

# ATRIA

*Good food – better mood.*



## Atria Plc Interim report

1 January – 30 September 2022

## Atria's net sales grew strongly – increased costs weighed down EBIT

### July–September 2022

- Consolidated net sales totalled EUR 438.8 million (EUR 388.0 million).
- Consolidated adjusted EBIT was EUR 16.2 million (EUR 19.7 million), or 3.7 per cent (5.1%) of net sales.
- Consolidated EBIT was EUR 16.4 million (EUR 19.7 million), or 3.7 per cent (5.1%) of net sales.
- Consolidated net sales increased as a result of increased sales prices. Sales of Foodservice products also increased in volume.
- Increased costs weighed down EBIT in all business areas.
- The construction of a poultry plant in Nurmo, Finland and the expansion of the Sköllersta plant in Sweden are progressing according to plan.
- In September, Atria Finland launched a development programme to improve the competitiveness and profitability of its poultry business.
- Premium Atria beef was successful in the “World Steak Challenge” competition.

### January–September 2022

- Consolidated net sales totalled EUR 1245.5 million (EUR 1136.6 million).
- Consolidated adjusted EBIT was EUR 32.3 million (EUR 38.9 million), or 2.6 per cent (3.4%) of net sales.
- Consolidated EBIT was EUR 34.6 million (EUR -6.2 million), or 2.8 per cent (-0.5%) of net sales.
- EBIT includes a total of EUR +13.0 million in adjustment items with an impact on cash flow. In addition, the consolidated EBIT includes a translation difference of EUR -10.7 million, which has no impact on cash flow.
- The EBIT adjustment item in the comparison period consists of EUR -45.1 million in translation differences recognised in the income statement in connection with the divestment of a Russian subsidiary (OOO Pit-Product).
- Net sales grew thanks to good retail, Foodservice, and feed sales.
- Exports decreased compared to the previous year.
- Increased costs weighed down EBIT in all business areas.
- Free cash flow was negative due to large investments and an increase in working capital.
- 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 an export licence for poultry products to South Korea.

| EUR million                                      | Q3           | Q3           | Q1 - Q3        | Q1 - Q3        |                |
|--|--------------|--------------|----------------|----------------|----------------|
|  | 2022         | 2021         | 2022           | 2021           | 2021           |
| <b>Net sales</b>                                 |              |              |                |                |                |
| Atria Finland                                    | 327.2        | 274.6        | 920.9          | 812.5          | 1,105.7        |
| Atria Sweden                                     | 92.7         | 94.3         | 269.9          | 259.0          | 351.7          |
| Atria Denmark & Estonia                          | 29.1         | 27.3         | 83.5           | 78.5           | 104.9          |
| Unallocated*                                     | 0.0          | 0.2          | 0.0            | 14.8           | 15.0           |
| Eliminations                                     | -10.1        | -8.3         | -28.9          | -28.2          | -37.1          |
| <b>Net sales, total</b>                          | <b>438.8</b> | <b>388.0</b> | <b>1,245.5</b> | <b>1,136.6</b> | <b>1,540.2</b> |
| <b>EBIT before items affecting comparability</b> |              |              |                |                |                |
| Atria Finland                                    | 12.7         | 16.4         | 29.2           | 37.5           | 48.1           |
| Atria Sweden                                     | 3.4          | 3.0          | 3.2            | 2.1            | 2.7            |
| Atria Denmark & Estonia                          | 0.7          | 1.2          | 2.2            | 5.1            | 5.1            |
| Unallocated*                                     | -0.6         | -0.9         | -2.2           | -5.9           | -6.8           |
| <b>Adjusted EBIT</b>                             | <b>16.2</b>  | <b>19.7</b>  | <b>32.3</b>    | <b>38.9</b>    | <b>49.2</b>    |
| <b>Adjusted EBIT, %</b>                          | <b>3.7 %</b> | <b>5.1 %</b> | <b>2.6 %</b>   | <b>3.4 %</b>   | <b>3.2 %</b>   |
| <b>Items affecting comparability of EBIT:</b>    |              |              |                |                |                |
| Atria Sweden                                     |              |              |                |                |                |
| Refund of employment pension contribution**      | 0.3          | 0.0          | 1.3            | 0.0            | 2.3            |
| Sale of real estate in Malmö**                   | -0.1         | 0.0          | 9.8            | 0.0            | 0.0            |
| Unallocated                                      |              |              |                |                |                |
| Effect of the sale of subsidiary, Sibylla Rus*** | 0.0          | 0.0          | -8.8           | 0.0            | 0.0            |
| Effect of the sale of subsidiary, Pit-Product*** | 0.0          | 0.0          | 0.0            | -45.1          | -45.1          |
| <b>EBIT</b>                                      | <b>16.4</b>  | <b>19.7</b>  | <b>34.6</b>    | <b>-6.2</b>    | <b>6.4</b>     |
| <b>EBIT, %</b>                                   | <b>3.7 %</b> | <b>5.1 %</b> | <b>2.8 %</b>   | <b>-0.5 %</b>  | <b>0.4 %</b>   |
| <b>Profit before taxes</b>                       | <b>18.3</b>  | <b>19.4</b>  | <b>38.5</b>    | <b>-7.5</b>    | <b>4.8</b>     |
| Earnings per share, EUR                          | 0.58         | 0.53         | 1.15           | -0.59          | -0.24          |
| Adjusted earnings per share, EUR                 | 0.57         | 0.53         | 1.07           | 1.01           | 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

” Atria Group’s net sales continued to grow in July–September. Net sales was at around EUR 439 million, an increase of EUR 51 million on the third quarter of 2021. Since the beginning of the year, net sales have increased by EUR 109 million to EUR 1245 million in January–September.

Net sales increased mainly as a result of increases in sales prices. The sales volumes in the Foodservice channel developed well following the lifting of COVID-19 restrictions. The development of retail sales has levelled off after strong growth during the COVID-19 pandemic, with some business lines and product groups showing a downward trend.

Sibylla sales was lower than last year, as Atria’s Sibylla operations in Russia were sold in the spring of 2022. The feed business has grown. Export volumes were lower than a year ago, but the value of exports in the third quarter was about the same as last year.

