ATRIA

Good food – better mood.

Annual Report 2021

ATRIA PRODUCES SUSTAINABLE VALUE

Atria is one of the leading meat and food companies in the Nordic countries. We are a company established in 1903 and valued by our customers, personnel, and owners. We have been producing food for more than 100 years, and we want to continue to do so, which is why our operations take account of the planet, people and food.

Atria's renewal and growth are based on commercial excellence and an efficient and responsible way of working. Our main product, good food, creates a better mood and sustainable value for all our stakeholders. In 2021, our net sales were EUR 1540.2 million, and Atria had 3,711 employees in Finland, Sweden, Denmark and Estonia. Atria Plc's shares have been listed on the Nasdaq Helsinki since 1991.

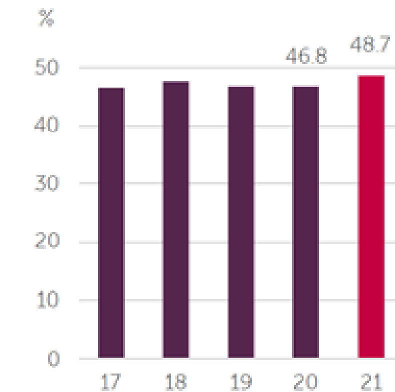
Annual Report 2021

Atria Group's key indicators	2021	2020
Net sales, EUR million	1,540.2	1,504.0
EBIT, EUR million	6.4	40.5
EBIT, %	0.4	2.7
Adjusted EBIT, EUR million *	49.2	40.5
Adjusted EBIT, % *	3.2	2.7
Balance sheet total, EUR million	961.5	939.5
Adjusted return on equity, % *	8.2	5.7
Equity ratio, %	48.7	46.8
Net gearing, %	32.6	43.6

* Operating profit has been adjusted for the translation difference of the sold subsidiary (OOO Pit-Product) EUR -45.1 million and a non-recurring EUR 2.3 million refund of employment pension contribution.

Adjusted EPS

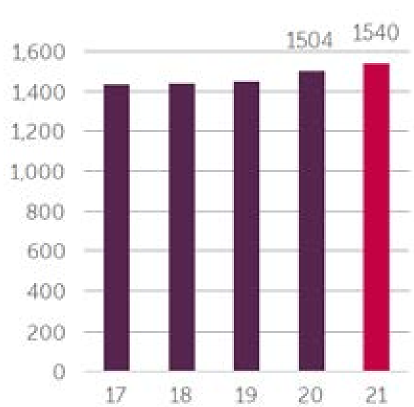
Equity ratio



Net sales (EUR million)

1,540.2

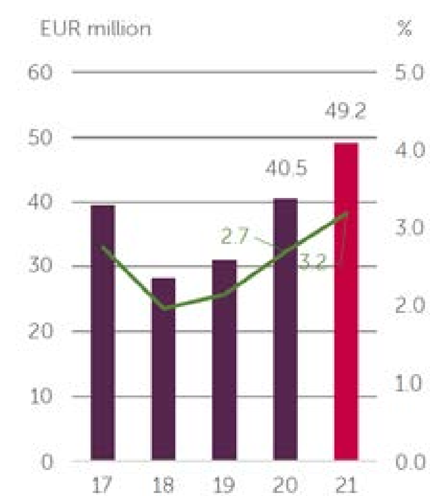
The group's net sales were EUR 1,540.2 million, which was EUR 36.2 million more than in 2020.



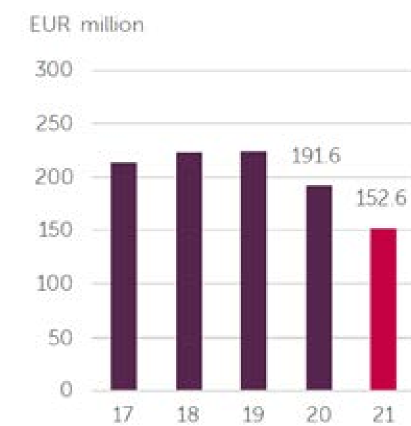
Adjusted EBIT (EUR million)

49.2

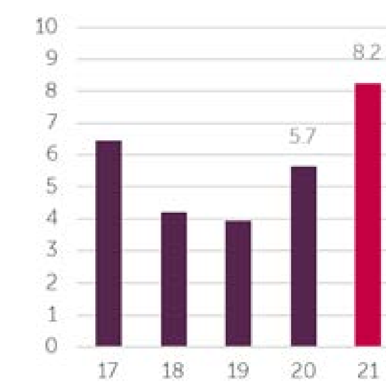
The group's adjusted EBIT was EUR 49.2 million. Adjusted EBIT increased by 21 % from 2020.



Net debt



Adjusted return on equity (ROE), %



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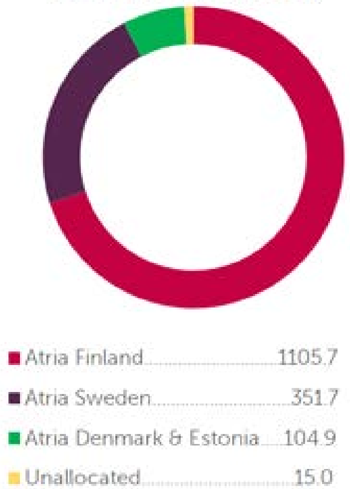
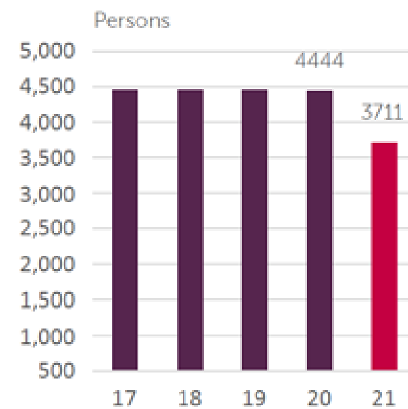
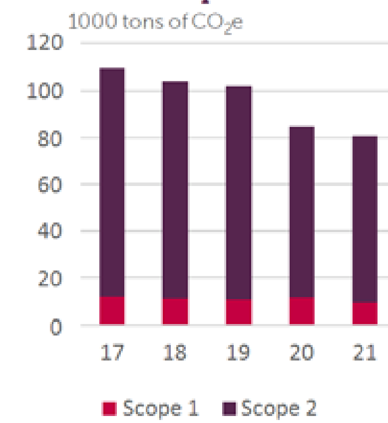
Net sales by business area (1540.2 EUR million)



Average number of personnel



The Group's carbon footprint



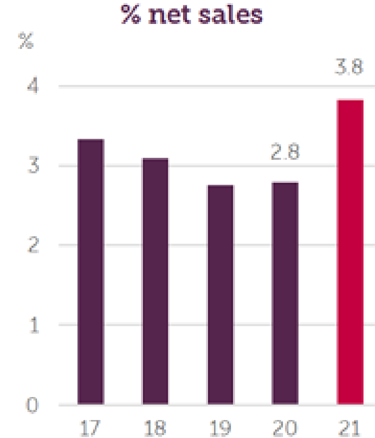
The carbon footprint calculation is based on the international Green House Protocol standard. The calculation covers carbon dioxide emissions from Atria's industrial production process in companies of which Atria owns more than 50%, in line with Scope 1 and Scope 2.

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

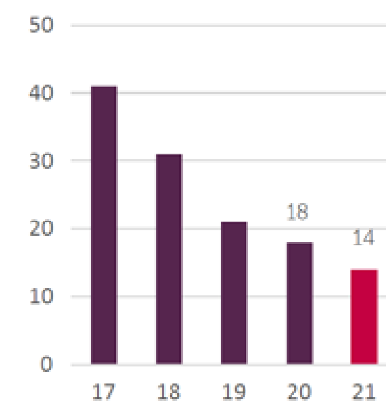
Scope 2 (purple) covers indirect emissions from purchased electricity, steam and heat production, and from cooling. Scope 2 reporting is based on a costbased calculation method and employs the emission values of known energy sources or the national residual mix.

Atria's industrial operations in Russia were sold in the spring of 2021. The graph does not include Atria Russia's figures.

Gross investments, % net sales



Accident frequency rate



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

More information about Atria's sustainability indicators is provided in the Corporate Social Responsibility Report 2021.

Atria performed well in the demanding operating environment – net sales and adjusted EBIT increased

In 2021, Atria's net sales were EUR 1,540 million. The net sales grew by EUR 36 million in comparison to 2020. The group's adjusted EBIT was EUR 49 million with an improvement of approximately EUR 9 million year-on-year. We were able to grow even though the net sales for Atria Russia's industrial operations were left out of the group's numbers at the beginning of May. This means that we were able to compensate for the removal of the Russian net sales on our other business areas. Because the industrial operations in Russia were unprofitable, giving them up improved the group's EBIT. Atria's free cash flow was EUR 62.4 million, i.e. somewhat higher in comparison to 2020.

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The operating environment was difficult and fluctuating in 2021 because of, above all, the impact of the pandemic. There have been some COVID-19 infections among Atria's personnel, but we have been able to avoid large-scale quarantines, and our ability to operate has remained good throughout the year. We were able to produce and deliver products to customers and maintain our good delivery reliability. The COVID-19 restrictions and their impact on people's purchasing behaviour impacted our operating environment the most. If restaurants are closed or have limited opening hours, grocery shopping is carried out at grocery shops. Imposing or removing restrictions caused fluctuations to our supply chain. For example, our product selection has varied on the basis of the restrictions. Products sold to industrial kitchens and restaurants are often made specifically for the market or even the customer in question and are, therefore, unsuitable for retail customers.

"Demand for convenience foods is increasing. We want things to be easier and quicker."

The monitoring of market developments is more difficult because of the pandemic which has continued for two years already. People's way of living with remote work and travelling restrictions has not been ordinary during this period. However, it looks like the long-term development trends will continue their progress regardless of COVID-19. We eat outside the home when possible. We have seen this phenomenon many times when the COVID-19 restrictions have eased. In those moments, restaurant sales have recovered quickly.

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Demand for convenience foods is increasing. We want things to be easier and quicker. The volume of sausages and cold cuts is steady. From the perspective of dining, some of these products are practically ready-made foods as, for example, bread with toppings continues to be an enormously popular snack or even a main dish.

"Atria Finland has succeeded well; there is growth and the result is good."

The consumption of chicken is growing. The structure of consumption is changing as the popularity of meat products made from chicken meat is increasing. The consumption of beef has remained at the same level for a long time, and any year-on-year fluctuations have remained within a few percentage points. The consumption of pork meat has been decreasing for several years, yet pork meat has and will continue to have a key position in Atria's business.

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Atria Finland has succeeded well – there is growth and the result is good. Atria has a strong position in both retail and the Foodservice sector. In the past years, Atria's own labels have increased their share of sales. Compared to 2020, our market position remains the same. Exports from Finland have focused on exporting pork meat to, in particular, China and South Korea. In China, the market situation weakened in the spring of 2021, and demand did not start growing during the rest of the year. However, the total volume of Atria's exports to China grew in comparison to 2020.

Atria's major investment in the construction of a poultry plant at the Nurmo plant site is proceeding according to plan. The investment has a total value of EUR 155 million, and it will be completed earliest in 2024.

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Atria Sweden's net sales grew with the help of a growing poultry business. The result improved, but we did not reach the target level. In Sweden, the sales of Foodservice and Sibylla products account for a large share of Atria's net sales. Because of this, the impact of COVID-19 restrictions on the possibility and enthusiasm to eat out has a significant effect on both the net sales and EBIT. In this regard, 2021 was better year-on-year, but we are still behind 2019. The result of our poultry business has not reached the target level, but it was better than in 2020. We are making our industrial operations more efficient and clearer by closing the Malmö production plant and moving production to other production units. In the future, most of the transferred volume will be produced at the Sköllersta plant, in which we are investing approximately EUR 30 million. The project will be completed by the end of 2023.

The result of the Denmark & Estonia business area was two-sided. At the beginning of the year, our profitability was excellent, whereas at the end of the year, profitability decreased due to rising costs. Our market position has remained the same.

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Atria made the decision to commit to the Paris Agreement's goal to limit global warming to 1.5 degrees Celsius. Going forward, we will look at the climate impact of the entire Atria supply chain, whereas before, we focused on the impact of Atria's industrial operations.

Atria's accident frequency rate has decreased to one third of the level of 2017. Back then, we had 42 accidents that led to an absence from work per one million work hours. Now, the number is 14 accidents. The improvement is significant, and we did not dare to expect such a great development when we made the improvement of safety at work a goal in which we must succeed. Once again, the change relies on an ordinary series of smaller and larger acts that derives from the willingness to make a change and concerns the entire organisation.

> "The rise in costs we are inheriting from 2021 is particularly high. Atria's result, balance sheet, cash flow, market position, know-how, and ability to operate give us good prerequisites to manage costs and pricing."

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In 2022, Atria's operations will focus on cost and margin control. Atria employees have become experienced in these themes throughout the years, but, this time, the rise in costs we are inheriting from 2021 is particularly high. It seems that the rise in costs is not a momentary spike; instead, they are rising to a new level permanently. The rising costs is not a phenomenon that only concerns Atria's domestic markets: it is a series of events which has spread everywhere in the world.

Russia's invasion of Ukraine will affect world food trade, food availability and prices. We need to be prepared for the fact that the effects can be long-lasting. After the review period Atria decided on 7 of March 2022 to exit the fast food business in Russia due to the changed geopolitical situation.

Things will be easier once we learn to live and operate with the new cost level, but the transition is always tough. Atria's result, balance sheet, cash flow, market position, know-how, and ability to operate give us good prerequisites to manage costs and pricing.

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Thank you to everyone who trusted Atria and bought our products. Thank you to customers, meat producers, partners, shareholders, and employees.

Good food – Better mood.

Seinäjoki, March 2022
Juha Gröhn
CEO

Becoming the leading food processing company in northern Europe

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

OUR STRATEGIC GOALS AND THEIR IMPLEMENTATION

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

Our financial targets for 2021–2025

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

Atria's risks and risk management

Further information about Atria's risks and risk management is provided in the

- Report by the Board of Directors (page 45)
- Notes to the Consolidated Financial Statements (page 91)

Atria's strategy responds to changes in the operating environment

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

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

Proteins

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

Consumers

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

Channels

Demand and new opportunities in the Foodservice sector are growing.

The importance of digital channels continues to grow, and the growth of private labels continues.

Categories

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

Macroeconomy

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

Our mission

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

Good food – better mood.

Our vision

The leading food company in Northern Europe

Enablers of our strategy

Commercial excellence
- Using consumer and market data
- Product category and brand expertise
- Excellent customer experience

Efficiency
- Monitoring and improving efficiency
- Modern technology
- Cost awareness

Atria Way of Work
- Safety first
- Committed people
- Effective performance management

ATRIA'S STRATEGIC PATH

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

2009	IMPROVING PRODUCTIVITY	2015	HEALTHY GROWTH AT ATRIA	2020	LEADING NORTHERN EUROPEAN FOOD COMPANY	2025

Improving productivity

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

Healthy Growth at Atria

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

Leading northern European food company

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

Our strategic priorities

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

1. Win big in poultry

Poultry consumption is increasing steadily in Finland and globally. We are aiming for market leadership in poultry in Finland and are also seeking to strengthen our position in Sweden. The importance of this goal is illustrated by our investment in building a new poultry unit in Nurmo, Seinäjoki.

2. Expand in convenience foods

Convenience food is a growing market in all our business areas. By using customer and market information effectively we can both provide our customers with the convenience food categories they want and introduce interesting new products in our selections. Our strengths are high quality in all price ranges and strong brands. Sustainable, reliable and traceable production are our key competitive advantages.

3. Strengthen Foodservice, including fast food

The Foodservice market continues to grow, because people are increasingly eating out. We are aiming to grow faster than the market. We seek to achieve this by strengthening customer relationships in the Foodservice and fast food sectors in all our business areas. In the fast food sector, our growth recipe is to increase the number of sales points and develop new products. Our strengths are a solid supply chain, reliability, and a high level of product safety and customer service.

