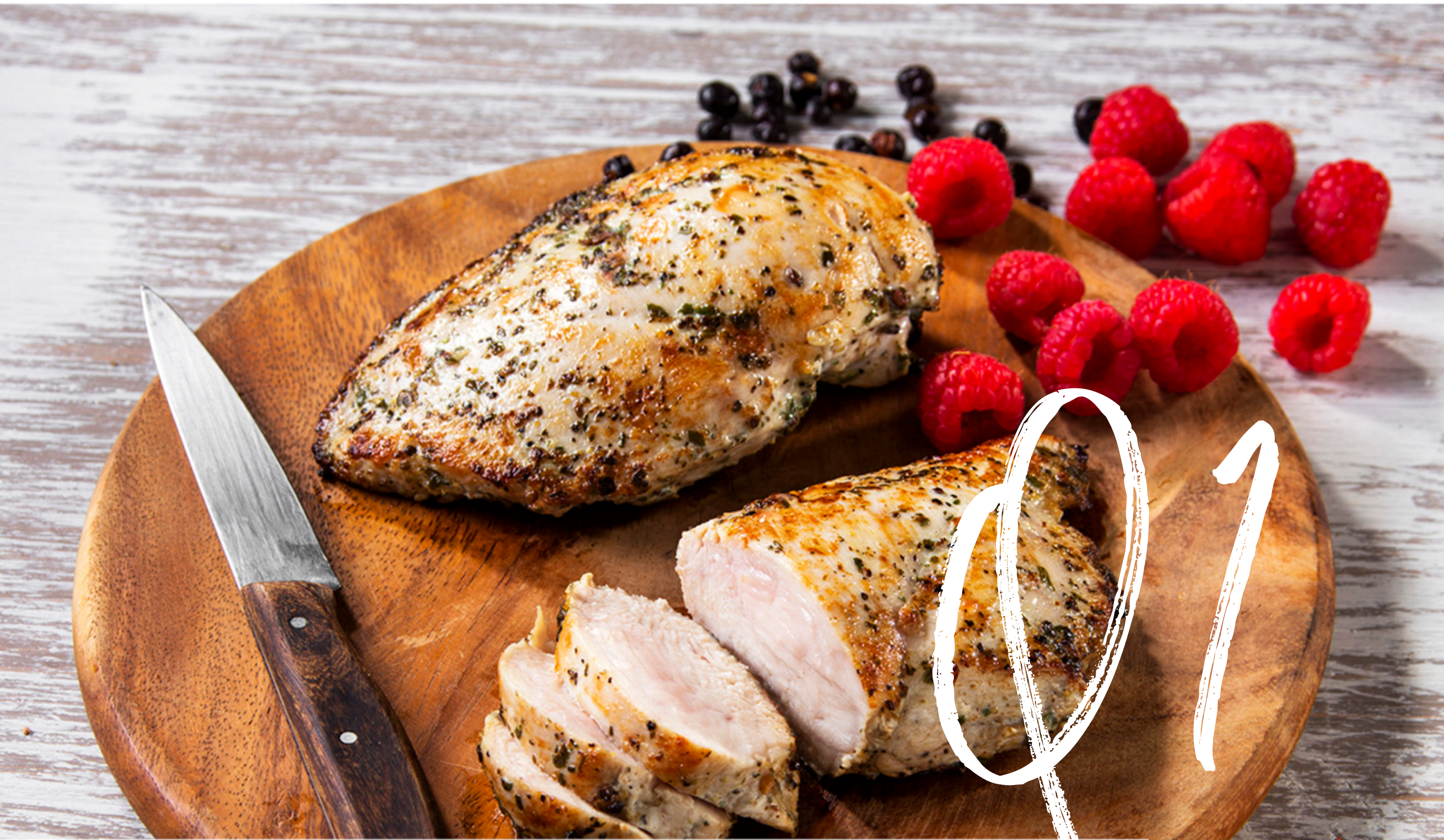
ATRIA

Good food – better mood.



Atria Plc
Interim report

1 January – 31 March 2020

Atria's net sales and EBIT increased in an unstable business environment

January – March 2020

- Consolidated net sales totalled EUR 356.7 million (EUR 336.4 million).
- Consolidated EBIT was EUR 2.2 million (EUR -2.8 million), or 0.6% (-0.8%) of net sales.
- Atria Finland's net sales developed positively and EBIT increased. Exports to China developed positively.
- Atria Sweden's sales increased, especially thanks to sales of poultry products. The operating loss was halved.
- Atria Russia's operating loss decreased year-on-year.
- Atria Denmark & Estonia’s net sales increased by 20 per cent year-on-year.
- The coronavirus pandemic (COVID-19) affected Atria's business at the end of the review period, but delivery reliability was good and the financial position remained strong.
- The popularity of daily foods sold to retail rose sharply at the end of March due to preparing for exceptional circumstances. Sales volumes to Food Service customers decreased.
- The state of emergency caused by the coronavirus pandemic reduces business predictability.
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.42 (EUR 0.40) be paid per share.