Consolidated adjusted EBIT for the third quarter was EUR 16.2 million, down by around EUR 3.5 million compared to the same period a year ago. Profitability was weighed down by higher costs. The price of electricity has risen most sharply – despite price hedging. The prices paid by Atria to meat producers in the third quarter were more than 30 per cent higher than in the same period a year ago. Adjusted EBIT for January–September was EUR 32 million, compared with EUR 39 million a year ago. The company has adapted to the changing operating environment well.

The largest investments underway, i.e. the construction of a poultry plant in Nurmo and the expansion of the production plant in Sköllersta, Sweden, are progressing according to plan.

Consumer purchasing behaviour is changing. Inflation is eroding purchasing power and there is also a shift in food purchases to products with a lower unit price. Consumers may be eating out less often to save money.

Cost inflation has not stopped. In particular, rapidly fluctuating energy prices will be a major source of uncertainty next winter.

Free cash flow has been negative during the year due to large investments and an increase in working capital. However, the balance sheet has remained strong.

Atria’s success at the World Steak Challenge 2022 in Dublin continued. This time, Atria’s grass-fed steak, grown in Finland, received numerous honourable mentions in many competition categories. The success year after year is a testament to the high and consistent quality of Atria beef.

There has been a clear improvement in occupational safety in our factories and offices. Since 2017, the number of accidents at work has fallen by two-thirds. Such a change would not have been possible without the commitment of every Atria employee in occupational safety.”



## July–September 2022

**Atria Group's** net sales in July–September were EUR 438.8 million (EUR 388.0 million). Adjusted EBIT was EUR 16.2 million (EUR 19.7 million), or 3.7 per cent (5.1 %) of net sales. Consolidated EBIT was EUR 16.4 million (EUR 19.7 million) or 3.7 percent (5.1 %) of net sales. EBIT includes a refund of an employment pension contribution in the amount of EUR 0.3 million in Sweden.

The group's net sales increased mainly as a result of increases in sales prices. In the Foodservice channel, the volumes were also better than in the corresponding period of the previous year. Corona restrictions on restaurants were removed in the spring, which has strengthened sales to Foodservice customers. In Finland, sales to feed customers increased and exports were also better than the previous year. Sales to fast food customers were lower than the corresponding period of the previous year, because Atria withdrew from the fast food business in Russia.

The adjusted EBIT was weaker than in the corresponding period of the previous year, which was a result of the increase in the prices of meat raw materials, raw materials, supplies, commodities and external services. Producer prices for meat were more than 30 percent higher than in the corresponding period of the previous year.

The construction of a poultry plant in Nurmo, Finland and the expansion of the Sköllersta plant in Sweden are progressing according to plan. The construction project in Nurmo is in progress with the laying of flooring, the construction of partition walls and the installation of building services. The project in Sköllersta has progressed to the building services and equipment installation phase, which is expected to be completed early next year.

In September, Atria Finland launched a development programme to improve the competitiveness and profitability of its poultry business. The programme will be implemented in phases. During the first phase, Atria will start negotiations on changes in the Sahalahti poultry unit in accordance with the Act on Co-operation within Undertakings. The possible closure of the Sahalahti plant will be discussed during the negotiations, which concern the entire workforce of the Sahalahti plant, approximately 130 people. Atria's other production plants will not be affected by the first phase of the change negotiations. With the planned 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. During the second phase, negotiations will be launched in accordance with the Act on Co-operation within Undertakings in the Nurmo poultry unit. 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.

## January–September 2022

**Atria Group's** net sales in January–September were EUR 1245.5 million (EUR 1136.6 million). Adjusted EBIT was EUR 32.3 million (EUR 38.9 million), or 2.6 per cent (3.4%) of net sales. Consolidated EBIT was EUR 34.6 million (EUR -6.2 million), or 2.8 per cent (-0.5%) of net sales.

Atria Group's net sales increased due to good retail, Foodservice and feed sales. Exports declined from the previous year. Since the spring, selling prices have strengthened in the retail and Foodservice channels in all business areas. The sales prices of feed were at a higher level than in the corresponding period last year.

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 have increased. Producer prices were higher than in the same period last year.

The EBIT includes a EUR 9.8 million non-recurring sales gain from an industrial property in Malmö and a EUR 1.3 million non-recurring refund of an employment pension contribution. The EBIT also includes a EUR 1.9 million sales gain recognised on the sale of the Sibylla Rus fast-food company, which operated in Russia, and a EUR -10.7 million translation difference loss incurred from the exchange rate differences between the Russian rouble and the euro. The translation difference was recognised in the income statement, but it has no effect on the Group's equity ratio or cash flow.

The adjusted item in the EBIT of the comparison period consists of the EUR -45.1 million in translation differences recognised in the income statement in connection to the divestment of a Russian subsidiary (OOO Pit-Product).

Free 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 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, engaged in the fast-food business, to Limited Liability Company Agricultural Complex Mikhailovskiy, which is part of Cherkizovo Group. The purchase 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.

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.

## Key indicators

| EUR million                        | 30.9.2022 | 30.9.2021 | 31.12.2021 |
|------------------------------------|-----------|-----------|------------|
| Shareholders' equity per share EUR | 17.75     | 15.72     | 16.08      |
| Interest-bearing liabilities       | 256.2     | 191.0     | 209.9      |
| Equity ratio, %                    | 48.9 %    | 49.6 %    | 48.7 %     |
| Net gearing, %                     | 49.5 %    | 38.6 %    | 32.6 %     |
| Gross investments                  | 85.0      | 33.4      | 55.6       |
| % of net sales                     | 6.8 %     | 2.9 %     | 3.6 %      |
| Average FTE                        | 3,697     | 3,690     | 3,711      |

## News on responsibility: Premium Atria beef is a success in the “World Steak Challenge” competition

Atria's Finnish grass-fed beef was again successful in the World Steak Challenge 2022 in Dublin, Ireland. The competition rates the taste and quality of steak meat of various producers and awards the best steak meat in the world. Atria's Danish partner JN Meat International entered the competition with Atria's beef products and achieved gold levels in several categories:

- Gold medal level in the category of grass-fed beef fillet
- Gold medal level in the category of grass-fed beef rib-eye (entrecôte)
- Gold medal level in the category of grass-fed beef sirloin

Atria's first chicken products that are traceable to individual farms arrived in stores 10 years ago. At the same time, this historic label on the package was launched on meat products for the first time in the world. Atria has been working systematically on traceability for a long time. Responsible, fully transparent meat production, where the final product can be traced back to family farms, indicates both product safety and origin. It is also a guarantee of animal welfare. Traceability has also given Atria a competitive advantage. Farm-specific traceability has provided the basis for the carbon footprint labelling of Atria's food products and also for reducing its carbon footprint.

