non-controlling interest						4.6	4.6	-4.1	0.5
Share-based payments		0.1		-0.1			0.0		0.0
Dividends						-14.1	-14.1	-0.5	-14.6
Equity 31.12.2021	48.1	-1.1	4.0	249.4	-20.0	174.2	454.6	12.9	467.6
Profit for the period						-5.3	-5.3	1.5	-3.9
Other comprehensive income									
Cash flow hedges			19.0				19.0		19.0
Actuarial gains from pension benefits						1.1	1.1		1.1
Currency translation differences					1.9		1.9		1.9
Changes in shares of non-controlling interest						-4.0	-4.0	1.4	-2.6
Share-based payments		0.3		-0.3			0.0		0.0
Dividends						-17.8	-17.8	-0.8	-18.5
Equity 31.12.2022	48.1	-0.8	23.0	249.1	-18.1	148.1	449.4	15.0	464.5

Consolidated cash flow statement

EUR million	1-12/2022	1-12/2021
Cash flow from operating activities		
Operating activities before financial items and taxes	63.9	105.6
Financial items and taxes	-10.2	-17.4
Net cash flow from operating activities	53.8	88.2
Cash flow from investing activities		
Investments in tangible and intangible assets	-126.4	-56.0
Proceeds from the sale of tangible and intangible assets	20.7	0.2
Acquired operations	-4.2	-0.1
Sold operations	7.4	30.3
Increase (-) / decrease (+) in long-term receivables	-0.2	-0.4
Change in short-term receivables	-0.8	-0.5
Dividends received	2.1	0.7
Net cash flow from investing activities	-101.5	-25.8
Cash flow from financing activities		
Draw down of long-term borrowings	75.0	120.0
Repayment of long-term borrowings	-27.1	-89.7
Increase (+) / decrease (-) in short-term loans	0.3	-35.3
Principal elements of lease payments	-9.4	-9.5
Acquisition of non-controlling interest	0.0	-4.0
Contribution by non-controlling interest	0.0	0.9
Dividends paid	-18.5	-14.6
Net cash flow from financing activities	20.3	-32.2
Change in liquid funds	-27.4	30.2
Cash and cash equivalents at beginning of year	57.3	26.6
Effect of exchange rate changes on cash flows	1.1	0.6
Cash and cash equivalents at the end of period	31.0	57.3

Notes to the financial statement release

Interim report accounting principles

This financial statement release was prepared in accordance with the IAS 34 Interim Financial Reporting standard. Atria has applied the same principles in preparing this interim report as in preparing the 2021 annual financial statements. However, as of 1 January 2022, the Group uses the new or revised IFRS standards and IFRIC interpretations published by the IASB, included in the accounting principles of the annual financial statements 2021.

The preparation of the interim report in accordance with the IFRS requires the Group's management to use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. In addition, discretion must be used in applying the accounting principles. The estimates and assumptions are based on the views at the end of the review period and include risks and uncertainties. The realised values may deviate from the estimates and assumptions. Due to the financial uncertainty caused by the geopolitical situation and the coronavirus pandemic as well as the cost inflation, the company has assessed the effects of the aforementioned on the income statement and balance sheet for the review period. In particular, the company has assessed whether the situation gives rise to indications of the impairment of assets or the need to update provisions or other accounting estimates.

The key accounting estimates and discretionary decisions are presented in more detail in the accounting principles for the 2021 consolidated financial statements.

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

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

The figures presented in this financial statement release are unaudited.

Operating segments

EUR million	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Revenue from consumer goods				
Atria Finland	257.1	221.0	942.3	846.6
Atria Sweden	86.3	92.7	356.2	351.7
Atria Denmark & Estonia	28.7	25.7	110.4	102.6
Unallocated	0.0	0.2	0.0	15.0
Eliminations	-8.9	-8.9	-37.7	-37.1
Total	363.3	330.7	1,371.2	1,278.8
Revenue from primary products				
Atria Finland	87.2	72.2	323.0	259.1
Atria Sweden	-	-	-	-
Atria Denmark & Estonia	0.7	0.7	2.5	2.3
Unallocated	-	-	-	-
Total	87.9	72.9	325.5	261.4
Total net sales	451.2	403.6	1,696.7	1,540.2
EBIT				
Atria Finland	20.3	10.6	49.4	48.1
Atria Sweden *	-52.1	2.9	-37.8	5.0
Atria Denmark & Estonia	-0.9	0.0	1.2	5.1
Unallocated **	-1.8	-0.9	-12.8	-51.9
Total	-34.5	12.6	0.1	6.4
Investments				
Atria Finland	33.1	15.6	98.3	40.0
Atria Sweden	11.4	5.0	26.5	11.5
Atria Denmark & Estonia	1.8	1.6	6.5	4.1
Total	46.4	22.2	131.4	55.6
Depreciation and write-offs				
Atria Finland	9.4	9.3	36.7	37.1
Atria Sweden	53.8	3.6	62.8	14.0
Atria Denmark & Estonia	1.1	1.1	4.3	4.5
Unallocated	0.1	0.0	0.1	1.4
Total	64.4	14.0	103.9	57.1

* Adjustments in Q4/2022: EUR -51.1 million, Q1-Q4/2022 EUR -40.1 million, in the Q4/2021 period EUR +2.3 million and in the Q1-Q4/2021 period EUR +2.3 million.

** Effect of sales of sold subsidiaries in the period Q1-Q4/2022 EUR -8.8 million and in the period Q1-Q4/2021 EUR -45.1 million.