	Q1	Q1	
EUR million	**2020**	**2019**	**2019**
Net sales			
Atria Finland	252.6	241.0	1,033.8
Atria Sweden	71.5	66.6	289.4
Atria Denmark & Estonia	26.5	21.8	96.6
Atria Russia	16.1	15.8	73.8
Eliminations	-10.0	-8.7	-42.3
Net sales, total	**356.7**	**336.4**	**1 451.3**
EBIT			
Atria Finland	6.2	3.9	40.0
Atria Sweden	-2.1	-4.1	-6.1
Atria Denmark & Estonia	0.3	0.6	4.4
Atria Russia	-1.3	-2.2	-4.0
Unallocated	-0.9	-1.0	-3.1
EBIT, total	**2.2**	**-2.8**	**31.1**
EBIT, %	**0.6 %**	**-0.8 %**	**2.1 %**
Profit before taxes	**1.1**	**-3.7**	**26.2**
Earnings per share, EUR	**0.01**	**-0.15**	**0.54**

Juha Gröhn,
CEO

'Atria's net sales in the first quarter of 2020 grew by 6 per cent compared to the corresponding period in the previous year. Roughly half of the increase is the result of higher sales in late March as people prepared for the exceptional situation caused by the coronavirus by increasing their food purchases. In this respect, consumer behaviour has been similar in all countries where Atria produces food.

The result improved from the previous year – naturally, the result level at the beginning of the year is typical for the period. A year ago, the beginning of the year was more sluggish than usual, and the comparison figures are weaker than usual. The impact of the corona pandemic on the overall result is neutral. Net sales did increase, but part of the increase was achieved through extensive overtime work and special arrangements. The transition to the state of emergency took place quickly.

In March, there was a major change in the emphasis of sales channels. Sales to retail increased and Food Service sales decreased. The partial or even complete closure of restaurants, public catering and staff restaurants has a very strong impact on Food Service net sales and Atria's entire product selection. Restaurant food ingredients do not fully find their place in home cooking – steaks are most often eaten in restaurants. Currently, the sales balance between retail and Food Service is not optimal.

In March, the Chinese economy also perked up as regards pork imports. Atria's deliveries to China specifically in March were the highest ever recorded monthly deliveries. January and February were fairly sluggish sales months. There is demand in China. The exceptional situation in world trade has affected maritime logistics. There is an occasional shortage of sea containers and container ship slots.

Atria's management of the state of emergency are to safeguard the health and working capacity of the personnel, to continue operations without interruption and to maintain the delivery reliability of products. Atria has also increased the amount of cash and cash equivalents above the normal level to keep the Group's liquidity good. This, however, is reflected in an increase in debt. The availability of funding has been good.

When the restrictions imposed due to the coronavirus pandemic are in force and they affect all activities, Atria also lives in a state of emergency. In the short term, the effects are changes in sales volumes in different sales channels and changes in product selection. In the longer term, the development of consumer purchasing power will also affect food purchases.

At the moment, we are focusing on the uninterrupted running of our factories, and so far, we have succeeded well.'

January – March 2020

Atria Group's net sales for January–March amounted to EUR 356.7 million (EUR 336.4 million). EBIT was EUR 2.2 million (EUR -2.8 million). Atria's net sales in Finland grew due to increased retail sales and exports. Especially exports of pork to China developed positively. EBIT improved as a result of increased net sales and better overall productivity.

In Sweden, net sales in the local currency grew by almost 10 per cent thanks to increased sales of poultry products. Sales of other product groups to retail also strengthened in Sweden. Atria Sweden's EBIT for the comparable period includes EUR 1.4 million of costs related to employee arrangements. Atria Denmark & Estonia's net sales increased by over 20 per cent, which was due to increased sales volumes and higher prices. Higher raw material costs brought down EBIT, especially in Denmark. Sales of Atria Russia's Food Service and Sibylla products increased, and sales to retail were somewhat lower year-on-year.

The exceptional circumstances caused by the coronavirus pandemic affected Atria's business environment at the end of the review period. National restrictions and recommendations related to restaurant operations and public food services had an impact on Atria's business. The popularity of daily foods sold to retail rose sharply at the end of March due to preparing for exceptional circumstances. Sales volumes to Food Service customers decreased.

The transition to exceptional circumstances in Atria's operations was carried out quickly in order to maintain the company's operational capacity. The uninterrupted continuation of operations and maintaining the security of supply of products were Atria's primary tasks in addition to safeguarding the health and working capacity of personnel. New practices were introduced at production plants to prevent the possible spread of the virus infection. The use of personal protective equipment was increased, new instructions were given on safety distances and hand hygiene, and office employees were given a recommendation to work remotely. The special arrangements entailed additional expenses.

Atria is one step closer to carbon-neutral food production

Atria's subsidiary A-Rehu's new poultry feed production line was commissioned at the Koskenkorva feed plant. The new feed plant provides more capacity to the production of domestic protein feeds. Atria aims for a carbon-neutral food chain, and animal feed can have a significant effect on the carbon footprint of meat. The newly commissioned production line enables the processing of domestic protein feeds for chickens and pigs. As a result, all fattening piggeries in Atria's pork chain will be able to obtain completely soya-free feed for their pigs in the future. Atria's goal is to replace soya in chicken and pork feeds with domestic alternatives, and thus further reduce the carbon footprint of chicken and pork meat by up to 15 per cent.