Atria has consistently developed and improved its occupational safety. “Safely home from Atria” is an occupational safety programme launched in 2017. The programme has achieved excellent results: two thirds of accidents have been eliminated over five years. The number of accidents has steadily decreased since 2017.



## Business development by area January–September 2022

### Atria Finland

|             | Q3    | Q3    | Q1 - Q3 | Q1 - Q3 |         |
|-------------|-------|-------|---------|---------|---------|
| EUR million | 2022  | 2021  | 2022    | 2021    | 2021    |
| Net sales   | 327.2 | 274.6 | 920.9   | 812.5   | 1,105.7 |
| EBIT        | 12.7  | 16.4  | 29.2    | 37.5    | 48.1    |
| EBIT, %     | 3.9 % | 6.0 % | 3.2 %   | 4.6 %   | 4.4 %   |

**Atria Finland's net sales in July–September** were EUR 327.2 million (EUR 274.6 million). Net sales increased in all sales channels, especially in the retail, feed and Foodservice channels. The increase in net sales in the retail channel was due to increases in sales prices. Exports also increased in value, although volumes declined slightly. Sales to Foodservice customers increased both in terms of value and volume. The coronavirus restrictions for restaurants that were imposed in spring 2020 were completely lifted at the beginning of March, which boosted Foodservice sales. EBIT totalled EUR 12.7 million (EUR 16.4 million). EBIT was lower than in the same period last year due to higher cost of raw materials, supplies, commodities and external services. Among commodities, energy costs in particular have increased. Logistics costs were also significantly higher than in the reference period. Meat producer prices were more than 30 per cent higher than in the same period in the previous year.

**Net sales in January–September** were EUR 920.9 million (EUR 812.5 million). The increase in net sales was due to an increase in retail, Foodservice and feed sales. The sales prices of feed were at a higher level than in the corresponding period the year before. The growth in Foodservice sales was a result of the coronavirus restrictions on restaurants being lifted from the beginning of March. Exports declined from the previous year. Since spring, sales prices to retail and foodservice customers have been higher than in the same period last year. EBIT totalled EUR 29.2 million (EUR 37.5 million). EBIT was weighed down by the increase in the costs of raw materials, supplies, commodities and external services. Meat producer prices were higher year-on-year.

Two significant developments have taken place in the market for the product groups represented by Atria in Finland during 2022: a strong recovery of the Foodservice market after the coronavirus pandemic and a sharp increase in market prices since the spring.

The Finnish retail market for the product categories represented by Atria grew by 3.7 per cent in value between January and August. In volume terms, the market declined by 2.4 per cent, reflecting a shift of consumption to the Foodservice market. Sales of convenience food showed the largest increase of 7.3 per cent in terms of value. Convenience food was the only product group that also showed growth in volume. In the other product groups represented by Atria, retail sales fell by 3–8 per cent in volume terms. Atria's supplier share in the retail market was 24.9 per cent. (Source: Atria market insight)



During January–August, the Finnish Foodservice market in the product groups represented by Atria grew by 12 per cent in volume and by approximately 21 per cent in terms of value. The market for poultry products has grown most strongly: 29 per cent in value. All other product groups represented by Atria also grew by 17–21 per cent in value. In the Foodservice market, Atria’s supplier share is 20.8 per cent. (Source: Atria market insight)

In January–September, exports contracted compared to the same period last year. Atria Finland’s main export countries 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 September, Atria Finland launched a development programme to improve the competitiveness and profitability of its poultry business. The programme will be implemented in phases. During the first phase, Atria will start negotiations on changes in the Sahalahti poultry unit in accordance with the Act on Co-operation within Undertakings. The possible closure of the Sahalahti plant will be discussed during the negotiations, which concern the entire workforce of the Sahalahti plant, approximately 130 people. Atria’s other production plants will not be affected by the first phase of the change negotiations. With the planned 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. During the second phase, negotiations will be launched in accordance with the Act on Co-operation within Undertakings in the Nurmo poultry unit. 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.

The construction of the new poultry plant is progressing according to plan. The construction project is in progress with the laying of flooring, the construction of partition walls and the installation of building services.



### Atria Sweden

|   | Q3    | Q3    | Q1 - Q3 | Q1 - Q3 |       |
|---|-------|-------|---------|---------|-------|
| EUR million                               | 2022  | 2021  | 2022    | 2021    | 2021  |
| Net sales                                 | 92.7  | 94.3  | 269.9   | 259.0   | 351.7 |
| Adjusted EBIT                             | 3.4   | 3.0   | 3.2     | 2.1     | 2.7   |
| Adjusted EBIT, %                          | 3.7 % | 3.2 % | 1.2 %   | 0.8 %   | 0.8 % |
| Items affecting comparability of EBIT:    |       |       |         |         |       |
| Refund of employment pension contribution | 0.3   | 0.0   | 1.3     | 0.0     | 2.3   |
| Sale of real estate in Malmö              | -0.1  | 0.0   | 9.8     | 0.0     | 0.0   |
| EBIT                                      | 3.7   | 3.0   | 14.3    | 2.1     | 5.0   |
| EBIT, %                                   | 4.0 % | 3.2 % | 5.3 %   | 0.8 %   | 1.4 % |

**Atria Sweden's net sales in July–September** were EUR 92.7 million (EUR 94.3 million). In the local currency, net sales grew by 2.1 per cent year-on-year. Sales to the retail sector increased as a result of increased sales prices. Year-on-year sales to fast-food customers declined because of Atria's withdrawal from the Russian fast-food business in May. Strong inflation reduced consumers' purchasing power. Adjusted EBIT was EUR 3.4 million (EUR 3.0 million). EBIT was EUR 3.7 million (EUR 3.0 million). EBIT contains a refund of an employment pension contribution in the amount of EUR 0.3 million. The constantly high raw-material, transport and energy costs brought down EBIT during the review period.