4. Grow profitably in Sweden

In Sweden, our goal is to improve the profitability of our operations and achieve growth. We are seeking growth by increasing our share in retail, and in the Foodservice and fast food markets. We improve profitability through increased operational efficiency.

5. Optimize red meat

Our goal is to improve the profitability of red meat, especially in Finland. We seek to achieve this by improving operational efficiency, product category management and selection development. Strengthening export customer relationships also plays a key role in improving profitability.

6. Next level supply chain efficiency

Our goal is to improve supply chain efficiency in each area, from order to delivery. This is our goal in all business areas. We improve efficiency by investing in the latest technology, using monitoring data and strengthening our employees' competence.

Major investment in poultry production progressed on schedule

Atria's EUR 155 million investment in the construction of a new poultry plant at the Nurmo plant site proceeded according to plan. The investment will increase Atria Finland's poultry production capacity by around 40%. In 2021, the plant project progressed from the planning, permit and tendering stages to construction. Peab Oy was selected as the main contractor and Marel Poultry B.V. as the main supplier of equipment. The plant will have a total area of approximately 36,000 m^2 and is expected to be fully completed in 2024 at the earliest.

With the largest investment in its history, Atria is responding to the growing consumption of chicken and aims to strengthen its position as the market leader in chicken products in Finland. Demand for chicken has been growing significantly in both the Finnish and international markets for more than 10 years. The trend is expected to continue in the coming years and decades. For example, the total chicken meat consumption in Finland is forecast to increase by more than 25% by 2030, compared to 2020 levels.

Read more about the poultry meat market on page 15.

Financial targets

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

ATRIA'S FINANCIAL TARGETS AND ACTUALS 2019–2021

Target	Result 2021**	Result 2020	Result 2019
EBIT %	3.2%	2.7%	2.1%
Equity ratio 40%	48.7%	46.8%	46.9%
Return on equity (ROE) 8%	8.2%	5.7%	3.9%
Capital distribution of the adjusted profit for the period 50% *	49.5%	61.4%	78.4%

*2021: Proposal of the Board
** Actual 2021 figures are adjusted for non-recurring items, key figure calculation formulas on pages 59-60.

Atria sold its Russian subsidiary Pit-Product

Atria sold its Russian subsidiary OOO Pit-Product for approximately EUR 32 million to the Limited Liability Company Agricultural Complex Mikhailovsky, a member of the Russian Cherkizovo Group. The sold business has been loss-making. Atria acquired Pit-Product in 2005.

Atria's divestment did not include Atria Russia's other subsidiary Sibylla Rus LLC. Sibylla Rus has been reported as part of the Atria Sweden segment.

Major investments in production restructuring in Sweden

Atria invested EUR 30 million in production restructuring in Sweden. The investment will expand Atria's production and logistics at Sköllersta and improve their efficiency. The arrangement will transfer Atria's production in Malmö to the Sköllersta and Moheda plants in Sweden and to the Hansted plants in Denmark. The Sköllersta plant is Atria's largest production facility in Sweden.

By centralising production, Atria wants to ensure profitable growth in Sweden through more efficient production and logistics, which also have a smaller climate impact. The relocation of production is expected to be completed during 2023. After that, Atria plans to sell the Malmö plant building. The measures are expected to generate annual savings of approximately EUR 3.5 million.

Aiming to reduce carbon emissions throughout the food chain

Atria strives to be a pioneer of sustainability in its industry. Due to climate change, the company's most important goal is now to achieve a carbon-neutral food chain. To achieve these goals, Atria has expanded its responsibility programme. The aim is to reduce the environmental impact and carbon emissions of the entire value chain.

Atria expanded its responsibility programme for 2022–2025 to the entire Atria value chain, from primary and industrial production to products and services, from the field to the table. The key objective is to reduce the environmental impact and carbon emissions across the value chain.

— Going forward, we will improve our responsibility in close cooperation with our supply chain partners, including producers and other suppliers of raw materials. We work with our customers to develop our products and services. We want to enable consumers to make sustainable choices and to promote the well-being of the environment and people, says Merja Leino, EVP Sustainability.

— We are committed to the international Science Based Targets (SBTi) climate initiative. It helps us to tie our responsibility efforts to the Paris Climate Agreement target of limiting the rise of the global average temperature to less than 1.5 degrees Celsius. This commitment means that climate work will affect the whole Atria production chain better and we will have a scientific framework for our work, Leino continues.

Planet, Product and People

Atria has three priorities in making its operations more responsible: Planet, Product and People. Atria has been determined in reducing the climate impact of its operations by increasing the use of renewable energy sources and improving energy efficiency. For example, the expansion of Finland's largest solar park is currently underway at the Nurmo production plant.

Atria has promoted animal welfare and the calculation of the carbon footprint of its products together with the producers in the production chain. Tangible results include the first carbon footprint labels on chicken and pork packaging in the world, as well as antibiotic-free products and products than can be traced all the way back to the farms, which have been in stores for ten years.

Equality and human rights, as well as ensuring well-being are also at the heart of Atria's updated responsibility efforts. An essential part of this is an open and transparent value chain, and communication and interaction that is open about all of it.

Merja Leino
EVP Sustainability, Atria Plc

Finland's largest solar park almost doubles in size

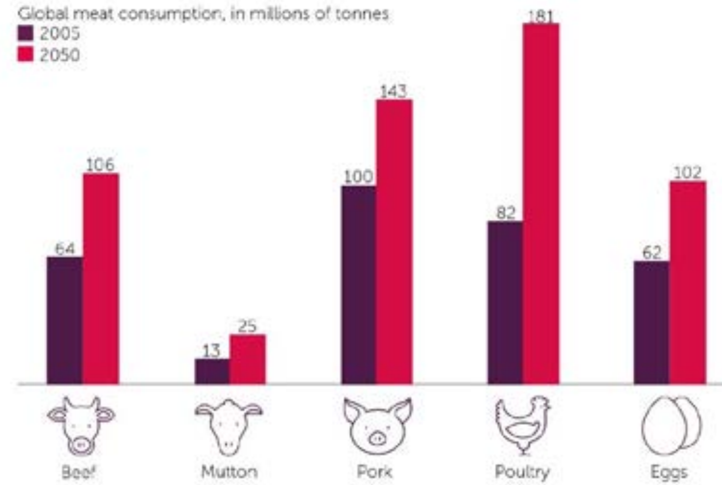
Atria decided to almost double the capacity of the solar power plant at its Nurmo production plant. When the extension is completed in 2022, around 8% of the annual electricity consumption of the Nurmo plant will be covered by solar power.

The solar power plant at Atria's Nurmo production plant is the largest of its kind in Finland. Commissioned in 2018, the solar power plant comprises around 22,000 ground and roof-mounted solar panels, whose actual output corresponds to an annual electricity production of around 5,000 MWh. After the commissioning of the extension, Atria's annual solar electricity production will be more than 9,000 MWh. The project will reduce the plant's emissions while improving its energy efficiency. The plant's self-sufficiency in energy will also increase significantly.

Nurmon Aurinko Oy will implement the investment and will maintain the park's equipment.

Change in global meat consumption 2005–2050

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



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

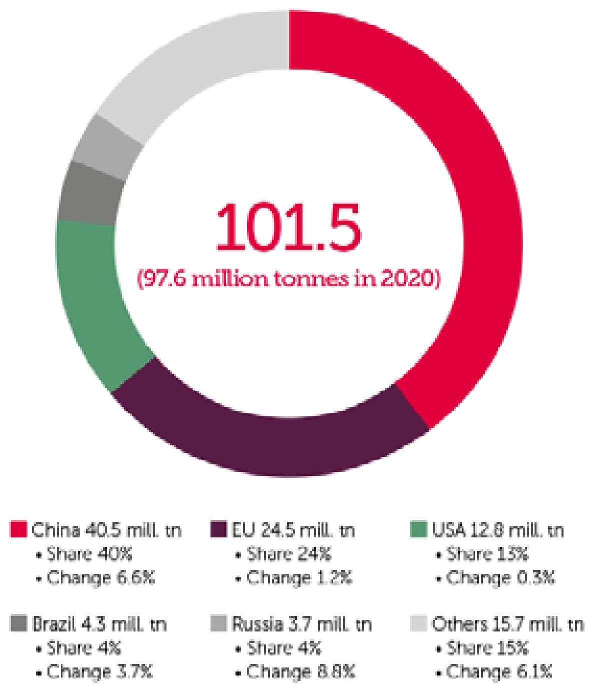
Meat consumption in Europe 2001–2031

Total meat consumption in Europe has been stable in the 2000s. The decline in beef and pork consumption has been balanced by an increase in poultry consumption. Demand for responsibly and organically produced meat is expected to continue to grow in the 2020's.

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

Global pork production in 2021

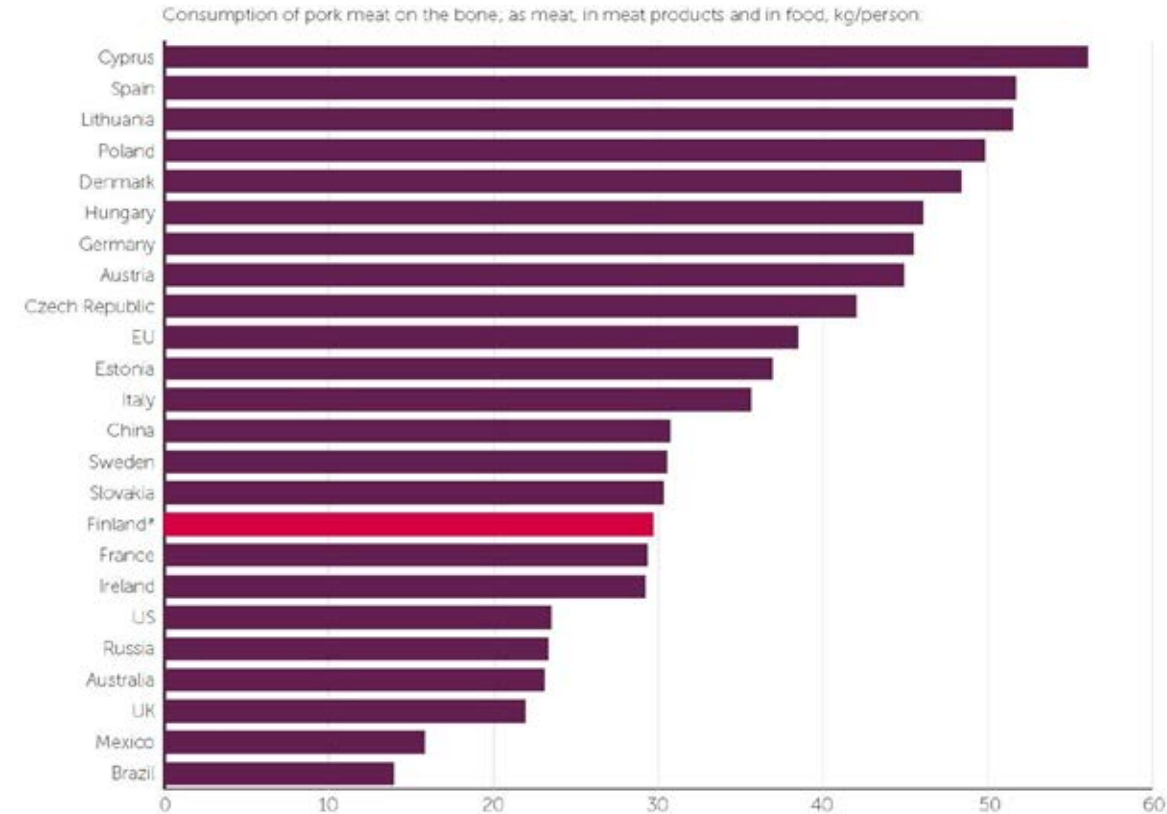
Pork production took a downturn globally in 2019 when China's pork production fell by around a third due to African swine fever (ASF). In 2021, production increased mostly because Chinese production recovered.



Source: Statista, 2022

Pork consumption in various countries

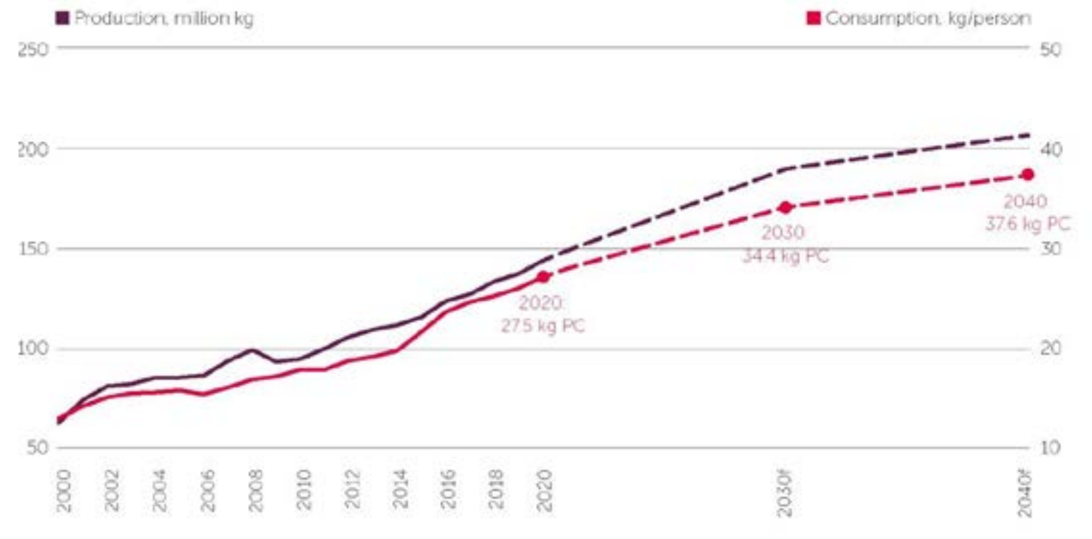
Pork consumption varies widely from country to country. In Finland, pork consumption per capita is below the EU average and significantly lower than in the major pork producing countries of Spain, Denmark and Germany.



Source: AMI/Eurostat, *1 Kantar TNS Agri, Ruokatietoa 2021

Growth in poultry meat consumption in Finland 2000–2040

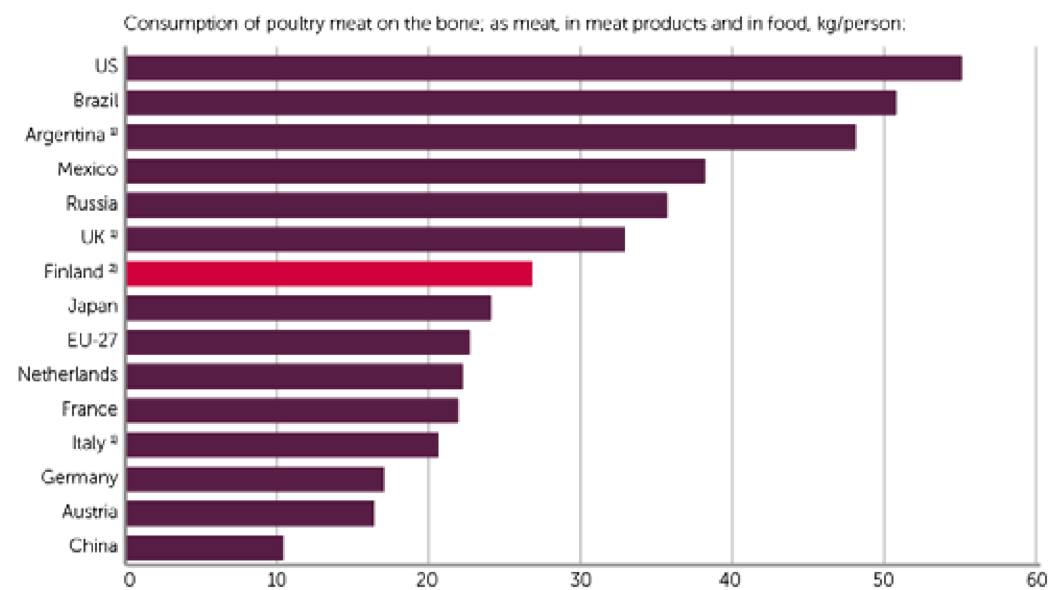
Poultry meat consumption has grown steadily in Finland during the 2000s. In 2021, consumption increased by about 4%. Atria forecasts that consumption will continue to grow at an average annual rate of 2.3% until 2030. Between 2030 and 2040, consumption growth will level off to just under 1% per year.