Key indicators

EUR million	31.3.2020	31.3.2019	31.12.2019
Shareholders´ equity per share EUR	14.24	14.57	14.85
Interest-bearing liabilities	291.4	278.2	228.3
Equity ratio, %	43.0 %	44.6 %	46.9 %
Net gearing, %	60.9 %	65.3 %	51.6 %
Gross investments	11.9	10.3	40.1
% of net sales	3.3 %	3.1 %	2.8 %
Average FTE	4,486	4,430	4,454

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

Business development by area January–March 2020

Atria Finland

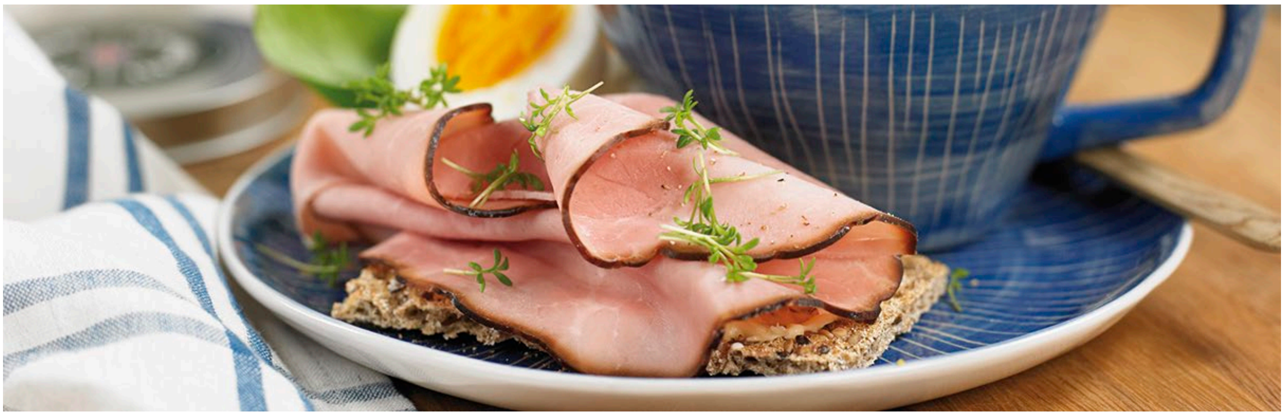
EUR million	Q1 2020	Q1 2019	2019
Net sales	252.6	241.0	1,033.8
EBIT	6.2	3.9	40.0
EBIT, %	2.5 %	1.6 %	3.9 %

Atria Finland's net sales for January–March totalled EUR 252.6 million (EUR 241.0 million). The increase in net sales was due to increased sales to retail and to export customers. Exports of pork to China developed positively, especially at the end of the review period. Sales of Food Service products decreased slightly year-on-year. EBIT rose to EUR 6.2 million (EUR 3.9 million) as a result of increased net sales and better overall productivity.

The effects of the coronavirus pandemic on domestic business were felt at the very end of the review period. Retail sales of daily foods such as minced meat, sausages and consumer-packed chicken increased sharply in the last two weeks of March, while sales of Food Service products slowed down.

In terms of retail value, the market in the product groups represented by Atria grew by approximately 7 per cent in the first quarter. The market for all product groups represented by Atria increased, but growth was largest in the poultry and cooking product groups. Atria's sales grew at the pace of the market, and the supplier share was about 24 per cent in terms of value. (source: Atria)

In terms of value, Finland's Food Service market increased just under 3 per cent in January–February. Of the product groups represented by Atria, convenience food grew strongly: over 10 per cent. Atria's supplier share in the Food Service market was approximately 21 per cent. (source: Atria)



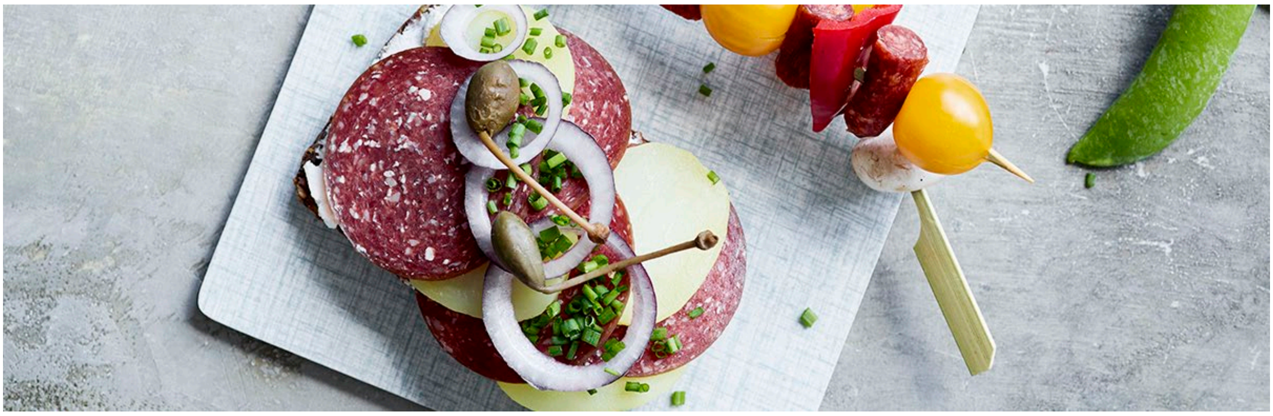
Atria Sweden

	Q1	Q1	
EUR million	**2020**	**2019**	**2019**
Net sales	71.5	66.6	289.4
EBIT	-2.1	-4.1	-6.1
EBIT, %	-2.9 %	-6.2 %	-2.1 %

Atria Sweden's net sales for January–March amounted to EUR 71.5 million (EUR 66.6 million). In the local currency, net sales improved by nearly 10 per cent year-on-year. Net sales were boosted by strong sales of poultry products. Sales of other product groups to retail also increased year-on-year. Sales of Food Service products decreased somewhat. EBIT was EUR -2.1 million (EUR -4.1 million). The result was brought down by the weakened Swedish krona and higher raw material prices. EBIT for the comparable period includes EUR 1.4 million in costs related to employee arrangements.