**Net sales in January–September** were EUR 269.9 million (EUR 259.0 million). Net sales in local currency were some 7.8 per cent higher than in the previous year. The net sales were strengthened by increases in retail sales prices. The sales of Foodservice products have increased in step with the lifting of the COVID-19 restrictions. Adjusted EBIT was EUR 3.2 million (EUR 2.1 million). EBIT was EUR 14.3 million (EUR 2.1 million). The EBIT includes a EUR 9.8 million non-recurring sales gain from an industrial property located in Malmö and a EUR 1.3 million non-recurring refund of an employment pension contribution. EBIT was weighed down by higher costs and weaker consumer purchasing power resulting from inflation. Consumers are now favouring products in lower price categories.

In January-August, the sales volume of Atria product groups in the Swedish retail sector decreased. In terms of value, the sausage market grew by 2.5 per cent, the cold cuts market by 3.5 per cent and the poultry products market by 5.6 per cent. Atria's year-on-year market shares in retail strengthened in all the product groups represented by the company. In January–August, Atria's supplier share was 20.0 per cent in sausages, 12.9 per cent in cold cuts and 19.4 per cent in fresh chicken products. (Source: AC Nielsen)

As part of the efficiency programme initiated in 2020, Atria sold its industrial property in Malmö for EUR 21 million at the end of April. Atria will continue its industrial operations at the plant until production in the premises end in 2023. The transaction was completed on 26 April 2022. A non-recurring sales gain of EUR 9.8 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 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.

The construction project for new production facilities at the Sköllersta factory in Örebro is progressing on schedule. The project has progressed to the building services and equipment installation phase, which is expected to be completed early next year. Part of the production of cold cuts at the Malmö plant has been transferred to the Horsens plant in Denmark in October 2022. The remainder of the Malmö plant's production will be transferred to Sköllersta by autumn next year.



### Atria Denmark & Estonia

|             | Q3    | Q3    | Q1 - Q3 | Q1 - Q3 |       |
|-------------|-------|-------|---------|---------|-------|
| EUR million | 2022  | 2021  | 2022    | 2021    | 2021  |
| Net sales   | 29.1  | 27.3  | 83.5    | 78.5    | 104.9 |
| EBIT        | 0.7   | 1.2   | 2.2     | 5.1     | 5.1   |
| EBIT, %     | 2.3 % | 4.3 % | 2.6 %   | 6.5 %   | 4.9 % |

**Atria Denmark & Estonia's net sales in July–September** were EUR 29.1 million (EUR 27.3 million). EBIT totalled EUR 0.7 million (EUR 1.2 million). Atria's net sales in Estonia grew by approximately 15 per cent year-on-year as a result of increases in sales prices. In Denmark, net sales were on a par with the previous year, exports increased slightly and retail sales contracted.

EBIT was weighed down by a sharp increase in energy and raw material costs. Record-high inflation weakened consumer demand. Consumers are now clearly favouring products in lower price categories. Households' purchasing power is being eroded by very high electricity and gas prices.

**Net sales in January–September** were EUR 83.5 million (EUR 78.5 million). EBIT totalled EUR 2.2 million (EUR 5.1 million). The increase in net sales resulted from higher sales prices in both Estonia and Denmark. EBIT was weighed down by record-high raw material and commodity costs.

Atria's overall market share in terms of value for the product groups it represents in the Estonian retail sector was 19.6 per cent. In Estonia, high inflation levels have weakened consumer purchasing power and increased sales of more affordable product groups in the grocery trade.

In Denmark, record-high energy cost increases and accelerated inflation have also affected household purchasing power and consumer behaviour. Consumers prefer products in the lower price range.

## Personnel by Business Area average FTE

| Personnel by Business Area<br>average FTE | Q1 - Q3      | Q1 - Q3      |              |
|---|--------------|--------------|--------------|
|   | 2022         | 2021         | 2021         |
| Atria Finland                             | 2,447        | 2,381        | 2,390        |
| Atria Sweden                              | 815          | 866          | 876          |
| Atria Denmark & Estonia                   | 435          | 443          | 445          |
| <b>Total</b>                              | <b>3,697</b> | <b>3,690</b> | <b>3,711</b> |

## Financial position

Consolidated interest-bearing net liabilities on 30 September 2022 amounted to EUR 254.5 million (31 December 2021: EUR 152.6 million). The increase in debt was mainly caused by the negative free cash flow of the review period.

During the review period, consolidated free cash flow (operating cash flow – cash flow from investments) was EUR -76.7 million (EUR 36.7 million). Operating cash flow amounted to EUR -20.2 million (EUR 41.9 million). Cash flow from operating activities is affected by an increase in working capital, mainly due to the impact of inflation on the value of products and raw materials. Cash flow from investments was EUR -56.5 million (EUR -5.2 million). Cash flow from investments includes the purchase price of EUR 21 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 and the expansion of the Sköllersta plant in Sweden increased the cash flow from investments. 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 48.9 per cent (31 December 2021: 48.7%). Equity increased as a result of a change in the fair value of interest rate and electricity hedges, which are subject to hedge accounting. The change in the fair value amounted to EUR +29.3 million during the period (EUR +4.0 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.

The Group's liquidity during the review period remained good. On 30 September 2022, the Group had undrawn committed credit facilities worth EUR 85.0 million (31 December 2021: EUR 85.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 3 years 7 month (31 December 2021: 4 years 11 months). The company has hedged itself against rising interest rates with interest rate derivatives, so that about a quarter of the loans have been changed to fixed interest rates.

## 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](http://www.atria.fi/en/group/investors/financial-information/annual-reports).

In the third quarter, signs of an economic downturn abounded in Europe. Strong cost inflation and higher market rates have eroded household purchasing power and weakened public finances, while increasing costs for businesses. For Atria, raw material and packaging material prices as well as energy costs have

increased. Changing consumer behaviour and future energy availability and cost increases are major uncertainties.