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

Poultry meat consumption in various countries

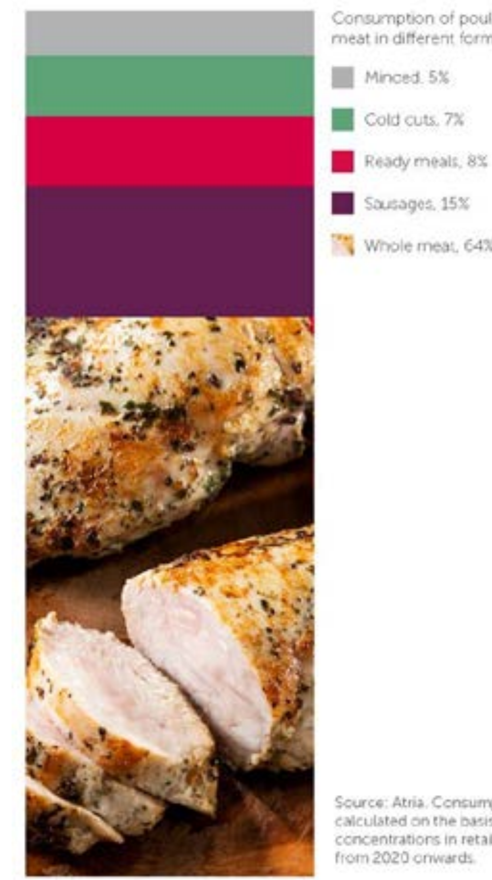
In Finland, poultry meat consumption per capita is slightly higher than the EU average, but almost half of that in the United States, where the consumption of poultry meat is much higher than the consumption of beef or pork.



Source: AMI/Eurostat, FAOSTAT
¹ 2018, ² Kantar TNS Agri, Ruokatietoa 2021

Types of poultry meat consumption in Finland

Poultry meat is mostly consumed as whole meat and the least popular type of poultry product is minced meat. Consumption patterns show that it is quick and easy to prepare chicken dishes from whole meat.



Source: Atria. Consumption calculated on the basis of meat concentrations in retail market from 2020 onwards.

Exports are a major part of Atria's business

Alongside retail sales and Foodservice, export sales are an important sales channel for Atria. Last year, Atria exported 145 million kilos of various types of meat to 33 countries. Atria's main export markets are China, South Korea, Japan, Sweden, Norway and Germany.

China

Atria began exporting pork to China in 2017, and China has been a major export market for Atria for the past few years. Imports account for a small share of Chinese pork consumption and the country has strong domestic pork production. Changes in a large market happen quickly and their impact is also felt by the global market. Atria is also in the process of obtaining a licence to export poultry meat to the Chinese market.

Consumption per person	Share of imports
38 kg	3%
14 kg	8%
6 kg	25%

South Korea

South Korea has been an important and stable export market for Atria for 30 years. The country has little domestic production and imports account for a large share of consumption. Atria exports pork to the country. An export licence for poultry products was obtained in January 2022.

Consumption per person	Share of imports
37 kg	40%
17 kg	20%
16 kg	67%

Sweden

Sweden has also been an important export market for Atria for decades. The main export products are prime pork and beef cuts. Atria exports meat both to Swedish industrial customers and for the use of Atria Sweden. Sweden has a low degree of self-sufficiency in all types of meat and imports large amounts of meat. The market position of Finnish meat in Sweden is good.

Consumption per person	Share of imports
31 kg	36%
17 kg	43%
23 kg	50%

Page source: Atria Insight, 2021

Norway

Norway has been an important export market for Atria for years. The country's imports are auctioned annually as quotas. Atria's aim is to strengthen its relations with its key export customers and increase its sales in Norway as well.

Consumption per person	Share of imports
23 kg	4%
21 kg	2%
18 kg	14%

Germany

Atria began exporting to Germany in 2020, with the country's largest grocery store, Edeka, as a customer. In 2021, Atria's products were already sold in 25 retail stores. Atria exports beef, pork and poultry. In a large and competitive market, there is demand for the factors that add value to Atria products, namely the fact that they are antibiotic-free and traceable.

Consumption per person	Share of imports
43 kg	34%
18 kg	52%
15 kg	39%

The best meat in the world from Atria

Denmark is a major market for Atria's beef exports. Atria's Danish partner JN Meat International has won the World Steak Challenge three times in a row with Atria's beef products. The most recent win is from November 2021.

Page source: Atria Insight, 2021

BUSINESS AREA REVIEWS

Atria Group's operational structure consists of three business areas, or reporting segments: Atria Finland, Atria Sweden and Atria Denmark & Estonia. Of Atria Group's 2021 net sales of EUR 1540.2 million, Atria Finland accounted for 70.1 %, Atria Sweden for 22.3 % and Atria Denmark & Estonia for 6.7 %.

Atria Finland

Atria Group's operations in Finland are managed by its subsidiary Atria Finland. It develops, manufactures, markets and sells fresh meat and other food products and provides services related to them. Atria is the market leader in the slaughterhouse industry and many of its product categories in Finland. It also has substantial export operations. In 2021, Atria Finland had net sales of EUR 1105.7 million and 2,390 employees. All of the meat used in Atria brands is Finnish.

Net sales	Number of personnel
70.1 %	64.4 %
of the Group's net sales	of the Group's personnel

Atria's market position

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

Customers

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

Core categories

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

Brands

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

Strong and solid performance

Atria's growth and profitability improved greatly in 2021, partly even more than expected. Even though the pandemic continued to cause uncertainties in the operations and operating environment, the entire Atria food chain operated securely. We were also able to respond to the fast changing needs of customers and in the consumption demand.

Of Atria's sales channels, Foodservice grew the most in comparison with the previous year. The restaurant industry was one of the biggest losers of the pandemic, but it recovered quickly after the restrictions were removed. Our sales to the Foodservice and fast food market grew significantly. Our share of the market was 21 per cent. The development was reinforced by Atria's successful sales during the barbecue season. Another sales channel to increase its net sales was export. Even though the export of pork to China decreased momentarily and the prices dropped, Atria's exports to China and 32 other export markets experienced positive development. Our most significant sales channel was retail trade. We reached the same level as the year before and kept a strong 24.1 per cent share of production in our main categories. We were number one in the largest category, poultry, with a 43.3 per cent share of production.

Atria's new strategy, extending to 2025, contains many focus areas which support our company's profitable growth. One of them is that we want to be the best partner for our producer-owners. Accordingly, we improved collaboration in Atria's production chain and with the industry's other actors. We also offered services and products to farms to strengthen their competitiveness. And, of course, we offered the best sales channel for the meat produced by the farm.

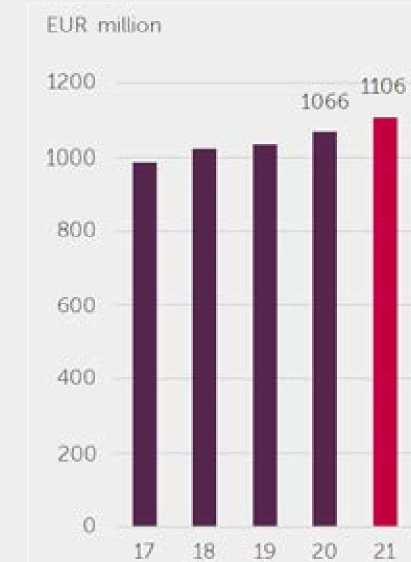
Mika Ala-Fossi
Executive Vice President, Atria Finland

Net sales (EUR million)

1105.7

(EUR 1066.3 million in 2020)

Atria Finland's net sales grew by EUR 39.4 million compared to the previous year, and amounted to EUR 1105.7 million. Sales grew for Foodservice, export, and feed customers. Retail sales were on the same level as the year before.



EBIT (EUR million)

48.1

(EUR 43.1 million in 2020)

Atria Finland's EBIT increased from the previous year by EUR 5 million to EUR 48.1 million. This represented 4.4 % of net sales. Profitability was improved, above all, by the growth in net sales and a favourable sales structure.

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MARKET FOR ATRIA'S MAIN PRODUCT CATEGORIES [1)]

Market value (EUR million)
2,687
Change, %
2.4%

Market volume (million. kg)
384
Change, %
-0.2%

1) Retail trade, consumer-packed and bulk products

FINLAND'S MEAT AND MEAT PRODUCT MARKET [2)]

Market value (EUR million)
3,120 (VAT 0%)
Change, %
-0.5 (volume) **2.3% (value)**

2) Total value of the meat and meat products market in the retail trade's and Foodservice sectors' distribution channels

THE POSITION OF ATRIA'S MAIN PRODUCT CATEGORIES IN THE MARKET [1)]

Category	Change in overall market [2)]		Atria's share of manufacturing [3)]	Atria brands [4)]
	Value (EUR)	Volume (%)	Value (EUR)	Position
Consumer-packed meat	-0.5% ↓	-3.0% ↓	33.0% ↑	#1 ↔
Poultry	-0.9% ↓	0.0% ↔	43.4% ↓	#1 ↔
Cooking	-0.7% ↓	-2.0% ↓	24.1% ↓	#2 ↔
Cold cuts	0.7% ↑	-1.8% ↓	21.4% ↓	#1 ↔
Convenience food	9.1% ↑	2.6% ↑	19.9% ↓	#2 ↔
Total	2.7% ↑	-0.2% ↓	24.1% ↓	

1) Grocery trade, consumer-packed products
2) Percentage of change from 2020
3) Atria as a supplier
4) The market position of categories sold under the Atria brand

THE FINNISH BARBECUE MARKET [1)]

Value, approx. (EUR million)
164
Change, %
-1.0%

29%
Market share of Atria's barbecue products

#1
Market position of Atria's barbecue product categories

1) Atria Insight 2022

Strong investment in convenience food

Atria pursued growth in the fresh convenience food market and invested heavily in the development of this large product group. Atria estimates that the market for convenience food in retail trade grew by around nine per cent. Atria with its branded products grew faster than the market. A key development and success category was one-person ready meals. Atria launched these both under its main brands and its sub-brands.

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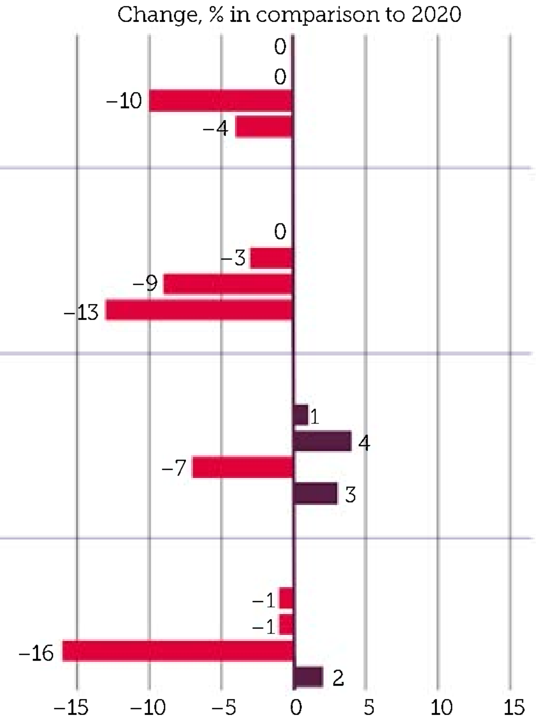
MEAT PRODUCTION AND CONSUMPTION IN FINLAND IN 2021 1)

Total meat
production .... 410 million kg
consumption .... 423 million kg
exports....................... 59 million kg
imports....................... 70 million kg
domestic share of consumption 83.4%

Pork
production ....176 million kg
consumption .... 160 million kg
exports.........................37 million kg
imports........................ 24 million kg
domestic share of consumption 85.2%

Poultry
production ....147 million kg
consumption ....157 million kg
exports.........................16 million kg
imports........................ 22 million kg
domestic share of consumption 86.2%

Beef
production .... 86 million kg
consumption ....101 million kg
exports......................... 6 million kg
imports........................ 22 million kg
domestic share of consumption 78.2%



1) Production and consumption of bone-in meat. The bone-in meat contains 80% boneless meat, with cooking loss varying between 10–30%, depending on the product.

Source: Kantar TNS Agri, 2022

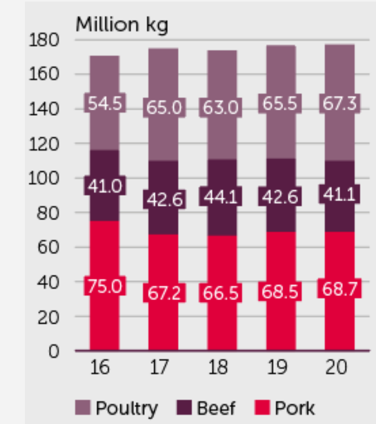
Nautasuomi supports the competitiveness of Finnish milk and meat production

Atria and its principal shareholders Itikka cooperative, Lihakunta and Osuuskunta Pohjanmaan Liha, together with the Valio cooperative Osuuskunta Maitosuomi, established Nautasuomi Oy to develop and market cattle feeds. The company also provides beef sourcing services to Atria. The new company's key task is to ensure cost-effective and high-quality industrial feeds for dairy and beef farms, thus supporting the competitiveness of Finnish primary production not only at the Finland level but internationally. The company is a subsidiary of Atria Finland Ltd, which owns 51% of it.

Volume of meat processed by Atria (million kg)

177.1

Compared to the previous year, the meat volumes processed by Atria increased by 0.5 million kilos to 177.1 million kilos. Poultry meat volume increased by 1.8 million kilos and pork volume by 0.2 million kilos. Beef processing volumes fell by 1.5 million kilos. Atria is the market leader in Finland's slaughtering industry.

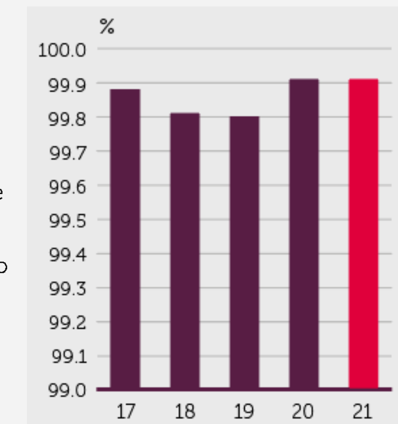


Atria's delivery reliability (%)

99.91

Atria's sound management of the supply chain improves the predictability of operations alongside delivery reliability.

Atria's order-supply chain was able to respond well even amid rapid fluctuations in demand during the exceptional situations caused by the coronavirus pandemic. Our delivery reliability was 99.91%.



3 TRENDS

The following consumer trends in the food industry are among those affecting Atria Finland's operations in 2021:

Return of growth for convenience food

The first year of the pandemic, 2020, meant growth for cooking ingredients, but in spring 2021, convenience food began to grow at a record-breaking pace. One-person ready meals experienced an annual growth of up to 20 per cent for several months in a row.

Cooking with easy ingredients

People want cooking to be really simple. Around 15 minutes is the longest time most people are willing to spend on cooking on weeknights. This trend was clear in retail sales: for example, Atria's Murea & Nopea product family grew by more than 150 per cent with both old and new product variants.

Return of environmental consciousness and responsibility

The requirement for food companies to take clear environmental responsibility increased after a brief pandemic pause. Atria's ability to trace individual products all the way to the farm is an excellent foundation for developing our responsibility operations. Already in 2020, we launched poultry products in which the carbon footprint has been calculated per product. We extended the labelling to pork meat in 2021.

Carbon footprint labelling also for pork products

In the autumn, Atria introduced carbon footprint labelling for Atria-branded pork products. Earlier during the year under review, Atria already already extended the use of the label to consumer packaging for all its chicken products.