The coronavirus pandemic affected consumer purchasing behaviour at the end of the review period: sales to retail increased, while sales of Food Service products and fast food decreased. Of Atria's product selection, sales of daily foods (sausages, liver pates, black pudding and convenience foods) increased in particular. In Sweden, schools were not closed due to the pandemic, which has maintained sales to public sector food service customers.

During the review period, the retail market for product groups represented by Atria developed favourably. Atria's sales increased with the market. Atria's producer share in poultry products increased by 2.6 per cent, and in sausages, by 0.7 per cent. In cold cuts, the producer share decreased by 0.9 per cent. (source: AC Nielsen)



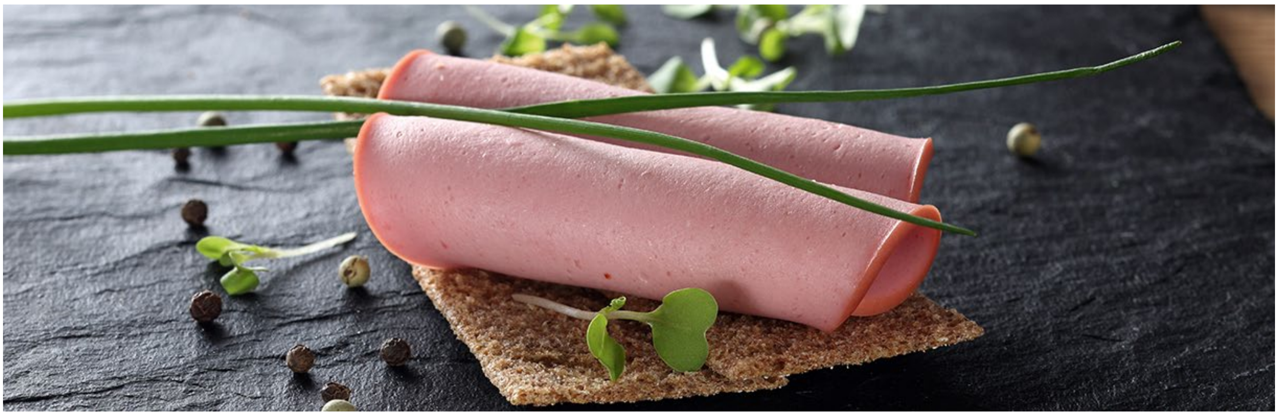
Atria Denmark & Estonia

EUR million	Q1 2020	Q1 2019	2019
Net sales	26.5	21.8	96.6
EBIT	0.3	0.6	4.4
EBIT, %	1.2 %	2.8 %	4.5 %

Atria Denmark & Estonia's net sales for January–March amounted to EUR 26.5 million (EUR 21.8 million). EBIT was EUR 0.3 million (EUR 0.6 million). In Denmark, sales to retail increased by over 20 per cent, but higher raw material costs brought down EBIT. In Estonia, Atria's sales to retail increased by as much as 22 per cent, for example, sales of minced meat doubled year-on-year.

Increased pork exports from Europe to China have raised Atria Denmark's raw material prices by almost 70 per cent year-on-year. At the end of the review period, Atria implemented price increases and was able to pass on increased raw material costs to sales prices. The cold cuts market remained stable during the review period, and Atria increased its market share in retail. Due to the coronavirus pandemic, sales of Food Service products decreased at the end of the review period and special production arrangements entailed some additional expenses.

The effects of the coronavirus pandemic on the Estonian business environment began in early March, when restrictions were set on restaurants and schools were closed by a decision of the Estonian government. As a result, sales to Food Service customers declined significantly and sales to retail temporarily rose to record highs. A new minced meat package was successfully launched.



Atria Russia

EUR million	Q1 2020	Q1 2019	2019
Net sales	16.1	15.8	73.8
EBIT	-1.3	-2.2	-4.0
EBIT, %	-8.3 %	-13.7 %	-5.5 %

Atria Russia's net sales for January–March amounted to EUR 16.1 million (EUR 15.8 million). In the local currency, net sales grew by 0,7 per cent. EBIT was EUR -1.3 million (EUR -2.2 million). The increase in net sales was due to higher sales of Food Service and Sibylla products year-on-year. Year-on-year sales to retail were slightly lower. Sales of Casademont products have remained at a good level throughout the review period. Sales of Pit-Product products also improved at the end of the review period. EBIT was brought down by low sales volumes to retail.

The effects of the coronavirus pandemic on Atria Russia's business environment were minor during the first quarter.

Atria Russia updated its strategy a year ago. A key goal is the quick revitalisation of business operations in Russia, which means increasing sales and sales margin as well as turning performance positive. As part of the strategy project, Atria is also looking into possibilities of selling Atria Russia's business operations.