After a dry summer in 2021, grain prices increased. Ukraine is a major producer of feed grains and the military action on its soil has pushed up grain prices even further. According to preliminary data, this summer's grain harvest in Finland was slightly better than average. However, increases in fertiliser and energy prices have kept grain prices high. For these reasons, costs incurred by meat farms have also remained high.

The rise in energy prices, which started just over a year ago, has continued in 2022. Russia's war of aggression in Ukraine and the sanctions imposed on Russia have 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 usage in the next twelve months is hedged and approx. 60% of the usage in the following twelve-month period. The electricity price risk, which is caused by the regional price difference, has been hedged against about 35%. The change in the fair value of electricity derivatives subject to hedge accounting is recorded in equity.

The risks associated with cybersecurity and information warfare have increased. Atria is prepared for an increase in 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.

COVID-19 is impacting Atria's operations for the third consecutive year. In early autumn, the incidence of the virus has increased again. 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 per cent 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 meat and the 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

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

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

## Financial calendar and financial reporting in 2023

Atria Plc's financial statement release for 2022 will be published on 22 February 2023 at approximately 8.00 a.m. The Annual General Meeting 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 mentioned 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, Läkkipäntie 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](http://www.atria.com) immediately after their release.

## 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 related 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 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 an Annual 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 Board

The following people were elected to Atria Plc's Nomination Board at 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 Director, Equities, representative of Varma Mutual Pension Insurance Company
- Seppo Paavola, Agriologist, Expert Member, Chairman of Atria Plc's Board of Directors

In its first meeting the Nomination Board will elect a Chairman from among its members. The Nomination Board prepares proposals to the next Annual General Meeting regarding the remuneration of the members of the Board of Directors and the Supervisory Board as well as the election of the members of the Board of Directors. The Nomination Board shall present its proposal to the Board of Directors by 1 February 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 Board in accordance with their ownership in early September preceding the next Annual General Meeting. If the largest owner 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 as per the shareholder register. Itikka Co-operative, Lihakunta and Pohjanmaan Liha Co-operative are Series KII shareholders.

If a shareholder, who would have the obligation to notify the Company of certain changes in shareholding under the Finnish Securities Markets Act (flagging obligation), presents a written request directed to the Board of Directors of the Company by the end of August, the holdings of a corporation or a foundation controlled by the shareholder or the shareholder's holdings in several funds or registers will be combined when calculating the voting right. A holder of nominee-registered shares will be taken into account when determining the composition of the Nomination Board if the holder of nominee-registered shares presents a



request concerning the issue directed to the Board of Directors of the Company by the end of the 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](http://www.atria.com).

## ATRIA GROUP

## Consolidated income statement

| EUR million                               | 7-9/2022     | 7-9/2021     | 1-9/2022       | 1-9/2021       | 1-12/2021      |
|---|--------------|--------------|----------------|----------------|----------------|
| <b>Net sales</b>                          | <b>438.8</b> | <b>388.0</b> | <b>1,245.5</b> | <b>1,136.6</b> | <b>1,540.2</b> |
| Costs of goods sold                       | -397.0       | -339.2       | -1,125.6       | -1,004.1       | -1,363.7       |
| <b>Gross profit</b>                       | <b>41.8</b>  | <b>48.9</b>  | <b>119.8</b>   | <b>132.4</b>   | <b>176.5</b>   |
| Sales and marketing expenses              | -16.6        | -18.2        | -56.6          | -59.4          | -81.0          |
| Administrative expenses                   | -10.4        | -9.9         | -32.1          | -33.3          | -45.8          |
| Other operating income                    | 2.6          | 0.6          | 15.5           | 2.7            | 6.0            |
| Other operating expenses                  | -1.0         | -1.6         | -12.0          | -48.6          | -49.4          |
| <b>EBIT</b>                               | <b>16.4</b>  | <b>19.7</b>  | <b>34.6</b>    | <b>-6.2</b>    | <b>6.4</b>     |
| Finance income and costs                  | -0.3         | -1.4         | -1.9           | -4.0           | -4.9           |
| Income from joint ventures and associates | 2.2          | 1.0          | 5.8            | 2.8            | 3.4            |
| <b>Profit before taxes</b>                | <b>18.3</b>  | <b>19.4</b>  | <b>38.5</b>    | <b>-7.5</b>    | <b>4.8</b>     |
| Income taxes                              | -2.4         | -4.2         | -5.7           | -8.0           | -10.2          |
| <b>Profit for the period</b>              | <b>15.9</b>  | <b>15.2</b>  | <b>32.8</b>    | <b>-15.5</b>   | <b>-5.4</b>    |
| <b>Profit attributable to:</b>            |              |              |                |                |                |
| Owners of the parent                      | 16.4         | 14.8         | 32.5           | -16.5          | -6.9           |
| Non-controlling interests                 | -0.5         | 0.4          | 0.2            | 1.0            | 1.5            |
| <b>Total</b>                              | <b>15.9</b>  | <b>15.2</b>  | <b>32.8</b>    | <b>-15.5</b>   | <b>-5.4</b>    |
| Basic earnings per share, EUR             | 0.58         | 0.53         | 1.15           | -0.59          | -0.24          |
| Diluted earnings per share, EUR           | 0.58         | 0.53         | 1.15           | -0.59          | -0.24          |

## Consolidated statement of comprehensive income

| EUR million  | 7-9/2022    | 7-9/2021    | 1-9/2022    | 1-9/2021     | 1-12/2021   |
|--|-------------|-------------|-------------|--------------|-------------|
| <b>Profit for the period</b>   | <b>15.9</b> | <b>15.2</b> | <b>32.8</b> | <b>-15.5</b> | <b>-5.4</b> |
| <b>Other comprehensive income after tax:</b>   |             |             |             |              |             |
| <b>Items that will not be reclassified to profit or loss</b>                           |             |             |             |              |             |
| Actuarial losses from benefit-based pension obligations                                | 0.3         | 0.0         | 0.8         | 0.0          | 0.2         |
| Changes in fair value of equity items at fair value through other comprehensive income | 0.0         | 0.0         | 0.0         | 0.0          | -0.4        |
| <b>Items reclassified to profit or loss when specific conditions are met</b>           |             |             |             |              |             |
| Cash flow hedges   | 5.6         | 2.3         | 29.3        | 4.0          | 5.7         |
| Currency translation differences   | -2.3        | -0.6        | 2.3         | 43.8         | 42.7        |
| <b>Total comprehensive income for the period</b>                                       | <b>19.4</b> | <b>16.9</b> | <b>65.3</b> | <b>32.3</b>  | <b>42.8</b> |
| <b>Total comprehensive income attributable to:</b>                                     |             |             |             |              |             |
| Owners of the parent   | 19.9        | 16.5        | 65.0        | 31.2         | 41.3        |
| Non-controlling interests  | -0.5        | 0.4         | 0.2         | 1.0          | 1.5         |
| <b>Total</b>   | <b>19.4</b> | <b>16.9</b> | <b>65.3</b> | <b>32.3</b>  | <b>42.8</b> |