Fair value hierarchy of financial assets and liabilities

EUR million

Balance sheet items	31.12.2022	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comprehensive income	0.9			0.9
Derivative financial instruments	32.2		32.2	
Total	33.1	0.0	32.2	0.9
Liabilities				
Derivative financial instruments	0.7		0.7	
Total	0.7	0.0	0.7	0.0
<hr/>				
Balance sheet items	31.12.2021	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comprehensive income	0.8			0.8
Derivative financial instruments	6.3		6.3	
Total	7.2	0.0	6.3	0.8
Liabilities				
Derivative financial instruments	0.8		0.8	
Total	0.8	0.0	0.8	0.0

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

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

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

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

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

Related party transactions

EUR million

The following transactions were completed with related parties:

	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Sales of goods and services	8.0	6.9	27.7	23.7
Purchases of goods and services	-25.2	-27.7	-115.8	-103.3
			31.12.2022	31.12.2021
Receivables			1.8	1.7
Liabilities			7.4	6.3

Acquired operations

Atria Finland Ltd acquired 51% of the shares in Ab Korv-Görans Kebab Oy 30 December 2022. Atria gained control. Korv-Görans Kebab makes frozen meat products and is Atria's longstanding partner as a contract manufacturer of kebab slices, cooked chicken products and other meat products made from Finnish raw materials. The company's main product is pre-cooked, individually quick-frozen kebab slices. The company also produces pre-cooked meat and chicken products, kebab meat and pre-cooked minced meat products. Korv-Görans Kebab's production plant is located in Pietarsaari and was established in 1988. The company built new premises in 2019 and employs 65 people on a permanent basis.

Atria's aim is to strengthen its position in the convenience food and Foodservice market. Atria has been cooperating with Korv-Görans Kebab for a long time. The ownership in the company will provide Atria with new opportunities to respond to the growth of the convenience food market and the development of the Foodservice market and customers' wishes. The transaction combines the flexibility of a small player with the expertise and market position of a large company.

The acquisition is not estimated to have a significant impact on Atria's financial position or result.

Ab Korv-Görans Kebab Oy	Fair values 30/12/2022 used in the consolidation,
Acquisition price for 51% share	4.9
Property, plant and equipment	10.1
Intangible assets	3.5
Inventories	2.8
Current receivables	1.1
Cash and cash equivalents	0.4
Total assets	18
Deferred tax liabilities	0.2
Non-current liabilities	6.5
Current liabilities	5.0
Total liabilities	11.7
Net assets	6.3
Purchase price paid in cash 30/12/2022	4.7
Effect of the acquisition on cash flow	4.2

The calculation is preliminary.

Sold operations

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

EUR million	30/04/2022
Asset	
Property, plant and equipment	1.0
Right-of-use assets	0.7
Inventories	1.5
Trade and other receivables	6.6
Cash and cash equivalents	0.8
Total assets	10.7
Liabilities	
Long-term lease liabilities	0.6
Deferred tax liabilities	0.2
Short-term lease liabilities	0.2
Short-term trade and other payables	3.8
Total liabilities	4.8
Consideration received or receivable:	
Cash	8.2
Sold net assets	-5.9
Transactions costs	-0.4
Result on sale before reclassification of foreign currency translation reserve	1.9
Reclassification of foreign currency translation reserve	-10.7
Loss on sale	-8.8
Cash flow from sold operations:	
Received payment	8.2
Company's cash and cash equivalents	-0.8
Total	7.4

Contingent liabilities

EUR million	31.12.2022	31.12.2021
Debts with mortgages given as security		
Loans from financial institutions *	8.6	1.2
Pension fund loans	4.3	4.2
Total	13.0	5.4
Mortgages given as comprehensive security		
Real estate mortgages *	9.8	1.2
Guarantee engagements not included in the balance sheet		
Guarantees	0.1	0.1

* The increase is due to the acquired subsidiary.

The main exchange rates

	Income statement		Balance sheet	
	1-12/2022	1-12/2021	31.12.2022	31.12.2021
SEK	10.6273	10.1445	11.1218	10.2503
DKK	7.4396	7.4371	7.4365	7.4364

FINANCIAL INDICATORS

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

Principles for calculating financial indicators:

Adjusted EBIT, adjusted profit before taxes and adjusted profit for the period	In addition to reporting EBIT, profit before taxes and profit for the period the company publishes an adjusted EBIT, adjusted profit before taxes and adjusted profit for the period indicators to describe the actual financial development of the business and to improve comparability between periods. The adjusted figures are determined by adjusting the above items for material items that affect comparability. These may include events that are not part of ordinary business activities, such as the restructuring of operations, capital gains and losses attributable to the sale of operations, impairment, and the costs of discontinuing significant operations.	
Gross investments	Investments in tangible and intangible assets, including acquired businesses	
Free cash flow	= Cash flow from operating activities – Cash flow from investments	
FTE	= $\frac{\text{Hours worked during the review period}}{\text{Number of working days during the review period} * \text{normal working hours per day}}$	
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	=	$\frac{\text{Overall share turnover in euro}}{\text{Undiluted average number of shares traded during the financial period}}$	
Market capitalisation	=	Number of shares at the end of the financial period * closing price on 31 Dec	
Share turnover (%)	=	$\frac{\text{Number of shares traded during the accounting period}}{\text{Undiluted average number of series A shares}}$	* 100

ATRIA PLC
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