Personnel by Business Area (FTE)

	Q1 2020	Q1 2019	2019
Atria Finland	2,358	2,264	2,333
Atria Sweden	837	832	840
Atria Denmark & Estonia	443	420	435
Atria Russia	848	914	846
Total	4,486	4,430	4,454

Financial position

Consolidated interest-bearing net liabilities at the end of the review period amounted to EUR 254.1 million (31 December 2019: EUR 223.9 million). During the review period, net liabilities increased by EUR 30.1 million due to a change in working capital and investments. During the review period, the company's lease liability included in net liabilities increased by EUR 5.9 million, which was mainly due to expansion investments in the production plant leased by A-Rehu.

Consolidated interest-bearing liabilities increased more than net liabilities from the turn of the year, a total of EUR 63.1 million. The higher increase in interest-bearing liabilities resulted from the company's decision to increase cash funds by approximately EUR 30 million due to financial market instability caused by the coronavirus pandemic.

During the review period, consolidated free cash flow (operating cash flow – cash flow from investments) was EUR -23.7 million (EUR -15.2 million). The decline in free cash flow is mainly due to an increase in working capital which is typical for the company during the first quarter.

Equity ratio at the end of the review period was 43.0% (31 December 2019: 46,9 %). Equity ratio decreased somewhat from the turn of the year due to an increase in liabilities and changes in equity. The total translation differences with the Swedish krona and the Russian rouble recognised in equity reduced equity by EUR 13.3 million (EUR +3.1 million) in January–March.

The coronavirus pandemic has caused an imbalance in the short-term financing commercial paper market, which has not functioned normally in recent weeks. Uncertainty has reduced investor interest in buying commercial papers and, on the other hand, many companies would be willing to issue more commercial papers but have not always succeeded. Despite the state of emergency, Atria has succeeded in refinancing maturing commercial papers with new commercial papers and has also increased the amount of cash funds above normal to maintain the good level of the Group's liquidity. Cash funds on 31 March 2020 stood at EUR 37.3 million (31 December 2019: EUR 4.4 million). On 31 March 2020, the Group had undrawn committed credit facilities worth EUR 85.0 million (31 December 2019: EUR 85.0 million). The average maturity of loans and committed credit facilities at the end of the review period was 2 years 7 months (31 December 2019: 3 years 2 months).

Events after the review period

Several restrictions imposed by the authorities related to the coronavirus pandemic, which came into force at the end of the review period, continue in the second quarter. In addition, new restrictions and recommendations affecting Atria's business came into force in Atria's market area in April.

Atria's customers have also introduced various restrictions affecting business in order to prevent the spread of the corona pandemic. For example, the selections of retail stores have been reduced, outlets closed or access restricted. Customers' own restrictions continue after the review period.

The restrictions and recommendations related to restaurant operations, public food services and retail have an impact on Atria's business, but a more precise assessment of these effects is still difficult.

Business risks in the review period and short-term risks

The coronavirus outbreak (COVID-19), which expanded into a pandemic in March 2020, and the measures taken to prevent its spread are the most significant risk event for Atria during the review period and also in the following quarter, with a wide impact on Atria's operations, the economies of countries in Atria's operating regions, and the food market.

During the pandemic, the role of domestic food production and the domestic food industry in safeguarding national security of supply is even more important than usual. The requirement for security of food supply is emphasised. The uninterrupted continuation of operations and maintaining the security of supply of products have been Atria's primary tasks in addition to safeguarding the health and working capacity of personnel. The situation has required agile adaptation to the changed conditions and rapid changes in demand. Eating at home has increased sales to retail stores, while restrictions on restaurant operations as well as remote working practices in public administration have reduced sales to customers in these sectors.

Atria has taken decisions on issues affecting production and the health and well-being of personnel, such as changes in capacity, the product selection, occupational safety, remote working, occupational health care, electronic communications and the introduction of mobile communications, regional precautions, travel restrictions, and changes in meeting and visitor practices.

Adapting to rapid changes is also a risk factor. The adjustment measures made in production, increasing capacity, overtime, maintaining occupational safety, wastage, and increased hygiene requirements have increased costs. Procurement has so far managed to purchase raw materials and other materials to ensure production. There have been some challenges in procuring personal protective equipment required in food processing.

The coronavirus pandemic has also realised other risks previously identified by Atria, such as significant changes in exchange rates and geopolitical decisions. The situation has not excluded other usual risks in Atria's operations, such as a significant animal disease, product quality and safety or various hazard risks. These risks are managed and risk-related precautionary measures are taken at all times, even in the midst of the coronavirus pandemic.

Growing risks of the pandemic in the near future include, in particular, credit losses of Food Service customers and the effect of consumer purchasing behaviour on sales structure and thus on profitability. Implementation schedules of business investments and various operational development projects also entail risks. The above risks occur in all of Atria's business areas, but their emphasis may vary depending on how sales have previously been targeted at different sales channels and how long and to what extent the restrictions of the coronavirus pandemic will be in force in each country.

A more detailed description of the risks related to Atria's operations was provided in the 2019 annual report.

Outlook for the future

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

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

Consumption of poultry meat is expected to continue to increase, while consumption of red meat is expected to decline slightly. Atria has increased its meat exports, and pork exports to China, for example, are expected to increase during 2020.