## Consolidated statement of financial position

| <b>Assets</b>   |                  |                  |                   |
|---|------------------|------------------|-------------------|
| <b>EUR million</b>  | <b>30.9.2022</b> | <b>30.9.2021</b> | <b>31.12.2021</b> |
| <b>Non-current assets</b>                                     |                  |                  |                   |
| Property, plant and equipment                                 | 427.5            | 374.5            | 385.5             |
| Biological assets   | 0.7              | 0.6              | 0.6               |
| Right-of-use assets   | 31.1             | 30.8             | 30.4              |
| Goodwill  | 156.9            | 163.5            | 162.7             |
| Other intangible assets                                       | 71.4             | 78.6             | 77.5              |
| Investments in joint ventures and associates                  | 20.8             | 16.6             | 17.2              |
| Other financial assets  | 0.9              | 1.2              | 0.8               |
| Loan and other receivables                                    | 18.3             | 5.1              | 6.1               |
| Deferred tax assets   | 1.0              | 2.3              | 1.8               |
| <b>Total</b>  | <b>728.6</b>     | <b>673.3</b>     | <b>682.6</b>      |
| <b>Current assets</b>   |                  |                  |                   |
| Inventories   | 149.5            | 100.4            | 109.6             |
| Biological assets   | 4.9              | 3.8              | 3.6               |
| Trade and other receivables                                   | 167.7            | 129.0            | 108.3             |
| Cash and cash equivalents                                     | 1.8              | 14.8             | 57.3              |
| <b>Total</b>  | <b>323.9</b>     | <b>247.9</b>     | <b>278.9</b>      |
| <b>Total assets</b>   | <b>1,052.5</b>   | <b>921.2</b>     | <b>961.5</b>      |
| <b>Equity and liabilities</b>                                 |                  |                  |                   |
| <b>EUR million</b>  | <b>30.9.2022</b> | <b>30.9.2021</b> | <b>31.12.2021</b> |
| Equity attributable to the shareholders of the parent company | 501.8            | 444.5            | 454.6             |
| Non-controlling interests                                     | 12.5             | 12.5             | 12.9              |
| <b>Total equity</b>   | <b>514.2</b>     | <b>457.0</b>     | <b>467.6</b>      |
| <b>Non-current liabilities</b>                                |                  |                  |                   |
| Loans   | 176.1            | 157.2            | 176.1             |
| Lease liabilities   | 22.0             | 21.9             | 21.3              |
| Deferred tax liabilities                                      | 44.0             | 37.0             | 37.4              |
| Pension obligations   | 5.8              | 7.0              | 6.7               |
| Other non-interest-bearing liabilities                        | 2.7              | 3.3              | 3.0               |
| Provisions  | 0.4              | 0.0              | 0.0               |
| <b>Total</b>  | <b>251.1</b>     | <b>226.4</b>     | <b>244.5</b>      |
| <b>Current liabilities</b>                                    |                  |                  |                   |
| Loans   | 48.5             | 2.5              | 2.9               |
| Lease liabilities   | 9.6              | 9.4              | 9.6               |
| Trade and other payables                                      | 229.1            | 225.9            | 236.8             |
| <b>Total</b>  | <b>287.1</b>     | <b>237.8</b>     | <b>249.3</b>      |
| <b>Total liabilities</b>                                      | <b>538.3</b>     | <b>464.2</b>     | <b>493.9</b>      |
| <b>Total equity and liabilities</b>                           | <b>1,052.5</b>   | <b>921.2</b>     | <b>961.5</b>      |

## 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        |                           |              |
| <b>Equity 1.1.2021</b>                        | <b>48.1</b>   | <b>-1.2</b>     | <b>-1.3</b> | <b>249.5</b>               | <b>-62.7</b>        | <b>190.4</b>      | <b>422.8</b> | <b>16.1</b>               | <b>438.9</b> |
| Profit for the period                         |   |                 |             |                            |                     | -16.5             | -16.5        | 1.0                       | -15.5        |
| Other comprehensive income                    |   |                 |             |                            |                     |                   |              |                           |              |
| Cash flow hedges                              |   |                 | 4.0         |                            |                     |                   | 4.0          |                           | 4.0          |
| Currency translation differences              |   |                 |             |                            | 43.8                |                   | 43.8         |                           | 43.8         |
| Changes in shares of non-controlling interest |   |                 |             |                            |                     | 4.6               | 4.6          | -4.1                      | 0.5          |
| Dividends                                     |   |                 |             |                            |                     | -14.1             | -14.1        | -0.5                      | -14.6        |
| <b>Equity 30.9.2021</b>                       | <b>48.1</b>   | <b>-1.2</b>     | <b>2.6</b>  | <b>249.5</b>               | <b>-18.9</b>        | <b>164.4</b>      | <b>444.6</b> | <b>12.5</b>               | <b>457.0</b> |
| <b>Equity 1.1.2022</b>                        | <b>48.1</b>   | <b>-1.1</b>     | <b>4.0</b>  | <b>249.4</b>               | <b>-20.0</b>        | <b>174.2</b>      | <b>454.6</b> | <b>12.9</b>               | <b>467.6</b> |
| Profit for the period                         |   |                 |             |                            |                     | 32.5              | 32.5         | 0.2                       | 32.8         |
| Other comprehensive income                    |   |                 |             |                            |                     |                   |              |                           |              |
| Cash flow hedges                              |   |                 | 29.3        |                            |                     |                   | 29.3         |                           | 29.3         |
| Actuarial gains from pension benefits         |   |                 |             |                            |                     | 0.8               | 0.8          |                           | 0.8          |
| Currency translation differences              |   |                 |             |                            | 2.3                 |                   | 2.3          |                           | 2.3          |
| Changes in shares of non-controlling interest |   |                 |             |                            |                     | -0.1              | -0.1         |                           | -0.1         |
| Dividends                                     |   |                 |             |                            |                     | -17.8             | -17.8        | -0.8                      | -18.5        |
| <b>Equity 30.9.2022</b>                       | <b>48.1</b>   | <b>-1.1</b>     | <b>33.3</b> | <b>249.4</b>               | <b>-17.7</b>        | <b>189.8</b>      | <b>501.8</b> | <b>12.4</b>               | <b>514.2</b> |