The carbon footprint label on pork products shows the climate impact of the product's entire production chain in carbon dioxide equivalents. The carbon footprint has been calculated and noted per product item as kg CO_2e / product. The calculation covers about half of Atria's farm-traceable pork and thus represents the average carbon footprint of Atria's pork products. It takes into account not only the pigs but also the packaging materials, any other raw materials and the product's process emissions. Atria is reportedly the first company in the industry worldwide to introduce carbon footprint labelling for pork and chicken products on consumer packaging in this extent.

Read more in Atria's Corporate Responsibility Report 2021.

IMPLEMENTATION OF ATRIA'S GROUP STRATEGY 1) IN ATRIA FINLAND 2021

Strategic priority or target	Achievement of priority or target
Win big in poultry	• The construction of the new poultry plant is on schedule and will be commissioned in 2024. • We invested heavily in poultry-based products, such as the new Napsittavat product family.
Strong financial performance	• Net sales grew steadily and we were able to maintain a healthy sales structure even during the coronavirus pandemic, which dramatically changed our operating environment. • Operating profit grew to a record level thanks to systematic product group management and effective cost control.
Best partner for owner-producers	• Together with Osuuskunta Maitosuomi, Atria and the meat cooperatives that are Atria's main shareholders, founded Nautasuomi Oy to develop cattle feeds. • A-Tuottajat systematically developed and expanded its producer services and its own feed company.
Leader in sustainability	• Atria Finland started a project to expand its solar power plant: the panel capacity of the plant commissioned in 2018 will almost double. • Atria Finland launched a project to build a wind farm. • The packaging of chicken and pork products sold under the Atria brand now have a carbon footprint label - the first brand in the world to offer this information. • We continued to develop soy-free pig and poultry feeds and a free-farrowing project to promote animal welfare. • Atria extended its responsibility strategy to the entire value chain and committed to the international Science Based Targets (SBTi) climate initiative.
Expand in convenience foods	• We expanded our selection in all price ranges, putting quality first. • We successfully exploited our strong brands. • We invested in a wide range of one-person ready-meal products. • We developed more user-and environmentally-friendly packaging, such as pouches with soft-film technology.
Optimize red meat	• We strengthened our red meat exports. • We strengthened and increased all our export customer relationships. • We improved our category management and diversified our product selection.
Strengthen Foodservice, incl. fast food	• We capitalised on Atria's strengths: Finnish meat, reliable deliveries and product safety, and value-added services in the order-to-supply chain. • Atria was number one in the Foodservice market for red meat and meat products. • According to the Foodservice brand survey, up to 89% of Foodservice customers who use Atria products prefer Atria.

1) The Atria Group strategy 2021-2025 is presented on pages 8-12.

Atria Sweden

Atria Sweden produces and markets meat products, fresh chicken products, cold cuts and various types of meals mainly for the Swedish food market. Atria Sweden has several valued, widely known brands, many of which are market leaders in their respective product categories. Atria is also a strong private label supplier. In 2021, Atria Sweden's net sales were EUR 351.7 million, and the company had 876 employees. The meat raw material used in Atria Sweden's product groups is mainly of domestic origin.

Net sales

22.3 %

of the Group's net sales

Number of personnel

23.6 %

of the Group's personnel

Customers

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

Core categories

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

Brands

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

Moderate growth and improved profitability

Atria Sweden's growth and profitability developed favourably. Even though the factors behind the growth in net sales and EBIT were significantly different than in 2020, the direction of the development remained upwards for the third year in a row.

Atria had the most favourable development in the Foodservice and fast food markets. The markets recovered quickly after the COVID-19 restrictions were released in the second quarter. Sales in the Swedish Foodservice sector grew on average by seven per cent, compared to the year before. Atria's growth was somewhat bigger. The development of the fast food market followed the positive development of the Foodservice market. Sales in Atria's main market, the Swedish retail trade, developed in the opposite direction: moderate or no growth. As an example of Atria's main categories, the poultry market remained the same in value, whereas the market grew by 19 per cent in the previous year. The sale of sausages decreased by approximately 5 per cent, whereas the year before, it grew by approximately 16 per cent. In the significantly tighter competitive situation, Atria kept its market position. Thanks to its good sales structure, profitability grew year-on-year.

In addition to domestic markets, we grew internationally with the Sibylla fast food concept. The number of Sibylla sales outlets in its 12 markets in Europe and Asia grew to around 8,500. The Sibylla Rus company, operating in the largest individual market Russia, became a part of the Atria Sweden segment. This had a positive impact on both our net sales and result. After the review period Atria decided on 7 of March 2022 to exit the fast food business in Russia due to the changed geopolitical situation.

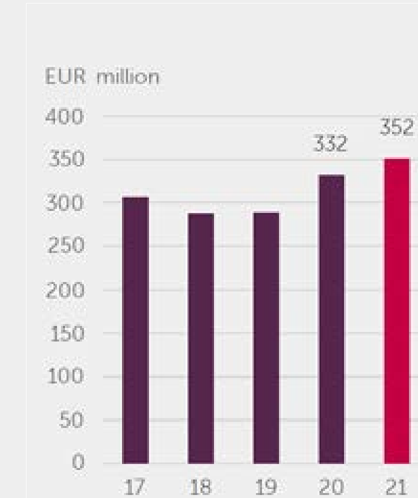
Jarmo Lindholm
Executive Vice President, Atria Sweden

Net sales (EUR million)*

351.7

(EUR 332.2 million in 2020)

Atria Sweden's net sales increased by EUR 19.5 million year-on-year and were EUR 351.7 million in total. In the local currency, the growth in net sales was 3.5 percent. Net sales grew thanks to the increased sales to Foodservice and fast food customers.

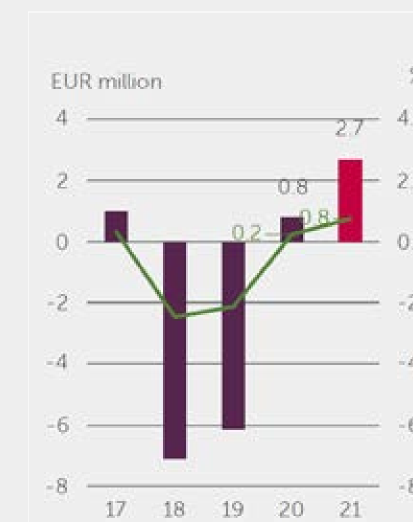


Adjusted EBIT (EUR million)*

2.7

(EUR 0.8 million in 2020)

The adjustment item of the EBIT is a one-off reimbursement for our pension insurance contribution worth EUR 2.3 million. Atria Sweden's consolidated EBIT was EUR 5.0 million (EUR 0.8 million). Atria Sweden's EBIT grew from the year before thanks to an improved sales structure in Sweden. Profitability was also improved by the increased Foodservice and fast food sales.



*Sibylla Rus' net sales and EBIT are included in Atria Sweden's net sales and EBIT for 2020 - 2021.

TOTAL MARKETS OF ATRIA'S MAIN PRODUCT CATEGORIES

Value (EUR million)	Market for cold cuts (EUR million)	Market for sausages (EUR million)	Market for fresh poultry products (EUR million)
1,286	536	460	290
(EUR 1316 million in 2020)	(EUR 543 million in 2020)	(EUR 483 million in 2020)	(EUR 290 million in 2020)
Change	Change	Change	Change
-2.3%	-1.3%	-4.8%	0.0%

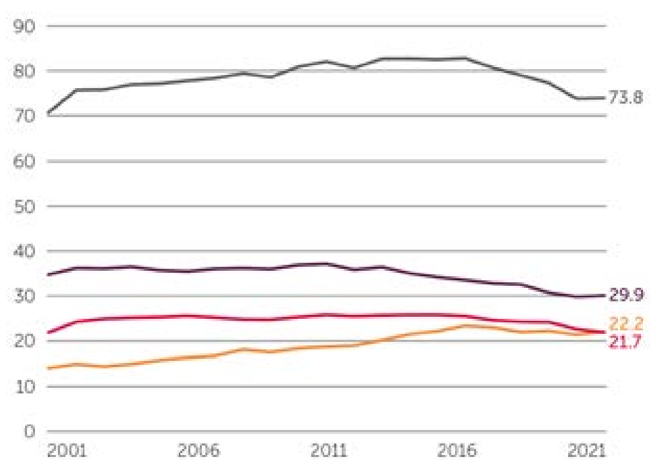
THE POSITION OF ATRIA'S MAIN CATEGORIES IN THE SWEDISH RETAIL MARKET

Category	Change in overall market [1]		Change in Atria's share of production	Market position [2]
	Value (EUR)	Volume (%)	Value (EUR)	Position
Cold cuts and spreads	-1.3% ↓	0.0% ↔	-0.9% ↓	#2 ↔
Sausages	-4.8% ↓	-1.8% ↓	-0.1% ↓	#2 ↔
Poultry products	0.0% ↔	1.0% ↑	0.4% ↑	#3 ↔

1) Percentage of change in comparison to 2020
2) Position of Atria's brand categories in the retail trade

Source: Atria, 2022

MEAT CONSUMPTION IN SWEDEN (KG/PERSON) IN 2001–2021

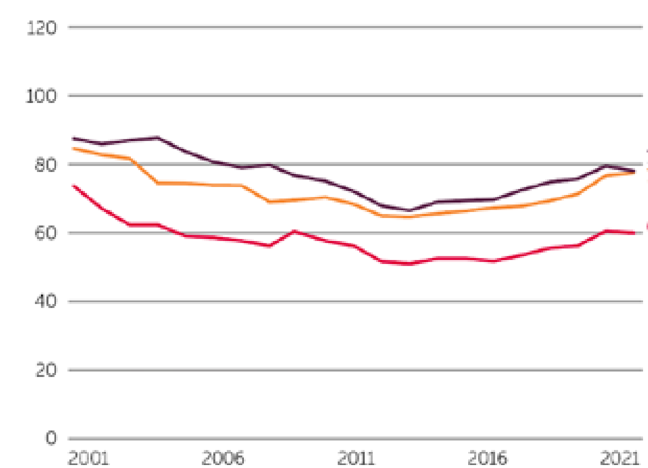


The total consumption of meat began to decrease in Sweden in the mid-2010's and evened out to approximately 74 kg per person five years later. This does not include meat such as lamb and game. The consumption of poultry has increased by 2–4% annually for the past ten years, whereas the consumption of beef and pork has decreased. The domestic share of meat consumption was at its lowest in around 2015, after which the production and consumption of domestic meat began to grow slowly.

Pork
Poultry
Beef
Total

Source: Jordbruksverket, 2022

THE SHARE OF DOMESTIC MEAT CONSUMED IN SWEDEN 2001–2021



3 TRENDS

The following consumer trends in the food products and food industry were among those affecting Atria Sweden's operations and product range in 2021:

Healthiness and responsibility

Market growth was accelerated by poultry and vegetable-based and vegetable products. Swedish origins and responsible production were key factors in decision-making as consumers want to make sustainable choices. Atria Sweden was focused on environment-friendly packaging, such as Lönneberga's poultry packaging, and developing new packaging for the Foodservice sector's vegetable and flexitarian products. The CO_2 footprint of these products is very small.

Price and value

Consumers' value and price-awareness increased. Atria Sweden focused on attractive prices and efficient selections to respond to the polarisation of the consumer field and the strong price-awareness of certain consumer groups. Price and quality steer consumption, and in retail trade, we continued to focus strongly on developing shops' private labels.

Easiness

The trend of quick and easy meal solutions guided Atria Sweden's development in all product categories. Quickness refers to, for example, consumers looking for time-saving solutions, waiting for deliveries when necessary, and shopping increasingly online. The pandemic has accelerated this development. To secure the share of online sales, we need large investments, and the limits between physical and digital channels become blurred. After the pandemic, we expect eating out and fast food to become popular and trendy again.

IMPLEMENTATION OF ATRIA'S GROUP STRATEGY [1] IN ATRIA SWEDEN

Strategic priority or target	Implementation of priorities or targets
Win big in poultry	• We developed a balanced product selection of brand products and shops' private-label products for the Swedish markets. • We developed the selection in all important categories. • We improved the meat balance: utilised poultry raw materials in several processed products. • We improved our daily operative expertise and the profitability of the business.
Expand in convenience foods	• We utilised our shared strengths in the retail, Foodservice, and fast food sectors – combined sales channels. • We emphasised our strengths: responsibility, reliability, and traceability. • We developed a strong strategic plan for long-term growth.
Strengthen Foodservice, including fast food	• We accelerated our growth in the Foodservice business with the help of customer focus and new categories. • We accelerated our international growth by establishing the Sibylla concept in new countries, such as South Korea and the United Kingdom. At the same time, we took care of our current core markets, such as Sweden, Poland and Estonia. • Despite the pandemic, we grew faster than the market.
Optimize red meat	• We optimised the use of red meat to strengthen Atria Sweden's financial result. • We increased imports from Finland to Sweden. • We secured the availability of meat raw material.
Grow profitably in Sweden	• We began a EUR 30 million investment in a structural renewal of production in Sweden: • We are moving production lines from Malmö to Sköllersta. Certain sections will move to Moheda and Denmark. • We are modernising the Sköllersta factory and adding a new modern logistics centre as Atria Sweden's main logistics hub. • By focusing production in fewer factories, we are securing our future competitiveness through more efficient production and logistics as well as a smaller carbon footprint.
Drive next level supply chain efficiency	• We improved the organisation's general efficiency, cost-awareness, and competitiveness.

[1] *Atria's Group strategy 2021–2025 is presented on pages 8-12.*

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Atria Denmark & Estonia

Atria Denmark & Estonia produces and markets cold cuts, spreads, meat and meat products mainly for the Danish and Estonian food markets. The business area also has export activities. It has valued, widely known brands, many of which are market leaders or hold the second position in their respective categories. Atria has two production plants in Denmark and one in Estonia. In 2021, Atria Denmark & Estonia had net sales of EUR 104.9 million and 445 employees. The meat raw material used in Atria's product categories in Denmark and Estonia is mainly of domestic origin. In Estonia, Atria has its own primary production, and the company is the country's second largest pork producer.

Net sales	Number of personnel
6.7 %	12.0 %
of the Group's net sales	of the Group's personnel

Customers

- Retail trade
- Foodservice customers
- Export customers

Core categories

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

Brands

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

A strong market position showed its advantage in Denmark

Atria Denmark has a strong position in the country's large cold cuts market. This was a significant advantage in Atria's main channel, retail sales, which had a notably weaker development compared to the previous year. The market decreased by 0.2 per cent, whereas the year before, it grew by 8.4 per cent. In the challenging situation, Atria was able to strengthen its position and reached a supplier share of 16.9 per cent. One strengthening factor was the development of the Aalbaek Specialiteter brand, which focuses on premium organic products. It introduced several new products on the market and had significant sales numbers in all Danish grocery chains, even in discount chains.

Atria's sales to the Danish Foodservice sector recovered as the COVID-19 restrictions were released, and the delivery volumes increased slightly year-on-year. Export deliveries also increased, even though the desired growth could not be achieved in the pandemic situation.

Svend Schou Borch
Executive Vice President, Atria Denmark

New products strengthened the position in Estonia

Atria Estonia maintained its position well on the market which suffered from the country's exceptionally bad COVID-19 situation. The Foodservice sector, in particular, suffered because of the situation. Regardless, Atria was able to increase its sales to professional kitchens by approximately five per cent, whereas the sales had decreased by more than ten per cent in the year before.

Atria's sales to the retail trade in Estonia developed favourably. Retail sales in Atria's categories grew by approximately two per cent, and Atria kept its strong supplier share of 15.2 per cent on this market. Atria's development was boosted by new brand products, as it introduced as many as 54 new brand products to the market. The most successful ones were poultry products, the Maks&Moorits chicken shashlik, and various types of marinated chicken fillets. The total sales of marinated meat grew by nearly 20 per cent. All of the new products combined had a significant share of total sales: 11.4 per cent.