The coronavirus pandemic that began in early 2020 has caused the above strong and rapid changes in the business environment in the food industry. This has further hindered the predictability of the company’s development. Immediate effects related to Atria's business include national restrictions on restaurant operations and public food services, which reduce sales to Food Service customers. During the coronavirus epidemic, the importance of daily food is expected to strengthen.

The possible weakening of consumer purchasing power will also affect food purchases and may shift the sales structure of Atria's products into an unfavourable direction.

Board of Directors' proposal for profit distribution 2019

The Board of Directors proposes that a dividend of EUR 0.42 (EUR 0.40) be paid for each share for the 2019 financial period.

Financial calendar 2020

Atria Plc will publish two interim reports and one half-year report in 2020:
- Interim report January–March on 29 April 2020 at approximately 8:00 am
- Half-year report January–June on 17 July 2020 at approximately 8:00 am
- Interim report January–September on 22 October 2020 at approximately 8:00 am.

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

Annual General Meeting 2020

Atria Plc's Annual General Meeting will be held in Helsinki on 29 April 2020. The agenda includes matters that are to be discussed by the Annual General Meeting in accordance with Article 14 of the Articles of Association.

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

The General Meeting decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to decide, on one or several occasions, on the acquisition of a maximum of 2,800,000 of the company's own series A shares with funds belonging to the company's unrestricted equity, subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company. The company's own series A shares may be acquired for use as consideration in any acquisitions or other arrangements 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 irrespective of the proportion of the shareholders' current shareholdings in public trading arranged by Nasdaq Helsinki Ltd, at the trading price at the moment of acquisition. The shares shall be acquired and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd. The Board of Directors was authorised to decide on the acquisition of the company's own shares in all other respects.

The authorisation shall supersede the authorisation granted by the Annual General Meeting on 26 April 2018 to the Board of Directors to decide on the acquisition of the company's own shares and be valid until the closing of the next Annual General Meeting or until 30 June 2020, whichever is first.

The General Meeting decided, in accordance with the Board of Directors' proposal, to authorise 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 holders 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 programme 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 of the granting of special rights as referred to in 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 shall supersede the share issue authorisation granted by the Annual General Meeting on 26 April 2018 to the Board of Directors, and is valid until the closing of the next Annual General Meeting or until 30 June 2020, whichever is first.

The AGM decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to decide on the donation of a maximum of EUR 100,000 to universities or other educational institutions.

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 105,311 pcs of own series A shares.

Corporate governance principles

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

ATRIA GROUP

Consolidated income statement

EUR million	1-3/2020	1-3/2019	1-12/2019
Net sales	**356.7**	**336.4**	**1,451.3**
Costs of goods sold	-322.8	-306.1	-1,288.5
Gross profit	**33.9**	**30.3**	**162.7**
Sales and marketing expenses	-19.7	-20.0	-84.3
Administrative expenses	-11.7	-11.4	-44.0
Other operating income	1.0	0.6	3.2
Other operating expenses	-1.3	-2.3	-6.5
EBIT	**2.2**	**-2.8**	**31.1**
Finance income and costs	-1.4	-1.2	-5.6
Income from joint ventures and associates	0.3	0.2	0.6
Profit before taxes	**1.1**	**-3.7**	**26.2**
Income taxes	-0.4	-0.2	-9.2
Profit for the period	**0.7**	**-4.0**	**17.0**
Profit attributable to:			
Owners of the parent	0.3	-4.3	15.1
Non-controlling interests	0.4	0.4	1.9
Total	**0.7**	**-4.0**	**17.0**
Basic earnings per share, EUR	0.01	-0.15	0.54
Diluted earnings per share, EUR	0.01	-0.15	0.54

Consolidated statement of comprehensive income

EUR million	1-3/2020	1-3/2019	1-12/2019
Profit for the period	**0.7**	**-4.0**	**17.0**
Other comprehensive income after tax:			
Items that will not be reclassified to profit or loss			
Actuarial losses from benefit-based pension obligations			-0.5
Items reclassified to profit or loss when specific conditions are met			
Cash flow hedges	-4.2	-2.3	-3.6
Currency translation differences	-13.3	3.1	4.6
Total comprehensive income for the period	**-16.8**	**-3.1**	**17.4**
Total comprehensive income attributable to:			
Owners of the parent	-17.3	-3.5	15.6
Non-controlling interests	0.4	0.4	1.9
Total	**-16.8**	**-3.1**	**17.4**

Consolidated statement of financial position

Assets

EUR million	**31.3.2020**	**31.3.2019**	**31.12.2019**
Non-current assets			
Property, plant and equipment	389.3	401.2	398.1
Biological assets	0.7	0.6	0.7
Right-of-use assets	39.2	37.8	33.3
Goodwill	155.4	161.3	160.8
Other intangible assets	80.6	85.5	84.7
Investments in joint ventures and associates	15.4	14.7	15.0
Other financial assets	1.2	1.2	1.2
Loan and other receivables	4.5	8.2	5.2
Deferred tax assets	4.3	5.4	4.0
Total	**690.4**	**715.8**	**703.0**
Current assets			
Inventories	114.6	114.4	110.2
Biological assets	3.9	3.2	4.1
Trade and other receivables	126.8	118.3	107.0
Cash and cash equivalents	37.3	0.8	4.4
Total	**282.7**	**236.6**	**225.7**
Total assets	**973.1**	**952.5**	**928.7**