## Consolidated cash flow statement

| EUR million   | 1-9/2022     | 1-9/2021     | 1-12/2021    |
|---|--------------|--------------|--------------|
| <b>Cash flow from operating activities</b>            |              |              |              |
| Operating activities before financial items and taxes | -12.0        | 55.8         | 105.6        |
| Financial items and taxes                             | -8.2         | -13.9        | -17.4        |
| <b>Net cash flow from operating activities</b>        | <b>-20.2</b> | <b>41.9</b>  | <b>88.2</b>  |
| <b>Cash flow from investing activities</b>            |              |              |              |
| Investments in tangible and intangible assets         | -65.7        | -33.6        | -55.8        |
| Acquired operations                                   | 0.0          | 0.0          | -0.1         |
| Sold operations                                       | 7.4          | 29.3         | 30.3         |
| Increase (-) / decrease (+) in long-term receivables  | 0.0          | -0.5         | -0.4         |
| Change in short-term receivables                      | -0.3         | -1.0         | -0.5         |
| Dividends received                                    | 2.1          | 0.7          | 0.7          |
| <b>Net cash used in investing activities</b>          | <b>-56.5</b> | <b>-5.2</b>  | <b>-25.8</b> |
| <b>Cash flow from financing activities</b>            |              |              |              |
| Draw down of long-term borrowings                     | 0.0          | 60.0         | 120.0        |
| Repayment of long-term borrowings                     | -1.0         | -48.6        | -89.7        |
| Increase (+) / decrease (-) in short-term loans       | 46.6         | -35.6        | -35.3        |
| Principal elements of lease payments                  | -7.0         | -7.1         | -9.5         |
| Acquisition of non-controlling interest               | 0.0          | -4.0         | -4.0         |
| Contribution by non-controlling interest              | 0.0          | 0.9          | 0.9          |
| Dividends paid  | -18.5        | -14.6        | -14.6        |
| <b>Net cash used in financing activities</b>          | <b>20.0</b>  | <b>-49.1</b> | <b>-32.2</b> |
| <b>Change in liquid funds</b>                         | <b>-56.7</b> | <b>-12.4</b> | <b>30.2</b>  |
| Cash and cash equivalents at beginning of year        | 57.3         | 26.6         | 26.6         |
| Effect of exchange rate changes on cash flows         | 1.1          | 0.5          | 0.6          |
| <b>Cash and cash equivalents at the end of period</b> | <b>1.8</b>   | <b>14.8</b>  | <b>57.3</b>  |

## Notes to the interim report

### Accounting principles employed in interim report

This interim report 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 new or revised 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, 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 interim report are unaudited.

## Operating segments

| EUR million                          | 7-9/2022     | 7-9/2021     | 1-9/2022       | 1-9/2021       | 1-12/2021      |
|--------------------------------------|--------------|--------------|----------------|----------------|----------------|
| <b>Revenue from consumer goods</b>   |              |              |                |                |                |
| Atria Finland                        | 243.7        | 210.9        | 685.2          | 625.6          | 846.6          |
| Atria Sweden                         | 92.7         | 94.3         | 269.9          | 259.0          | 351.7          |
| Atria Denmark & Estonia              | 28.5         | 26.7         | 81.7           | 76.8           | 102.6          |
| Unallocated                          | 0.0          | 0.2          | 0.0            | 14.8           | 15.0           |
| Eliminations                         | -10.1        | -8.3         | -28.9          | -28.2          | -37.1          |
| <b>Total</b>                         | <b>354.7</b> | <b>323.8</b> | <b>1,007.9</b> | <b>948.0</b>   | <b>1,278.8</b> |
| <b>Revenue from primary products</b> |              |              |                |                |                |
| Atria Finland                        | 83.4         | 63.7         | 235.7          | 186.9          | 259.1          |
| Atria Sweden                         | -            | -            | -              | -              | -              |
| Atria Denmark & Estonia              | 0.7          | 0.6          | 1.9            | 1.7            | 2.3            |
| Unallocated                          | -            | -            | -              | -              | -              |
| <b>Total</b>                         | <b>84.1</b>  | <b>64.3</b>  | <b>237.6</b>   | <b>188.5</b>   | <b>261.4</b>   |
| <b>Total net sales</b>               | <b>438.8</b> | <b>388.0</b> | <b>1,245.5</b> | <b>1,136.6</b> | <b>1,540.2</b> |
| <b>EBIT</b>                          |              |              |                |                |                |
| Atria Finland                        | 12.7         | 16.4         | 29.2           | 37.5           | 48.1           |
| Atria Sweden *                       | 3.7          | 3.0          | 14.3           | 2.1            | 5.0            |
| Atria Denmark & Estonia              | 0.7          | 1.2          | 2.2            | 5.1            | 5.1            |
| Unallocated **                       | -0.6         | -0.9         | -11.0          | -51.0          | -51.9          |
| <b>Total</b>                         | <b>16.4</b>  | <b>19.7</b>  | <b>34.6</b>    | <b>-6.2</b>    | <b>6.4</b>     |
| <b>Investments</b>                   |              |              |                |                |                |
| Atria Finland                        | 21.8         | 10.5         | 65.2           | 24.4           | 40.0           |
| Atria Sweden                         | 7.9          | 1.9          | 15.1           | 6.5            | 11.5           |
| Atria Denmark & Estonia              | 1.5          | 0.6          | 4.7            | 2.5            | 4.1            |
| <b>Total</b>                         | <b>31.1</b>  | <b>13.0</b>  | <b>85.0</b>    | <b>33.4</b>    | <b>55.6</b>    |
| <b>Depreciation and write-offs</b>   |              |              |                |                |                |
| Atria Finland                        | 9.0          | 9.2          | 27.3           | 27.8           | 37.1           |
| Atria Sweden                         | 2.8          | 3.4          | 9.0            | 10.4           | 14.0           |
| Atria Denmark & Estonia              | 1.1          | 1.1          | 3.2            | 3.4            | 4.5            |
| Unallocated                          | 0.0          | 0.0          | 0.0            | 1.4            | 1.4            |
| <b>Total</b>                         | <b>12.9</b>  | <b>13.8</b>  | <b>39.5</b>    | <b>43.1</b>    | <b>57.1</b>    |