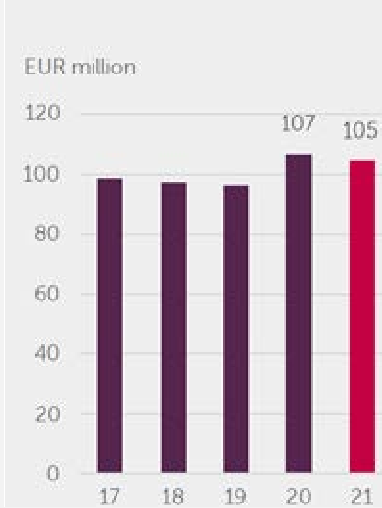
Olle Horm
Executive Vice President, Atria Estonia

Net sales (EUR million)

104.9

(EUR 106.8 million in 2020)

Atria Denmark & Estonia's net sales decreased by EUR 1.9 million year-on-year and were EUR 104.9 million. The strong sales development at the beginning of the year weakened at the end of the year, particularly in Danish retail trade. Foodservice sales account for a small, yet growing, share of Atria Denmark & Estonia's net sales.



EBIT (EUR million)

5.1

(EUR 5.3 million in 2020)

The operating profit of Atria Denmark & Estonia decreased by EUR 0.2 million to EUR 5.1 million. This represented 4.9 % of net sales, the same as the year before. The increase in raw material and production costs at the end of the year weakened the financial performance.

THE POSITION OF ATRIA'S MAIN CATEGORIES ON THE DANISH AND ESTONIAN RETAIL MARKETS

	Denmark		Estonia	
	Category: Cold cuts and spreads		Categories: Meat, meat products and convenience foods	
	Manufacturer share	Market position	Manufacturer share	Market position
	16.9%	#2	15.2%	#2
	(16.9 % in 2020)		(15.3 % in 2020)	

THE MARKETS FOR ATRIA'S MAIN PRODUCT CATEGORIES IN DENMARK AND ESTONIA

Value EUR

629

million

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

Value

0.8%

Change in the value of Atria's main product categories in Denmark and Estonia on average

Change in Denmark: -0.2%

Change in Estonia: 1.7%

Volume

-0.1%

Average change in market volumes

Change in Denmark: 0.1%

Change in Estonia: -0.3%

3 TRENDS

The following consumer trends in the food industry affected Atria's operations and product range in Denmark and Estonia:

Comfort and the ease of cooking

- We increased the number of easy-to-use cold cuts in both Denmark and Estonia. In Estonia, our share of the marinated meat categories grew notably.
- We expanded the range of snack options in various consumer segments.
- We increased the selection of ready-to-go meals particularly in Denmark.

Responsibility

- We made significant investments in domestic ingredients. The meat raw material is mainly domestic in both Denmark and Estonia. In Estonia, Atria has its own piggeries.
- Production and the entire production chain is transparent and traceable.
- The environmental efficiency of our own production was systematically developed. We implemented many measures to improve energy efficiency and increase production automation in our Estonian production.

Increased demand for white meat and vegetarian food

- We introduced many new meat-vegetable combination products to the market and developed new vegetable-based products in Denmark.
- In Estonia, we launched several new poultry products.

IMPLEMENTATION OF ATRIA'S GROUP STRATEGY [1] IN ATRIA DENMARK & ESTONIA 2021

Strategic priority or target	Implementation of priorities or targets
Win big in poultry	• Atria Estonia introduced a notable amount of poultry products to the market; we introduced, as new categories, barbecue chicken production in the spring and oven chicken products in the autumn. The launches succeeded well. • Atria Denmark continued investing in poultry products.
Strong financial performance	• The profitability of Atria Denmark & Estonia was at a good level: the EBIT margin was 4.9 per cent – almost at the level of the group's target of 5 per cent. • Our supplier share as a retail supplier was strong. In our main categories, we were number two on both the Danish market (a 16.9 per cent share of the market) and the Estonian market (a 15.2 per cent share of the market).
Strengthen Foodservice, incl. fast food	• In Estonia, our sales to Foodservice customers grew by 5.3 per cent despite the country's exceptionally difficult COVID-19 situation. • In Denmark, Atria's position on the Foodservice market was strengthened particularly by the good development of the premium organic brand Aalbaek Specialiteter.
Leader in sustainability	• We continued to develop and introduce packaging with as small of an environmental impact as possible in both Estonia and Denmark. In Estonia, Atria was rewarded for its new minced meat packaging which reduces the amount of packaging material by 50 per cent in comparison to the previous packaging. In Denmark, we reduced the use of packaging plastic. When plastic was used, we opted for recycled plastic and increased its use by 80 per cent.

[1] *Atria's Group strategy 2021–2025 is presented on pages 8-12*

The organic Aalbaek Specialiteter brand has strengthened Atria's position on the Danish Foodservice market.

RESEARCH AND DEVELOPMENT

Comprehensive and proactive market and consumer insight is one of the fundamental prerequisites for commercial excellence in Atria's business. For Atria, it also provides a competitive advantage in which the company consistently invests. Atria's investments in research and development totalled EUR 15.3 million in 2021.

Significant product development investments

Atria invested EUR 15.3 million in research and development operations. The investments were at the same level as the year before. Atria's research and product development operations are based on comprehensive market and consumer insight. This information is used in many ways in the development of Atria's new and existing categories. In addition to category and brand management, market and consumer insight is a prerequisite for successful marketing and sales management.

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

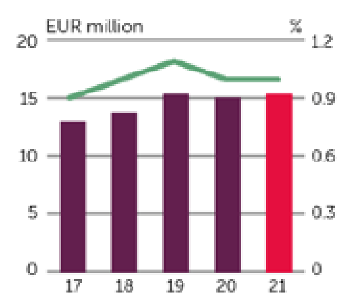
In 2021, we developed our research activities particularly for studies measuring sustainability. To measure our sustainability activities, we introduced the international Sustainable Brand Index study.

Quick and easy cooking remained a significant consumer trend in the food industry. At Atria Finland, this trend was visible as strong sales growth in the Artesaani and Murea&Nopea product families, for example.

Research and product development

EUR 15.3 million

Atria's research and product development expenses increased by EUR 0.3 million year-on-year.



Number of new products

228

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

New products 2021 (2020)		
Business area	Number of	% of net sales
Atria Finland	90 (81)	3.9%
Atria Sweden	66 (126)	4.4%
Atria Denmark & Estonia	72 (62)	9.7%

Atria introduced a carbon footprint label in all of Atria brand's poultry packaging in Finland. It indicates the climate impact of the product's entire production chain in carbon dioxide equivalents. The carbon footprint has been calculated and is noted in the package per product item as kg CO_2e/product. At the end of the year, Atria also introduced the carbon footprint label in its pork product packages. Read more about this on page 23.

Atria Sweden invested in its Lönneberga consumer brand with new vacuum packages. Thanks to the new packages, the amount of plastic is 57 per cent lower than in the previous packages.

The growth of Atria Denmark's brand Aalbaek Specialiteter, focused on premium organic products, was particularly accelerated by the sliced ham products in the Delikate Skiver product family.

Atria Estonia launched more than 50 new brand products. Most of them were poultry products which Atria launched under its main brand Maks&Moorits. In particular, marinated and entire poultry products grew quickly in sales.

FINANCIAL STATEMENTS AND CORPORATE GOVERNANCE

Annual General Meeting on 3 May 2022

In order to limit the spread of the coronavirus pandemic, the General Meeting will be held without the shareholders or their representatives being physically present at the meeting venue.

Atria Plc invites its shareholders to the Annual General Meeting to be held on 3 May 2022 at the company's office at Läkkisepäntie 23, Helsinki. Shareholders and their representatives may attend the meeting and exercise their shareholder rights only by voting and submitting counterproposals and questions in advance. More information is available at www.atria.com/agm. The Chairman of the Board of Directors, the members of the Board of Directors, the CEO and other management of the company, as well as the auditor, will not attend the Annual General Meeting. There will also be no video link to the Annual General Meeting.

The Annual General Meeting will deal with the matters that are to be dealt with by the Annual General Meeting in accordance with Article 14 of the Articles of Association.

The documents for the Annual General Meeting are available on Atria's website at www.atria.com/agm.

In 2022, Atria Plc will publish its financial results as follows:

Financial statements bulletin 2021	15 Feb 2022
Annual Report 2021	week 12/2022
Interim Report Q1 (3 months)	3 May 2022
Half-year report H1 (6 months)	19 July 2022
Interim report Q3 (9 months)	26 Oct 2022

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

BOARD OF DIRECTORS' REPORT 1 January – 31 December 2021

Atria performed well in the challenging environment of 2021

In terms of growth and the result, 2021 was a strong year for Atria. Atria's net sales increased to EUR 1,540.2 million. This represents an increase of EUR 36 million on the previous year. This was a good development considering that the sale of Atria's Russian subsidiary OOO Pit-Product was completed in April, and it had a negative impact on full-year net sales. Despite the sale of the business, Atria was able to even increase its net sales in 2021.

The sale price of OOO Pit-Product was approximately EUR 32 million and the impact of the divested business on Atria Group's annual net sales is approximately EUR 35 million. The business was loss-making.

Atria Group's adjusted EBIT was EUR 49.2 million, an increase of EUR 8.7 million compared to the previous year. The adjusted EBIT of almost EUR 50 million is one of the best annual results in Atria's history. The value of the result is enhanced by the exceptionally difficult circumstances in which it was achieved.

The reported EBIT for 2021 was EUR 6.4 million. The EBIT includes translation differences of EUR -45.1 million for the sold Russian subsidiary (OOO Pit-Product) and a one-off refund of EUR 2.3 million for pension contributions in Sweden.

Atria Group's operational structure and segment reporting changed in 2021 due to the sale of Pit-Product operations. The reporting segments are Atria Finland, Atria Sweden and Atria Denmark & Estonia. As a result of the segment revision, Sibylla Rus, a company operating in the fast food sector in Russia, will be reported as part of the Atria Sweden segment from 1 January 2021 onwards. After the review period Atria decided on 7 of March, 2022 to exit the fast food business in Russia due to the changed geopolitical situation.

Construction work on the new poultry plant in Finland started in spring and the project progressed as planned. In May, Atria Sweden decided to invest EUR 30 million in production restructuring: production will be concentrated at the Sköllersta plant and the Malmö plant will be closed.

In March, Atria, Lihakunta, Itikka cooperative and Osuuskunta Pohjanmaan Liha, together with Osuuskunta Maitosuomi, founded Nautasuomi Oy to develop cattle feeds. Atria increased its shareholding by 20% in Well-Beef Kaunismaa Ltd through share purchases in March. Atria now owns 90% of Well-Beef Kaunismaa's shares.

During the reporting year, Atria's balance sheet remained strong and its financial position was good. Free cash flow was EUR 62.4 million (EUR 59.0 million).

In 2021, the exceptional circumstances caused by the COVID-19 pandemic continued as in 2020. The operating environment was in a constant state of flux, with COVID restrictions being tightened and lifted depending on the disease situation. During the early part of the year, the Foodservice and fast food businesses were impacted by the COVID restrictions. In the third quarter, restaurant restrictions were lifted and sales picked up - until restrictions were tightened again in late December.

Atria's organisation and people showed excellent adaptability to change and a willingness to stick to the targets and goals Atria succeeded in achieving its targets regarding the pandemic: to continue supplying customers without disruption and to keep its personnel healthy.

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

Strategy 2021-2025: Winning Northern European Food Company

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

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

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

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

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

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

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

The main strategic measures in 2021 are set out in the table below:

Strategic target or priority	Implementation of priority or target
Win big in poultry	• The construction of Atria Finland's new poultry plant progresses on schedule – start-up in 2024 • Poultry meat consumption growing, new plant and innovations enable Atria to grow in the market • Strengthening the poultry business in Sweden
Expand in convenience food	• Expansion of product range in one-person ready meals • Packaging reform in convenience food • Utilizing the best market knowledge and customer insight
Optimize red meat	• Strengthening the exports of red meat • Strengthening the image of the taste and quality of Finnish meat: Finnish beef sirloin steak voted best in the world
Strengthen Foodservice, including fast food	• Promoting Atria's strengths: Finnish meat, reliability, security of supply, product safety, and services related to purchasing, supply and cooperation • International expansion of the Sibylla fast food concept • Development of new concepts and sales channels for the Sibylla business
Grow profitably in Sweden	• Investment in a new production plant and logistics centre at the Sköllersta plant in Örebro, Sweden • Poultry business continues to grow profitably
Leader in sustainability	• Atria Group is committed to the Science Based Targets climate initiative • Atria Finland expands its solar power plant: the panel capacity of the plant commissioned in 2018 will almost double. • A carbon footprint label is added to the packaging of Atria brand chicken and pork products. • Development of Lönneberga and Aalbaeck packaging and significant reduction of plastic in packaging materials • Development of soy-free animal feed (for pigs, poultry) • Free-farrowing project to promote animal welfare
The best partner for owner-producers	• In March, Atria and the Lihakunta cooperative, Itikka cooperative and Osuuskunta Pohjanmaan Liha, together with Osuuskunta Maitosuomi, founded Nautasuomi Oy, a company developing cattle feeds, owned by Finnish milk and meat producers. The aim is to combine the know-how and resources of milk and meat producers. • Developing and expanding producer services and own feed company activities
Committed people	• Significant improvement in Atria Group's safety at work performance: in 2017 Atria's LTA frequency rate was 41 and in 2021 it has improved to 14, showing a decrease of 66%. (LTA frequency rate = number of lost time accidents per million hours worked) • Strengthening Atria's Way of Work principles • Implementation of Atria Way of Leading management practices
Strong financial performance	• Sale of loss-making Russian subsidiary completed

Financial review 2021

Atria Group's full-year net sales were EUR 1540.2 million (EUR 1504.0 million). Adjusted EBIT was EUR 49.2 million (EUR 40.5 million). Consolidated EBIT was EUR 6.4 million (EUR 40.5 million). The EBIT includes translation diffenrences of EUR -45.1 million for the sold Russian subsidiary (OOO Pit-Product) and a one-off refund of EUR 2.3 million for pension contributions in Sweden. Atria Group's net sales increased as result of good retail sector sales and exports during the period from January to June. With the lifting of COVID restrictions, sales to Foodservice and fast food customers strengthened in the second half of the year. Sales to feed customers grew from the previous year. The Group's adjusted EBIT was boosted by good export performance and lower costs in January-June. Towards the end of the year, the impact of cost inflation weakened profitability in all business areas.

In May, Atria decided to invest EUR 30 million in production restructuring in Sweden. The investment includes the expansion of production facilities and the purchase of new production equipment for the Sköllersta plant. As a result of the restructuring, production in Malmö will be transferred to the Sköllersta and Moheda plants in Sweden and to the Horsens plants in Denmark. The relocation of production is expected to be completed during 2023. By centralising production, Atria wants to ensure its future competitiveness through more efficient production and logistics, which also have a smaller climate impact. The measures are expected to generate annual savings of approximately EUR 3.5 million.

Atria increased its shareholding by 20% in Well-Beef Kaunismaa Ltd through share purchases in March. Atria now owns 90% of Well-Beef Kaunismaa's shares. In 2016, Atria bought 70% of the company's shares. Well-Beef Kaunismaa Ltd has a strong market position in Finland as a producer of high-quality hamburger patties and kebab products.

In February 2021, Atria signed an agreement to sell its Russian subsidiary OOO Pit-Product to Limited Liability Company Agricultural Complex Mikhailovsky, a member of the Cherkizovo Group. The transaction, which transfers ownership of OOO Pit-Product to the buyer, was completed at the end of April. The purchase price was approximately EUR 32 million. Apart from the translation difference, the sale had no other impact on Atria's consolidated result. The impact of the divested business on Atria Group's net sales is approximately EUR 35 million. The company's business has been unprofitable. The agreement did not include Atria's other Russian subsidiary, Sibylla Rus LLC, which operates in the fast food sector in Russia. After the review period Atria decided on 7 of March, 2022 to exit the fast food business in Russia due to the changed geopolitical situation.