Equity and liabilities

EUR million	**31.3.2020**	**31.3.2019**	**31.12.2019**
Equity attributable to the shareholders of the parent company	402.7	411.8	419.9
Non-controlling interests	14.8	12.9	14.4
Total equity	**417.5**	**424.7**	**434.3**
Non-current liabilities			
Loans	148.0	152.3	140.9
Lease liabilities	30.0	29.1	25.0
Deferred tax liabilities	39.4	42.5	40.7
Pension obligations	6.5	6.3	6.8
Other non-interest-bearing liabilities	9.9	7.3	7.0
Provisions	0.4	1.4	0.7
Total	**234.2**	**238.9**	**221.1**
Current liabilities			
Loans	103.9	88.0	53.9
Lease liabilities	9.5	8.7	8.6
Trade and other payables	208.0	192.1	210.9
Total	**321.4**	**288.8**	**273.3**
Total liabilities	**555.6**	**527.7**	**494.4**
Total equity and liabilities	**973.1**	**952.5**	**928.7**

Consolidated statement of changes in equity

EUR million	Equity attributable to the shareholders of the parent company							Non-controlling interests	Total equity
	Share capital	Treasury shares	Other funds	Inv. non-rest. equity fund	Translation diff.	Retained earnings	Total		
Equity 1.1.2019	**48.1**	**-1.3**	**3.7**	**249.2**	**-60.4**	**176.0**	**415.3**	**12.9**	**428.2**
Profit for the period						-4.3	-4.3	0.4	-4.0
Other comprehensive income									
Cash flow hedges			-2.3				-2.3		-2.3
Currency translation differences					3.1		3.1		3.1
Share of non-controlling interest related to acquisition of subsidiary						0.0	0.0		0.0
Share-based payments		0.0				0.0	0.0		0.0
Dividends							0.0	-0.3	-0.3
Equity 31.3.2019	**48.1**	**-1.2**	**1.5**	**249.2**	**-57.3**	**171.6**	**411.8**	**12.9**	**424.7**
Equity 1.1.2020	**48.1**	**-1.2**	**0.2**	**249.2**	**-55.8**	**179.5**	**419.9**	**14.4**	**434.3**
Profit for the period						0.3	0.3	0.4	0.7
Other comprehensive income									
Cash flow hedges			-4.2				-4.2		-4.2
Currency translation differences					-13.3		-13.3		-13.3
Share of non-controlling interest related to acquisition of subsidiary						0.0	0.0		0.0
Share-based payments				0.1			0.1		0.1
Dividends							0.0		0.0
Equity 31.3.2020	**48.1**	**-1.2**	**-4.1**	**249.3**	**-69.2**	**179.8**	**402.7**	**14.8**	**417.5**

Consolidated cash flow statement

EUR million	1-3/2020	1-3/2019	1-12/2019
Cash flow from operating activities			
Operating activities before financial items and taxes	-10.1	-1.2	102.9
Financial items and taxes	-1.1	-3.9	-14.4
Net cash flow from operating activities	**-11.2**	**-5.0**	**88.5**
Cash flow from investing activities			
Investments in tangible and intangible assets	-11.8	-10.1	-39.4
Increase (-) / decrease (+) in long-term receivables	0.1	0.4	2.3
Dividends received	0.0		0.1
Change in short-term receivables	-0.8	-0.4	-0.1
Net cash used in investing activities	**-12.5**	**-10.2**	**-37.1**
Cash flow from financing activities			
Draw down of long-term borrowings	7.0		0.6
Repayment of long-term borrowings	-9.7	0.0	-3.7
Increase (+) / decrease (-) in short-term loans	60.1	14.1	-28.4
Principal elements of lease payments	-2.5	-2.1	-8.5
Dividends paid		-0.3	-11.6
Net cash used in financing activities	**54.9**	**11.6**	**-51.5**
Change in liquid funds	**31.2**	**-3.5**	**-0.1**
Cash and cash equivalents at beginning of year	4.4	4.0	4.0
Effect of exchange rate changes on cash flows	1.7	0.4	0.5
Cash and cash equivalents at the end of period	**37.3**	**0.8**	**4.4**

Interim report notes

Interim report accounting principles

This interim report has been compiled 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 2019 annual financial statements. However, as of 1 January 2020, the Group uses new or revised standards and IFRIC interpretations published by the IASB, included in the accounting principles of the annual financial statements 2019.

The preparation of the interim report in accordance with IFRS requires the Group's management to use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. In addition, discretion must be used in applying the accounting principles. The estimates and assumptions are based on the views at the end of the review period and include risks and uncertainties. The realised values may deviate from the estimates and assumptions. The key accounting estimates and discretionary decisions are presented in more detail in the accounting principles for the 2019 consolidated financial statements.