\* One-off items during Q3/2022 was EUR +0.3 million, during Q1-Q3/2022 EUR +11.1 million and during Q1-Q4/2021 EUR +2.3 million.

\*\* The effect of divested subsidiaries during Q1-Q3/2022 was EUR -8.8 million and during Q1-Q4/2021 EUR -45.1 million.

## Fair value hierarchy of financial assets and liabilities

EUR million

| Balance sheet items   | 30.9.2022   | Level 1    | Level 2     | Level 3    |
|---|-------------|------------|-------------|------------|
| <b>Assets</b>   |             |            |             |            |
| Financial assets at fair value through other comprehensive income | 0.9         |            |             | 0.9        |
| Derivative financial instruments                                  | 44.3        |            | 44.3        |            |
| <b>Total</b>  | <b>45.1</b> | <b>0.0</b> | <b>44.3</b> | <b>0.9</b> |
| <b>Liabilities</b>  |             |            |             |            |
| Derivative financial instruments                                  | 0.5         |            | 0.5         |            |
| <b>Total</b>  | <b>0.5</b>  | <b>0.0</b> | <b>0.5</b>  | <b>0.0</b> |
| <hr/>   |             |            |             |            |
| Balance sheet items   | 31.12.2021  | Level 1    | Level 2     | Level 3    |
| <b>Assets</b>   |             |            |             |            |
| Financial assets at fair value through other comprehensive income | 0.8         |            |             | 0.8        |
| Derivative financial instruments                                  | 6.3         |            | 6.3         |            |
| <b>Total</b>  | <b>7.2</b>  | <b>0.0</b> | <b>6.3</b>  | <b>0.8</b> |
| <b>Liabilities</b>  |             |            |             |            |
| Derivative financial instruments                                  | 0.8         |            | 0.8         |            |
| <b>Total</b>  | <b>0.8</b>  | <b>0.0</b> | <b>0.8</b>  | <b>0.0</b> |

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

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

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

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

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

## Related party transactions

EUR million

The following transactions were completed with related parties:

|                                 | 7-9/2022 | 7-9/2021 | 1-9/2022         | 1-9/2021         | 1-12/2021         |
|---------------------------------|----------|----------|------------------|------------------|-------------------|
| Sales of goods and services     | 6.7      | 6.0      | 19.7             | 16.8             | 23.7              |
| Purchases of goods and services | -34.2    | -26.9    | -90.7            | -75.6            | -103.3            |
|                                 |          |          | <b>30.9.2022</b> | <b>30.9.2021</b> | <b>31.12.2021</b> |
| Receivables                     |          |          | 2.4              | 2.0              | 1.7               |
| Liabilities                     |          |          | 6.4              | 5.1              | 6.3               |



## 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

| <b>EUR million</b>  | <b>30/4/2022</b> |
|---|------------------|
| <b>Asset</b>  |                  |
| 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              |
| <b>Total assets</b>   | <b>10.7</b>      |
| <b>Liabilities</b>  |                  |
| 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              |
| <b>Total liabilities</b>  | <b>4.8</b>       |
| <b>Consideration received:</b>  |                  |
| Cash  | 8.2              |
| Sold net assets   | -5.9             |
| Transactions costs  | -0.4             |
| <b>Result on sale before reclassification of foreign currency translation reserve</b> | <b>1.9</b>       |
| Reclassification of foreign currency translation reserve                              | -10.7            |
| <b>Loss on sale</b>   | <b>-8.8</b>      |
| <b>Cash flow from sold operations:</b>  |                  |
| Received payment  | 8.2              |
| Company's cash and cash equivalents   | -0.8             |
| <b>Total</b>  | <b>7.4</b>       |

## Contingent liabilities

| <b>EUR million</b>   | <b>30.9.2022</b> | <b>30.9.2021</b> | <b>31.12.2021</b> |
|--|------------------|------------------|-------------------|
| <b>Debts with mortgages given as security</b>                  |                  |                  |                   |
| Loans from financial institutions                              | 1.1              | 1.2              | 1.2               |
| Pension fund loans   | 4.4              | 4.2              | 4.2               |
| <b>Total</b>   | <b>5.5</b>       | <b>5.4</b>       | <b>5.4</b>        |
| <b>Mortgages given as comprehensive security</b>               |                  |                  |                   |
| Real estate mortgages  | 1.1              | 1.2              | 1.2               |
| <b>Guarantee engagements not included in the balance sheet</b> |                  |                  |                   |
| Guarantees   | 0.1              | 0.1              | 0.1               |

## The main exchange rates

|     | <b>Income statement</b> |                 |                  | <b>Balance sheet</b> |                  |                   |
|-----|-------------------------|-----------------|------------------|----------------------|------------------|-------------------|
|     | <b>1-9/2022</b>         | <b>1-9/2021</b> | <b>1-12/2021</b> | <b>30.9.2022</b>     | <b>30.9.2021</b> | <b>31.12.2021</b> |
| SEK | 10.5235                 | 10.1512         | 10.1445          | 10.8993              | 10.1683          | 10.2503           |
| DKK | 7.44                    | 7.4368          | 7.4371           | 7.4365               | 7.4360           | 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**

Board of Directors

**For more information, please contact:** Juha Gröhn, CEO, Atria Plc, tel. +358 400 684224.

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