Atria Finland's full-year net sales were EUR 1105.7 million (EUR 1066.3 million). The increase in net sales was driven by increased sales in all sales channels, with Foodservice and feed sales, in particular, improving on the previous year. Full-year sales to export customers increased, compared to the previous year. Exports to China were mixed, with strong growth in the early part of the year, but a marked deterioration in the market situation for Chinese exports in the second half of the year. The company's EBIT increased to EUR 48.1 million (EUR 43.1 million). The growth in EBIT resulted from higher net sales and a better sales structure. The end of the reduction in the statutory pension insurance contribution had a negative impact on the result. Towards the end of the year, the impact of cost inflation weakened profitability. The investment in the poultry plant is progressing according to plan.

Atria Sweden's full-year net sales were EUR 351.7 million (EUR 332.2 million). Net sales in local currency were 3.5% higher than in the previous year. During the first quarter, COVID restrictions had a negative impact on the Foodservice and fast food businesses. The market then began to recover as COVID restrictions were lifted. Adjusted EBIT was EUR 2.7 million (EUR 0.8 million). EBIT was EUR 5.0 million (EUR 0.8 million). The EBIT adjustment item consists of a one-off refund of statutory pension insurance contributions of EUR 2.3 million in the last quarter of the year. At the end of the year, feed, transport and energy costs weighed on the company's EBIT. As a result of Atria Group's segment change, Sibylla Rus, a company operating in the fast food sector in Russia, has been reported as part of the Atria Sweden segment from 1 January 2021 onwards. The change had a positive impact on net sales and result for the reporting period and the comparison period.

Atria Denmark & Estonia's full-year net sales amounted to EUR 104.9 million (EUR 106.8 million). EBIT was EUR 5.1 million (EUR 5.3 million). The decline in net sales was due to Atria Denmark's lower sales to the retail sector. During the first three quarters, EBIT strengthened, thanks to price increases implemented during the first half of the year, meat raw material prices that remained low, and good cost management. At the end of the year, feed prices and production costs rose sharply, resulting in a lower EBIT for the year as a whole.

Events after the period under review

Atria Plc will donate a total of EUR 60,000 to three Finnish universities and one university of applied sciences. In addition, Atria will donate EUR 5,000 to the Finnish organisation Food and Forest Development Finland to support agriculture and forestry in developing countries.

The donations will go to:
- Seinäjoki University of Applied Sciences EUR 20,000
- University of Vaasa EUR 20,000
- University of Eastern Finland EUR 10,000
- University of Tampere EUR 10,000
- FFD (Food and Forest Development Finland) EUR 5,000

In January 2022, Atria Finland received a licence to export poultry products to South Korea. The first batch of products will be shipped to South Korea in February or March 2022. South Korea is a large and growing market in terms of poultry consumption. The country has 52 million inhabitants and poultry meat consumption currently stands at 16.9 kg per person per year.

Atria decided to exit the fast food business in Russia due to the changed geopolitical situation. The decision is not financially significant for Atria. The net sales of the fast food company operating in Russia is about 1,5 percent of the Group's total net sales. The fast food business is reported in the Atria Sweden segment.

Key figures

	2021	2020	2019
Net sales	1,540.2	1,504.0	1,451.3
EBIT	6.4	40.5	31.1
EBIT, %	0.4	2.7	2.1
Adjusted EBIT	49.2	40.5	31.1
Adjusted EBIT, %	3.2	2.7	2.1
Earnings per share, EUR	-0.24	0.81	0.54
Adjusted earnings per share, EUR	1.27	0.81	0.54
Dividend / share, EUR *	0.63	0.50	0.42
Dividend / profit, % *	-257.2	61.4	78.4
Adjusted dividend / profit, % *	49.5	61.4	78.4
Return on equity, %	-1.2	5.7	3.9
Adjusted return on equity, %	8.2	5.7	3.9
Equity ratio, %	48.7	46.8	46.9
Net gearing, %	32.6	43.8	51.6

* The Board's proposal, the key figures in their entirety are presented on page 51.

Financing and liquidity

Interest rates for the euro and the Swedish krona – Atria's key currencies – were very low throughout 2021. Euro-denominated short-term Euribor rates were negative throughout the year, as were long-term rates of 2–7 years for most of the year. However, long-term rates turned upwards and, for example, the 5-year fixed rate was zero at the very end of the year. Swedish short-term Stibor rates were close to zero, but the longer-term SEK rates fluctuated between 0–1%. The challenges posed by the COVID-19 pandemic to the financial markets eased during the year. The short-term commercial paper market returned to normal. Long-term financing markets also normalised: maturities lengthened and were back to pre-pandemic levels at the end of the year, as were lending margins.

In April, Atria refinanced a EUR 40 million loan, which would have matured in April 2023, with a new EUR 60 million seven-year bullet loan. In December, Atria also refinanced a EUR 40 million loan that would have matured in November 2023 with a new EUR 60 million bullet loan linked to sustainability targets, with a maturity of five years and 1+1 year extension options. The sustainability objectives of the loan are to reduce carbon emissions and accidents at work, and to improve energy efficiency. In December, the company refinanced a EUR 30 million committed credit facility that would have matured in June 2023 with a new EUR 30 million committed credit facility linked to sustainability targets, with a maturity of five years and 1+1 year extension options. The sustainability objectives of the credit facility are to reduce carbon emissions and accidents at work.

The Group's liquidity remained good and is secured through undrawn committed credit facilities of EUR 85 million, which were not used at all during the review period, and a EUR 200 million commercial paper programme, which was used mainly during the first half of the year for short-term financing. The Group's net interest rate expenses were EUR 4.9 million (31/12/2020: 4.5 million).

At the end of the financial period, fixed-interest debts represented 17.0% (31/12/2020: 16.7%).

Research and product development

Atria's main product groups are fresh and consumer-packed meat, poultry products, and meat products, such as sausages and cold cuts, as well as convenience food. Atria seeks to serve its stakeholders by making extensive use of research and product development in its business operations to further improve current products and develop new ones.

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

Atria Finland has a high level of market insight and the company aims to improve the usability of this insight continuously for the processes of product development, sales and marketing. During the year, activities have been developed, particularly as concerns responsibility surveys. The operating environment is placing increasing demands, including ones related to responsibility, on companies' operations, and Atria has introduced the international Sustainable Brand Index survey to measure this.

In 2021, Atria Finland launched more than 90 new products and the share of new products of sales was 3.9%. The Jyväbroiler range of barbeque products, which was launched in the summer and developed for barbecuers who demand high quality, grew with two products. Wilhelm Devil's Sauce grill sausage and fermented raw sausages perked up the sausage market with their bold flavours. In addition to the new products, the everyday life of people who grill pork chops was made easier with new packaging that contains less plastic. Food trends and consumer needs were also addressed by continuing the launches of the Murea & Nopea and Artesaani product families, which started successfully in 2020.

Atria Finland introduced a carbon footprint label on all Atria-branded chicken products. The label shows the climate impact of the product's entire production chain in carbon dioxide equivalents. The carbon footprint has been calculated and is noted in the package per product item as kg CO_2e/product).

At the end of the year, the carbon footprint marking was also added to pork products. The calculation covers approximately half of Atria's farm-traceable pork and, thus, represents the average carbon footprint of Atria's pork products. The carbon footprint of Atria pork is 3.21 CO2e per slaughtered kilogram (2.55 CO_2e per kilogram of live weight). In addition to the pork itself, the carbon footprint on the package also acknowledges the product's packaging material, any other raw materials and the processing emissions allocated to the product.

Atria Sweden brought 66 new brand products to the market in 2021. These products represented 4.4% of net sales. All new products, including private label products, accounted for 7.2% of total sales. The most significant innovation in 2021 was the new vacuum packaging for Lönneberga chicken products. The new packaging reduces the amount of plastic used by 57%, compared to the previous packaging. The packaging also improves the shelf life of the products and, thus, reduces food waste. The adjustment of the Foodservice product range to the change in demand brought about by the coronavirus pandemic was successful.

The Atria Denmark & Estonia business area launched a total of 72 new products.

In Denmark, Atria is one of the leading producers of cold cuts, with a market share of 16.9%. Atria Denmark introduced 18 new brand products on the retail market. The most successful new product in 2021 was Aalbæk Specialiteter's "Delikate Skiver" sliced ham. In Denmark, sales of new products accounted for 2.5% of all products sold. Aalbaek's new products were the most successful, accounting for 8.1% of sales.

In 2021, Atria Estonia launched 54 new branded products. The most successful new products in 2021 were poultry products: Maks&Moorits Classical chicken sashlik and Maks&Moorits chicken fillet in yoghurt and garlic marinade. The total sales of marinated meat grew by nearly 17.6% during the year. Pâté products were repackaged in new recyclable materials, which significantly increased sales. The sales of new products accounted for 11.4% of total sales in 2021.

Percentage of net sales spent on research and product development in Atria Group in 2019–2021:

EUR million	2021	2020	2019
Research and product development	15.3	15.0	15.3
% of net sales	1.0 %	1.0 %	1.1 %

Business risks during the review period and short-term risks

The COVID-19 pandemic has affected Atria's business since March 2020. As in the previous year, it posed a significant risk to Atria's business in 2021. The nature of the pandemic took a turn for the worse during the last quarter of 2021, as the Omicron variant began to spread across continents. As a result of the variant, regional and company-specific COVID restrictions, which had already been lifted, were reintroduced. The restrictions have an impact on Atria's personnel and operations, as well as on the purchasing behaviour of Atria's customers. The rapid spread of the virus variant has also led to instability in suppliers' deliveries and the functioning of the logistics chain. Atria is working to prevent the impact of the pandemic on the health and safety of its personnel and to ensure a disruption-free supply chain. Measures include new working practices, protective equipment, social distancing, information and guidance, and visit and travel restrictions. Globally, there are still uncertainties about the behaviour of the virus and the containment of the pandemic through vaccination programmes.

A dry and exceptionally warm summer reduced crop yields in Finland. Autumn rains reduced crop quality. These factors have led to higher feed prices and, therefore, higher costs for meat farms, which have increased the price of meat.

In the second half of the year, energy prices have been high and price fluctuations have been considerable. In particular, the prices of natural gas and electricity have reached record highs. While Atria's hedging against the system-priced risk for electricity has been effective, but the regional price risk has led to additional costs. Significant price volatility in electricity and other energy costs is expected to continue.

Digitalisation and globalisation involve cyber risks. Risks related to cybercrime and IT disruptions can affect Atria's operations either directly or through the systems of service providers. The company aims to prevent and protect itself against these risks by systematic monitoring and measures aiming to improve information security.

A significant proportion of the pork processed at Atria's Nurmo plant is exported to China. The price of meat can fluctuate very rapidly on the Chinese market, which poses a risk to both volumes and price levels.

Russia's invasion of Ukraine in February 2022 will affect world food trade, food availability and prices. In addition, risks related to energy prices are increasing.

African swine fever is present in several European countries, as well as in China and Russia. Highly pathogenic cases of avian influenza in Europe have created uncertainty in the poultry meat market. Due to the risk of these diseases spreading to Finland, Atria implements measures to prevent the spread of these diseases in its own production facilities and in contract production farms. Atria's business, net sales and results may be affected by a number of uncertainties.

Risks and risk management

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

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

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

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

Liability risks are errors, malfunctions and accidents that occur within Atria or in the business environment and that cause damage or loss. Liability risks are managed through continuity plans, and Atria seeks to transfer them to insurance companies.

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

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

Risks related to raw materials and their production

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

Risks related to the geographical area of operation and markets

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

Personnel risks

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

Risks related to information management

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

Risks associated with the value chain

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

Damage risks

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

Financial risks

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

Administration and operational organisation

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

Member	Term ends in
Juho Anttikoski	2022
Mika Asunmaa	2022
Lassi-Antti Haarala	2024
Jyrki Halonen	2022
Mika Herrala	2024
Veli Hyttinen	2023
Pasi Ingalsuo	2023
Jussi Joki-Erkkilä	2024
Marja-Liisa Juuse	2024
Juha Kiviniemi	2023
Risto Lahti	2023
Ari Lajunen	2024
Vesa Lapatto	2023
Juha Nikkola	2022
Mika Niku	2024
Heikki Panula	2022
Ari Pöyhönen	2022
Risto Sairanen	2023
Ola Sandberg	2024
Timo Tuhkasaari	2023

20 members in total

At its constitutive meeting after the Annual General Meeting (AGM), Atria Plc's Supervisory Board re-elected Jyrki Halonen as its Chairman and Juho Anttikoski as its Deputy Chairman.
The AGM decided that the Board of Directors would consist of eight (8) members. Kjell-Göran Paxal and Ahti Ritola, whose turn it was to step down, were re-elected as members of the Board. Leena Laitinen was elected as a new member of the Board of Directors. Nella Ginman-Tjeder, Jukka Kaikkonen, Pasi Korhonen, Jukka Moisio and Seppo Paavola also continue as members of the Board. At the end of the Annual General Meeting in 2022, Nella Ginman-Tjeder, Jukka Kaikkonen and Pasi Korhonen will step down from the Board, and at the end of the Annual General Meeting in 2023, Seppo Paavola and Jukka Moisio will do the same. At its constitutive meeting following the General Meeting, Atria Plc's Board of Directors elected Seppo Paavola as its Chairman and Pasi Korhonen as Deputy Chairman.

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

Member	**Term ends in**
Nella Ginman-Tjeder	2022
Jukka Kaikkonen	2022
Pasi Korhonen	2022
Leena Laitinen	2024
Jukka Moisio	2023
Seppo Paavola	2023
Kjell-Göran Paxal	2024
Ahti Ritola	2024

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

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

The members of the Management Team report to CEO Juha Gröhn.
Atria Plc's governance is described in more detail in the Corporate Governance Statement.

Composition of the Nomination Committee

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

- Juho Anttikoski, Farmer, representative of Itikka Co-operative
- Jyrki Halonen, Farmer, representative of Lihakunta
- Kjell-Göran Paxal, Farmer, representative of Pohjanmaan Liha
- Timo Sallinen, Director, Equities, representative of Varma Mutual Pension Insurance Company
- Seppo Paavola, Agrologist, expert member, Chair of Atria Plc's Board of Directors.

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

Personnel average

	2021	2020	2019
Atria Finland	2,390	2,398	2,334
Atria Sweden	876	879	840
Atria Denmark and Estonia	445	439	435
Sold operation, OOO Pit-Product		728	845
Group total	3,711	4,444	4,454
Salaries and benefits for the period, Group total (EUR million)	204.8	199.1	194.6

Incentive schemes for management and key personnel

Long-term incentive scheme for 2021-2023

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

The scheme is based on a share bonus and a cash bonus, and is divided into three one-year periods. The first earning period will begin on 1 January 2021 and end on 31 December 2021. The bonuses for the 2021 earning period are paid in three equal parts in 2022, 2023 and 2024, partly as company's exchange shares and partly in cash. The cash proportion aims to cover any taxes and tax-like payments incurred by the person due to the bonus. The possible bonus in the scheme is based on the company's earnings per share (70%) and organic growth (30%). If the person's employment relationship or service contract ends prior to the payment of the bonus, the bonus is not usually paid.

The share-based incentive scheme covers a maximum of 40 people. The maximum value of the bonuses to be paid on the basis of one earning period is EUR 2 million. The bonuses to be paid for the 2021 earning period are estimated at EUR 1.4 million (EUR 0.9 million).

Short-term incentive scheme

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

Outlook for 2022

Atria Group's adjusted EBIT in 2022 is expected to be smaller than in the previous year (EUR 49.2 million).

Significant and rapid cost increases and an imbalance in the pork supply and demand globally will create uncertainty in the operating environment in 2022. However, Atria's strong market position, long-term investment in its own brands, good customer relationships and reliable industrial processes will ensure business stability also in these market conditions

Flagging notifications

Atria Plc did not receive any flagging notifications in 2021.

Atria Plc's share capital

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

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

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

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

At the end of the financial period on 31 December 2021, the company held a total of 92,185 treasury shares, representing 0.3% of the shares and 0.1% of the votes in the company. The number of treasury shares transferred as share incentives during the financial period was 13,126.

Information about shareholding distribution, shareholders and management holdings are provided under "Shares and shareholders" on pages 56-57.

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

In accordance with the Board of Directors' proposal, the Annual General Meeting authorised the Board of Directors to decide on the acquisition, on one or several occasions, 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 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 2020 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 2022, whichever is first.