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

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

Operating segments

EUR million	1-3/2020	1-3/2019	1-12/2019
Revenue from consumer goods			
Atria Finland	193.1	182.1	795.6
Atria Sweden	71.5	66.6	289.4
Atria Denmark & Estonia	26.0	21.2	94.4
Atria Russia	16.1	15.8	73.8
Eliminations	-10.0	-8.7	-42.3
Total	**296.7**	**277.0**	**1,210.9**
Revenue from primary products			
Atria Finland	59.6	58.9	238.2
Atria Sweden			
Atria Denmark & Estonia	0.5	0.6	2.2
Atria Russia			
Total	**60.0**	**59.4**	**240.4**
Total net sales	**356.7**	**336.4**	**1 451.3**
EBIT			
Atria Finland	6.2	3.9	40.0
Atria Sweden	-2.1	-4.1	-6.1
Atria Denmark & Estonia	0.3	0.6	4.4
Atria Russia	-1.3	-2.2	-4.0
Unallocated	-0.9	-1.0	-3.1
Total	**2.2**	**-2.8**	**31.1**
Investments			
Atria Finland	8.1	5.9	21.8
Atria Sweden	2.5	3.2	13.3
Atria Denmark & Estonia	0.5	0.8	2.9
Atria Russia	0.8	0.4	2.2
Total	**11.9**	**10.3**	**40.1**
Depreciation and write-offs			
Atria Finland	8.9	8.5	33.9
Atria Sweden	2.8	2.9	11.4
Atria Denmark & Estonia	1.1	1.1	4.3
Atria Russia	1.2	1.1	4.7
Total	**14.0**	**13.6**	**54.3**

Fair value hierarchy of financial assets and liabilities

EUR milloin

Balance sheet items	31.3.2020	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comperhensive income	1.2			1.2
Derivative financial instruments	1.6		1.6	
Total	**2.8**	**0.0**	**1.6**	**1.2**
Liabilities				
Derivative financial instruments	5.5		5.5	
Total	**5.5**	**0.0**	**5.5**	**0.0**

Balance sheet items	31.12.2019	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through other comperhensive income	1.2			1.2
Derivative financial instruments	1.5		1.5	
Total	**2.7**	**0.0**	**1.5**	**1.2**
Liabilities				
Derivative financial instruments	2.9		2.9	
Total	**2.9**	**0.0**	**2.9**	**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:

	1-3/2020	1-3/2019	1-12/2019
Sales of goods and services	5.0	4.7	18.9
Purchases of goods and services	24.5	22.2	96.0
	31.3.2020	**31.3.2019**	**31.12.2019**
Receivables	1.5	1.1	1.5
Liabilities	12.4	14.7	15.0

Contingent liabilities

EUR million	31.3.2020	31.3.2019	31.12.2019
Debts with mortgages given as security			
Loans from financial institutions	1.4	1.5	1.4
Pension fund loans	4.0	4.3	4.2
Total	**5.4**	**5.7**	**5.6**
Mortgages given as comprehensive security			
Real estate mortgages	1.4	2.5	1.4
Corporate mortgages		1.1	
Total	**1.4**	**3.5**	**1.4**
Guarantee engagements not included in the balance sheet			
Guarantees	0.1	0.1	0.1

The main exchange rates

	Income statement			Balance sheet		
	1-3/2020	1-3/2019	1-12/2019	31.3.2020	31.3.2019	31.12.2019
SEK	10.6658	10.4223	10.5867	11.0613	10.3980	10.4468
DKK	7.4715	7.4636	7.4661	7.4674	7.4652	7.4715
RUB	73.702	74.8842	72.4593	85.9486	72.8564	69.9563

Principles for calculating financial indicators

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

Adjusted EBIT

In addition to reporting EBIT, the company publishes an adjusted EBIT indicator to describe the actual financial development of the business and to improve comparability between different periods. The adjusted EBIT is determined by adjusting the EBIT recognized in the income statement for items that affect comparability. These may include events that are not part of the ordinary business activities, such as the restructuring of operations, capital gains and losses attributable to the sale of operations, impairment, and the costs of discontinuing significant operations.

Gross investments

Investments in tangible and intangible assets, including acquired businesses

FTE = $\dfrac{\text{Hours worked during the review period}}{\text{Number of working days during the review period * normal working hours per day}}$

Return on equity (%) = $\dfrac{\text{Profit/loss for the accounting period}}{\text{Equity (average)}} * 100$

Return on investment (%) = $\dfrac{\text{Profit/loss before tax + interest and other financial expenses}}{\text{Equity + interest-bearing financial liabilities (average)}} * 100$

Equity ratio (%) = $\dfrac{\text{Equity}}{\text{Balance sheet total – advance payments received}} * 100$

Interest-bearing liabilities = Loans and lease liabilities

Gearing (%) = $\dfrac{\text{Interest-bearing liabilities}}{\text{Equity}} * 100$

Net interest-bearing liabilities = Interest-bearing liabilities – cash and cash equivalents

Net gearing (%) = $\dfrac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Equity}} * 100$

Earnings/share (basic) = $\dfrac{\text{Profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$

Equity/share = $\dfrac{\text{Equity attributable to the owners of the parent company}}{\text{Undiluted number of shares on 31 Dec}}$

Dividend/share = $\dfrac{\text{Dividend distribution during the accounting period}}{\text{Undiluted number of shares on 31 Dec}}$

Dividend/profit (%) = $\dfrac{\text{Dividend/share}}{\text{Earnings per share (EPS)}} * 100$

Effective dividend yield (%) = $\dfrac{\text{Dividend/share}}{\text{Closing price at the end of the accounting period}} * 100$

Price/earnings (P/E) = $\dfrac{\text{Closing price at the end of the accounting period}}{\text{Earnings per share}}$

Average price = $\dfrac{\text{Overall share turnover (EUR)}}{\text{Undiluted average number of shares traded during the accounting period}}$

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

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

ATRIA PLC
Board of Directors

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