In accordance with the Board of Directors' proposal, the AGM authorised, on 29 April 2021, 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 2020 to the Board of Directors, and it is valid until the closing of the next AGM or until 30 June 2022, whichever is first.

The AGM resolved, in accordance with the Board's proposal, to authorise the Board of Directors to donate a sum of no more than EUR 100,000 from the distributable capital of the company to support activities of colleges, universities or other educational institutions or some other non-profit or equivalent purpose of general interest. In the same context, the AGM authorised the Board of Directors to decide the schedule of payments and any other terms and conditions governing the donations.

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

The parent company's shareholders' equity on 31 December 2021 comprises the invested unrestricted equity fund of EUR 248,539,597.85, the treasury share fund of EUR -1,056,633.82 and profits of EUR 33,152,690.47, of which profit for the period totals EUR 26,962,756.45.

The Board of Directors will propose to the Annual General Meeting that the distributable funds be used as follows:	
- a dividend of EUR 0.63 per share be paid, totalling EUR	17,763,231.78
- to be retained as equity, EUR	262,872,422.72
	280,635,654.50

Statement on non-financial information

Securing a sustainable food chain

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

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

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

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

The Atria Code of Conduct supports responsible business operations

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

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

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

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

- UN Universal Declaration of Human Rights and Convention on Rights of the Child
- UN Global Compact initiative for the promotion of human rights, labour rights, environmental protection and the prevention of corruption
- ILO Declaration on Fundamental Principles and Rights at Work

- OECD Guidelines for Multinational Enterprises
- Business Charter for Sustainable Development of the International Chamber of Commerce (ICC) and the ICC Rules on Combating Corruption
- Responsible purchasing principles of the Business Social Compliance Initiative (BSCI)

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

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

Atria has established a whistleblowing channel for its employees and stakeholders to report suspected breaches of the Code of Conduct or illegal activities. All reports are processed confidentially, and Atria implements any necessary measures based on the reports. The related indicator is the number of reports submitted to the whistleblowing channel or to the authorities. No reports were submitted to Atria's whistleblowing channel in 2021.

EU Taxonomy Regulation

The Taxonomy Regulation (EU) 2020/852, or the EU classification system for environmentally sustainable finance, lists environmentally sustainable economic activities. For example, the regulation requires listed companies to report in compliance with its requirements. Atria's business is not included in the first delegated regulation, so we classify Atria's share of taxonomy-eligible business as zero (0%) of turnover. Similarly, the shares of taxonomy-eligible capital expenditure and operating expenditure are 0%. Atria will continue to assess the impact of taxonomy reporting in 2022.

Planet

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

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

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

Emissions

Atria Group's carbon dioxide emissions have been systematically reduced in recent years. In 2021, carbon dioxide emissions decreased by 4.7% when compared to 2020. The decrease in carbon dioxide emissions resulted from the increased use of renewable energy sources. For example, the share of bio-based fuels in heat production has increased.

Energy

Sustainable, efficient energy use reduces carbon dioxide emissions, which facilitate climate change. Atria Group's energy consumption in 2021 was 463,283 MWh. Consumption increased by 1.5%, and consumption per kilo produced increased by 0.1% year-on-year. The increase in energy consumption was mainly due to less favourable weather conditions. In particular, the early part of 2021 was colder than in the previous year. As in previous years, energy efficiency measures have been implemented in the reporting year.

Water

The quality, adequacy and pumping capacity of water are critical for Atria's operations. Plant-specific environmental permits determine the threshold values for wastewater quality. All wastewater is directed to a local wastewater treatment facility. Atria Group's water consumption in 2021 was 2,862,139 m^3. Consumption increased by 0.9%, and consumption per kilo produced decreased by 0.5% when compared with 2020. The continuous management of water consumption is part of the plants' environmental management and continuous improvement.

Materials

Food production is at the core of the circular economy. Side streams that do not end up as products are directed back to the food chain, as precisely and with as high a value as possible. They are used in applications of the feed industry, as nutrients, for material recycling or as energy.

During the strategy period which concluded at the end 2021, Atria focused on strengthening an anti-wastage operating culture. Atria's internal waste management aims to improve value creation for material flows suitable for food production. Atria's wastage is managed in accordance with the same principles in all business areas of the Group. The various types of process wastage have been identified and monitoring indicators have been created for them. They are displayed at the departments and daily management reacts to deviations without delay. In addition to the personnel's activities, wastage reduction requires investments in the processes.

Compliance

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

Product

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

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

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

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

Food safety

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

During statutory assessments in 2021, no serious shortcomings in operating methods were detected that could compromise food safety and result in fines or coercive measures imposed by the authorities. During 2021, Atria had to make a total of nine recalls: Four in Finland, three in Sweden and two in Denmark. No recalls were necessary in Estonia.

Animal welfare

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

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

People

Consumers

As a food producer, Atria understands its responsibility towards consumers and public health. The purity and nutritional quality of food, as well as ethical food chains, are important values for consumers. People's well-being is based on healthy and nourishing food. Atria's main product categories are fresh and consumer-packed meat and meat products, such as sausages and cold cuts, as well as convenience foods and poultry products. By participating in applied research in product and packaging technology and nutrition, Atria can also create innovative products and concepts for future needs. Further information about the results of Atria's product development and research operations is provided on page 43.

Employees

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

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

In 2021, Atria Group continued to implement the Safely Home from Atria occupational safety programme. Safety at work at Atria has improved significantly over the past four years. In 2017, Atria launched the Safely Home from Atria programme to improve safety and reduce the number of accidents at work. The programme aims to reduce the LTA frequency rate from 41 in 2017 to 8 by 2025 (LTA frequency rate = lost time accidents per million hours worked). Consistent efforts to improve practices, procedures, routines and, most importantly, work culture have really paid off. This is clearly reflected in a reduction in the number of accidents resulting in absence from work. In 2017, Atria's LTA frequency was 41, while in 2021 it improved to 14, showing a decrease of 66%.

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

BREAKDOWN OF SHAREHOLDINGS

Shareholders by number of shares held on 31 Dec 2021

Number of shares	Shareholders		Shares	
	Number of	%	1,000 pcs	%
1 - 100	7,157	47.94	330	1.17
101 - 1 000	6,565	43.97	2,373	8.40
1 001 - 10 000	1,129	7.56	2,728	9.65
10 001 - 100 000	67	0.45	1,635	5.78
100 001 - 500 000	5	0.03	1,035	3.66
500 001 - 1 000 000	4	0.03	2,804	9.92
1 000 001 -	3	0.02	17,362	61.42
Total	14,930	100.00	28,268	100.00

Shareholders by sector on 31 Dec 2021

Shareholder type	Shareholders		Shares	
	Number of	%	1,000 pcs	%
Companies	413	2.77	18,004	63.69
Financial and insurance institutions	19	0.13	1,740	6.16
Public corporations	7	0.05	665	2.35
Non-profit organisations	94	0.63	393	1.39
Households	14,349	96.11	5,727	20.26
Foreign owners	48	0.32	17	0.06
Total	14,930	100.00	26,547	93.91
Nominee-registered, total			1,721	6.09

INFORMATION ABOUT SHAREHOLDERS

Major shareholders on 31 Dec 2021

	KII	A	Total	%
Itikka Co-operative	4,914,281	3,537,652	8,451,933	29.90
Lihakunta	4,020,200	3,848,073	7,868,273	27.83
Skandinaviska Enskilda Banken Ab *		1,041,926	1,041,926	3.69
Mandatum Life Insurance Company Ltd.		963,918	963,918	3.41
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Citibank Europe Plc *		566,209	566,209	2.00
Varma Mutual Pension Insurance Company		524,640	524,640	1.86
Oy Etra Invest Ab		425,000	425,000	1.50
OP-Henkivakuutus Ltd.		232,620	232,620	0.82
The estate of Sofia Margareta von Julin		150,000	150,000	0.53

* Nominee registered

Major shareholders by voting rights on 31 Dec 2021

	KII	A	Total	%
Itikka Co-operative	49,142,810	3,537,652	52,680,462	47.42
Lihakunta	40,202,000	3,848,073	44,050,073	39.65
Pohjanmaan Liha Co-operative	2,695,000	480,038	3,175,038	2.86
Skandinaviska Enskilda Banken Ab *		1,041,926	1,041,926	0.94
Mandatum Life Insurance Company Ltd.		963,918	963,918	0.87
Citibank Europe Plc *		566,209	566,209	0.51
Varma Mutual Pension Insurance Company		524,640	524,640	0.47
Oy Etra Invest Ab		425,000	425,000	0.38
OP-Henkivakuutus Ltd.		232,620	232,620	0.21
The estate of Sofia Margareta von Julin		150,000	150,000	0.14

* Nominee registered

MANAGEMENT'S SHAREHOLDING

On 31 December 2021, the members of the Board of Directors and the Supervisory Board, the CEO and Deputy CEO, as well as the members of the Group's Management Team held a total of 77,121 series A shares, or 0.27% of the shares and 0.07% of the voting rights conferred by shares.

MONTHLY TRADING VOLUME OF SERIES A SHARES IN 2021

Month	Trading, EUR	Trading, shares	Monthly lowest	Monthly highest
January	2,084,601	201,667	9.85	10.76
February	3,684,564	326,759	10.20	12.32
March	2,567,020	223,370	11.30	11.94
April	5,919,684	466,128	11.82	13.44
May	3,950,510	337,536	11.12	12.30
June	2,743,166	227,624	11.28	12.54
July	2,788,398	226,638	11.98	12.76
August	3,722,460	309,410	11.36	12.48
September	4,177,195	374,072	10.60	11.66
October	3,801,286	346,291	10.42	11.62
November	3,197,277	284,368	10.76	11.60
December	2,392,094	212,631	10.78	11.56
Total	41,028,255	3,536,494		

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

FINANCIAL INDICATORS

EUR million	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18	31 Dec 17
Net sales	1,540.2	1,504.0	1,451.3	1,438.5	1,436.2
EBIT	6.4	40.5	31.1	28.2	40.9
% of net sales	0.4	2.7	2.1	2.0	2.8
Adjusted EBIT	49.2	40.5	31.1	28.2	39.6
% of net sales	3.2	2.7	2.1	2.0	2.8
Financial income and expenses	-4.9	-4.5	-5.6	-6.2	-7.3
% of net sales	-0.3	-0.3	-0.4	-0.4	-0.5
Profit before taxes	4.8	37.3	26.2	22.3	35.5
% of net sales	0.3	2.5	1.8	1.6	2.5
Adjusted profit before taxes	47.6	37.3	26.2	22.3	34.2
% of net sales	3.1	2.5	1.8	1.6	2.4
Return on equity (ROE), %	-1.2	5.7	3.9	4.1	6.7
Adjusted return on equity (ROE), %	8.2	5.7	3.9	4.1	6.3
Return on investment (ROI), %	1.9	7.2	5.3	5.0	7.3
Adjusted return on investment (ROI), %	8.3	7.2	5.3	5.0	7.1
Equity ratio, %	48.7	46.8	46.9	47.7	47.5
Interest-bearing liabilities	209.9	218.1	228.3	227.2	214.3
Gearing, %	44.9	49.7	52.6	53.1	49.8
Net gearing, %	32.6	43.6	51.6	52.1	49.0
Gross investments	55.6	45.6	40.1	44.5	53.9
% of net sales	3.6	3.0	2.8	3.1	3.8
Average personnel	3,711	4,444	4,454	4,460	4,449
Research and development costs	15.3	15.0	15.3	13.7	12.9
% of net sales *	1.0	1.0	1.1	1.0	0.9
Order stock **	-	-	-	-	-

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

SHARE ISSUE ADJUSTED INDICATORS PER SHARE

	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18	31 Dec 17
Earnings per share (EPS), EUR	-0.24	0.81	0.54	0.58	0.92
Adjusted earnings per share (EPS), EUR	1.27	0.81	0.54	0.58	0.87
Shareholders' equity/share, EUR	16.08	14.96	14.85	14.69	14.81
Dividend/share, EUR*	0.63	0.50	0.42	0.40	0.50
Dividend/profit, %*	-257.2	61.4	78.4	68.8	54.4
Adjusted dividend/profit, %*	49.5	61.4	78.4	68.8	57.4
Effective dividend yield, %*	5.5	5.1	4.2	6.1	4.1
Price/earnings (P/E)	-47.0	12.1	18.7	11.3	13.2
Adjusted price/earnings (P/E)	9.1	12.1	18.7	11.3	13.9
Market capitalisation	325.6	278.4	283.8	186.0	342.3
Market capitalisation, A series	219.6	187.8	191.4	125.4	230.9
Share turnover/1,000 shares A series	3,536	4,599	3,831	5,696	3,381
Share turnover %, series A	18.6	24.1	20.1	29.9	17.7
Total number of shares, million	28.3	28.3	28.3	28.3	28.3
Number of shares, series A	19.1	19.1	19.1	19.1	19.1
Number of shares, series KII	9.2	9.2	9.2	9.2	9.2
Average share issue-adjusted number of shares	28.3	28.3	28.3	28.3	28.3
Share issue-adjusted number of shares on 31 Dec	28.3	28.3	28.3	28.3	28.3

* Board of Directors' proposal for 2021 to be submitted to the Annual General Meeting on 3 May 2022.

Share price development, series A (EUR)	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18	31 Dec 17
Lowest of the period	9.85	7.13	6.61	6.42	10.11
Highest of the period	13.44	10.86	10.04	13.48	12.96
At the end of the period	11.52	9.85	10.04	6.58	12.11
Average rate during the period	11.60	9.08	8.28	9.58	11.47

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

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

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

$$\text{Adjusted return on equity (\%)} = \frac{\text{Adjusted profit/loss for the accounting period}}{\text{Equity (average)}} * 100$$

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

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

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

Interest-bearing liabilities = Loans + lease liabilities

$$\text{Gearing (\%)} = \frac{\text{Interest-bearing liabilities}}{\text{Shareholders' equity}} * 100$$

Net interest-bearing liabilities	=	Interest-bearing liabilities - cash and cash equivalents	
Net gearing (%)	=	$\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Shareholders' equity}}$	* 100
Earnings per share (basic)	=	$\frac{\text{Profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$	
Adjusted earnings per share (basic)	=	$\frac{\text{Adjusted Profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$	
Equity/share	=	$\frac{\text{Equity attributable to the owners of the parent company}}{\text{Undiluted number of shares on 31 Dec}}$	
Dividend per share	=	$\frac{\text{Dividend distribution during the accounting period}}{\text{Undiluted number of shares on 31 Dec}}$	
Dividend/profit (%)	=	$\frac{\text{Dividend/share}}{\text{Earnings per share (EPS)}}$	* 100
Adjusted dividend/profit (%)	=	$\frac{\text{Dividend/share}}{\text{Adjusted earnings per share (Adjusted EPS)}}$	* 100
Effective dividend yield (%)	=	$\frac{\text{Dividend/share}}{\text{Closing price at the end of the accounting period}}$	* 100
Price/earnings (P/E)	=	$\frac{\text{Closing price at the end of the accounting period}}{\text{Earnings per share}}$	
Adjusted price/earnings (P/E)	=	$\frac{\text{Closing price at the end of the accounting period}}{\text{Adjusted earnings per share}}$	
Average price	=	$\frac{\text{Overall share turnover in euros}}{\text{Undiluted average number of shares traded during the financial period}}$	
Market capitalisation	=	Number of shares at the end of the financial period * closing price on 31 Dec	
Share turnover (%)	=	$\frac{\text{Number of series A shares traded during the accounting period}}{\text{Undiluted average number of series A shares}}$	* 100

CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1 Jan -31 Dec 2021	1 Jan -31 Dec 2020
Net sales	1, 2	**1,540,176**	**1,504,036**
Cost of goods sold	7, 8	-1,363,654	-1,337,715
Gross profit		**176,522**	**166,321**
Sales and marketing expenses	3, 7, 8	-80,962	-77,708
Administrative expenses	4, 7, 8	-45,775	-45,702
Impairment losses from financial assets and contractual assets	20	-556	-456
Other operating income	5	6,033	3,226
Translation differences from sold operation	33	-45,109	0
Other operating expenses	6, 8	-3,768	-5,140
EBIT	1	**6,385**	**40,540**
Financial income	9, 29	8,066	16,682
Financial expenses	9, 25, 29	-12,995	-21,157
Net financial items		-4,930	-4,475
Income from investments accounted for using the equity method	16	3,379	1,193
Profit/loss before taxes		**4,834**	**37,257**
Income taxes	10, 18	-10,233	-12,589
Profit for the period		**-5,399**	**24,668**
Profit attributable to:			
Owners of the parent		-6,900	22,915
Non-controlling interests		1,501	1,753
Total		**-5,399**	**24,668**
Basic earnings per share, EUR	11	-0.24	0.81
Earnings per share adjusted by the dilution effect, earnings per share, EUR	11	-0.24	0.81

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1 Jan -31 Dec 2021	1 Jan -31 Dec 2020
Profit for the period		**-5,399**	**24,668**
Other items of comprehensive income after tax:			
Items not reclassified to profit or loss			
Actuarial gains/losses from benefit-based pension obligations	10, 26	159	-144
Changes in the fair value of equity investments at fair value through other comprehensive income		-437	0
Items reclassified to profit or loss when specific conditions are met			
Cash flow hedges	9, 10, 29	5,745	-1,477
Translation differences from sold operation	33	45,109	0
Other change in translation differences	9, 10, 29	-2,397	-6,822
Comprehensive income for the period		**42,780**	**16,225**
Comprehensive income distribution for the financial period:			
Owners of the parent		41,279	14,472
Non-controlling interests		1,501	1,753
Total		**42,780**	**16,225**

The notes on pages 65–101 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS, EUR 1,000	Note	31 Dec 2021	31 Dec 2020
Non-current assets			
Property, plant and equipment	12	385,480	395,493
Biological assets	13	568	610
Right-of-use assets	14	30,378	33,697
Goodwill	15	162,739	164,829
Other intangible assets	15	77,469	83,932
Investments in joint ventures and associates	16, 31, 35	17,156	14,479
Other financial assets	17, 29	844	1,201
Trade receivables, loans and other receivables	20, 29	6,086	4,638
Deferred tax assets	10, 18	1,831	1,481
Total	32, 33	**682,551**	**700,360**
Current assets			
Inventories	19	109,646	102,893
Biological assets	13	3,624	3,639
Trade and other receivables	20, 29, 32, 33	106,981	104,682
Current tax assets		1,328	1,386
Cash and cash equivalents	21, 29	57,332	26,576
Total	32, 33	**278,910**	**239,176**
Total assets	1	**961,461**	**939,535**

EQUITY AND LIABILITIES, EUR 1,000	Note	31 Dec 2021	31 Dec 2020
Equity attributable to the shareholders of the parent company			
Share capital		48,055	48,055
Treasury shares		-1,057	-1,206
Other funds		4,001	-1,310
Invested unrestricted equity fund		249,394	249,544
Translation differences		-19,959	-62,668
Retained earnings		174,195	190,407
Total	10, 11, 18, 22, 23 ,29	**454,630**	**422,822**
Non-controlling interests		12,945	16,062
Total equity		**467,575**	**438,885**
Non-current liabilities			
Loans	24, 29	176,079	138,838
Lease liabilities	25	21,282	24,553
Deferred tax liabilities	10, 18	37,429	39,250
Pension obligations	26	6,708	7,185
Other liabilities	27, 29	3,043	1,799
Provisions	27	0	290
Total	32, 33	**244,541**	**211,914**
Current liabilities			
Loans	24, 29	2,946	45,130
Lease liabilities	25	9,587	9,613
Trade and other payables	28, 31	235,367	233,914
Current			
tax liabilities		1,445	79
Total	32, 33	**249,344**	**288,736**
Total liabilities	1	**493,886**	**500,651**
Total equity and liabilities		**961,461**	**939,535**

The notes on pages 65–101 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to the owners of the parent company							Non-controlling interest	Equity total
EUR 1,000	Note	Share capital	Treasury shares	Other funds	Invested unrestricted equity fund	Currency translation differences	Retained earnings	Total		
Equity on 1 Jan 2020		**48,055**	**-1,246**	**170**	**249,239**	**-55,848**	**179,506**	**419,876**	**14,420**	**434,296**
Total comprehensive income for the period										
Profit for the period							22,915	**22,915**	1,753	**24,668**
Other comprehensive income										
Cash flow hedges	29			-1,477				**-1,477**		**-1,477**
Actuarial losses from pension obligations	26						-144	**-144**		**-144**
Currency translation differences	9, 10			-2		-6,820		**-6,822**		**-6,822**
Transactions with owners										
Share of non-controlling interest related to acquisition of subsidiary	27						-42	**-42**		-42
Share incentives	23		40		305			**345**		**345**
Distribution of dividend	22						-11,828	**-11,828**	-110	**-11,938**
Equity on 31 Dec 2020		**48,055**	**-1,206**	**-1,310**	**249,544**	**-62,668**	**190,407**	**422,822**	**16,062**	**438,885**
Total comprehensive income for the period										
Profit for the period							-6,900	**-6,900**	1,501	**-5,399**
Other comprehensive income										
Financial assets at fair value through other comprehensive income				-437				**-437**		**-437**
Cash flow hedges	29			5,745				**5,745**		**5,745**
Actuarial losses from pension obligations	26						159	**159**		**159**
Currency translation differences	9			3		42,709		**42,712**		**42,712**
Transactions with owners										
Share of non-controlling interest related to acquisition of subsidiary	22						4,617	**4,617**	-4,092	525
Share incentives	23		149		-149			**0**		**0**
Distribution of dividend	22						-14,088	**-14,088**	-527	**-14,615**
Equity on 31 Dec 2021		**48,055**	**-1,057**	**4,001**	**249,394**	**-19,959**	**174,195**	**454,630**	**12,945**	**467,575**

The notes on pages 65-101 are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	Note	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Cash flow from operating activities			
Payments received from sales		1,537,057	1,500,417
Payments received from other operating income		5,920	3,019
Payments on operating expenses		-1,437,358	-1,388,237
Interest paid and payments on other operational financial expenses	9, 25	-14,580	-18,799
Interest payments received and other financial income	9	7,662	16,666
Direct taxes paid	10	-10,510	-10,844
Cash flow from operating activities		**88,191**	**102,221**
Cash flow from investments			
Investments in tangible and intangible assets		-55,817	-40,840
Acquired operations	32	-76	-3,436
Sold operations	33	30,337	0
Increase (-) /decrease (+) in long-term loan receivables		-405	673
Change in other investments		-538	-149
Dividends received		702	510
Cash flow from investments		**-25,797**	**-43,242**
Cash flow from financing activities			
Drawdown of long-term loans	24	120,000	37,000
Repayment of long-term loans	24	-89,684	-41,717
Increase (+) /decrease (-) in short-term loans	24	-35,251	-8,311
Principal elements of lease payments	25	-9,528	-9,412
Acquisition of non-controlling interest	22	-4,021	0
Contribution by non-controlling interest	22	871	0
Dividends paid	22	-14,615	-11,938
Cash flow from financing activities	10, 18	**-32,228**	**-34,378**
Change in cash and cash equivalents		**30,166**	**24,601**
Cash and cash equivalents at the beginning of the financial period		26,576	4,395
Effect of exchange rate changes on cash flows		589	-2,420
Cash and cash equivalents at end of the financial period	21	**57,332**	**26,576**

The notes on pages 65-101 are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements, IFRS

Basic corporate information

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

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

The financial statements were approved for publication by the Board of Directors on 21 March 2022.

Accounting policies

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted the EU. The IAS and IFRS standards valid on 31 December 2021 have been followed, as well as SIC and IFRIC interpretations. The IFRS refer to standards and interpretations approved for application in the EU in compliance with Regulation (EC) 1606/2002, as referred to in the Finnish Accounting Act and subsequent regulations. The notes to the consolidated financial statements also comply with Finnish accounting and corporate legislation.

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

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

IMPACTS OF COVID-19, ACCOUNTING POLICIES CALLING FOR MANAGEMENT DISCRETION AND KEY UNCERTAINTY FACTORS RELATED TO ASSESSMENTS

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

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

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

The exceptional situation resulting from the COVID-19 pandemic, as well as the uncertainty it has created, have made it necessary for Atria's management to critically assess the company's assets, liabilities, income and expenses, even though the impacts of the pandemic on Atria's operations have been moderate. The management has assessed the uncertainties and risks and exercised discretion when applying the accounting policies. The following paragraphs briefly describe the effect of the COVID-19 pandemic on the application of the company's accounting policies.

Intangible and tangible assets and inventories:

Atria's operations have continued throughout the pandemic without interruption and sales have increased. There has been no need for additional depreciation and Atria's policy regarding depreciation remains unchanged. Unusual impairment of goods in stock has not occurred.

On the closing date of the reporting period, Atria also reviewed any indication of impairment of intangible assets. The interest rates used in the calculations have been checked. The Group has conducted impairment tests on goodwill and intangible assets with indefinite useful lives.

The calculation to test the impairment of intangible assets is based on a series of figures from a five-year strategic period which is annually assessed, taking into account any changes in the business environment, measures taken by Atria and the results achieved.

Each of Atria's business areas has prepared its own five-year series, and the continuation of the COVID-19 pandemic in 2022 has been considered in the first year of the series. Together with the business areas, the Group's Management Team has assessed how realistic the series is during and after the pandemic, as well as the risks. The figures were finally also reviewed by the Board, which approved the proposals made. No indications of impairment were detected. Impairment testing and sensitivity analyses are described in more detail in Note 15.

Right-of-use assets and lease liabilities:

The Group has leased properties, machinery and equipment. The lease contracts are made for a fixed period or are valid until further notice. The contract period for leases that are valid until further notice, as well as any options to extend them, are assessed on a case-by-case basis. COVID-19 has not affected the terms of Atria's leases and Atria has not received any lease relief.

Revenue recognition and management of liquidity risk:

Atria's total sales have developed favourably during the pandemic and there has been no need to change the revenue recognition policies. As a result of increased sales and good results, the company's financial position and cash flow were good during the financial year.

Trade receivables:

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

Employee benefits:

Due to the Covid-19 pandemic, the 2.6% reduction in the employer's TyEL contribution valid in Finland in 2020 has disappeared. In the financial statements for 2021, the increase in the TyEL contribution has been taken into account in the salaries paid in 2022.

Acquired operations:

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

Taxes:

In connection with the financial statements, Atria's management has assessed the effect of uncertainty over tax treatment in accordance with IFRIC 23. Atria has not taken advantage of the tax reliefs granted by the tax authorities in connection with the COVID-19 pandemic and income taxes are recognised on the basis of the taxable result for the year.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

a) New and amended standards, effective for financial periods beginning on or after 1 January 2021

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

b) Significant new standards and interpretations that have been issued, but will not become effective until after 1 January 2021

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

The amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting **Policies,** Changes in Accounting Estimates and Errors. Note that the IASB has issued new exposure draft proposing changes to this amendment. The proposed amendments to IAS 1 would modify the requirements on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances and defer the effective date of the amendments to no earlier than 1 January 2024.

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

Accounting policies for the consolidated financial statements

SUBSIDIARIES

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

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

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

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

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

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

ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

Associates are companies in which the Group holds between 20% and 50% of the voting rights, and in which the Group has significant influence, but which is does not control.

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

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

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

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

FOREIGN CURRENCY TRANSLATION

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

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

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

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

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

RIGHT-OF-USE ASSETS

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

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

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

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

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

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

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

INTANGIBLE ASSETS

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

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

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

The depreciation periods are as follows:

• Customer and supplier relationships	3 - 8 years
• Trademarks	5 - 20 years
• Other intangible assets*	5 - 10 years

* Includes software and subscription fees, among other items

IMPAIRMENT OF NON-CURRENT ASSETS

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

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

INVENTORIES

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

BIOLOGICAL ASSETS

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

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

FINANCIAL ASSETS

Classification

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

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

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

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

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

Equity investments recognised at fair value through other comprehensive income:

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

At fair value through profit or loss:

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

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

FINANCIAL LIABILITIES

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

Financial liabilities recognised at amortised cost:

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

Financial liabilities recognised at fair value through profit or loss:

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

LEASE LIABILITIES

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

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

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

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

- Lease payments based on options to extend a lease if it is reasonably certain these options will be exercised.

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

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

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

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

HEDGE ACCOUNTING

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

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

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

Valuation principles:

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

Cash flow hedge:

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

ASSETS CLASSIFIED AS HELD FOR SALE

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

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

EQUITY

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

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

PROVISIONS

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

REVENUE RECOGNITION

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

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

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

EMPLOYEE BENEFITS

Pension obligations:

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

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

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

Share-based payments:

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

RESEARCH AND DEVELOPMENT EXPENSES

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

GOVERNMENT GRANTS

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

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

INCOME TAXES

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

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

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

1. SEGMENT INFORMATION, EUR 1,000

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

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

Atria Group's operational structure and financial reporting were changed as of January 1, 2021. Following the sale of OOO Pit-Product, Atria Russia does not form an independent business area and is therefore not a reporting segment. Sibylla Rus, which operates in Russia, is has been reported as part of Atria Sweden's segment, which includes most of the Sibylla business. OOO Pit-Product's net sales and profit for 2021 are reported as unallocated, and comparative information has also been restated to conform to the new segment structure.

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

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

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

Operating segments	Atria Finland	Atria Sweden	Atria Denmark & Estonia	Unallocated	Eliminations	Group
Financial period that ended on 31 Dec 2020						
Net sales						
Revenue from consumer products	807,479	315,024	101,386	34,966		1,258,854
Revenue from primary production	243,063		2,119			245,182
Revenue from Group companies	15,747	17,130	3,331	16,832	-53,040	0
Total net sales	1,066,289	332,154	106,835	51,798	-53,040	1,504,036
EBIT	43,142	811	5,287	-8,700		40,540
Financial income and expenses						-4,475
Income from joint ventures and associated						1,193
Income taxes						-12,589
Profit for the period						24,668
Assets	523,178	281,159	103,015	66,700	-34,516	939,535
Liabilities	295,076	168,066	40,591	31,434	-34,516	500,651
Investments	30,635	11,237	3,386	320		45,577
Depreciation and impairment	35,778	13,135	4,632	3,150		56,695

2. NET SALES, 1,000 EUR

	2021	2020
Sale of goods:		
Revenue from consumer product customers	1,270,742	1,251,478
Revenue from primary product customers	261,390	244,979
Services, rents and other sales:		
Revenue from consumer product customers	8,028	7,376
Revenue from primary product customers	17	203
Total	1,540,176	1,504,036

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

3. R & D EXPENSES, EUR 1,000

	2021	2020
Research and development costs recognised as expenditure	15,292	15,002
% Of net sales	1.0 %	1.0 %

4. AUDITORS' FEES, EUR 1,000

	2021	2020
Firm of authorised public accountants:		
Auditing fees	379	322
Reports and statements	1	5
Total	380	327

5. OTHER OPERATING INCOME, EUR 1,000

	2021	2020
Proceeds from sales of fixed assets	113	207
Grants received	537	0
Refund of employment pension contributions *	2,336	0
Other	3,048	3,019
Total	6,033	3,226

* A non-recurring refund of an employment pension contribution in Sweden (FORA).

6. OTHER OPERATING EXPENSES, EUR 1,000

	2021	2020
Amortization of intangible assets *	3,601	4,255
Other	167	885
Total	3,768	5,140

* Includes a EUR 0.8 million impairment of the trademark in 2020.

7. PERSONNEL EXPENSES, EUR 1,000

	2021	2020
Expenses from employee benefits:		
Salaries	204,784	199,148
Pension costs - defined-contribution plans	30,640	25,294
Pension costs - defined-benefit plans	198	194
Other staff-related expenses	22,910	23,294
Total	258,532	247,931

In Finland, due to the COVID-19 pandemic, a 2.6 per cent reduction in the statutory employment pension contribution was in force starting on 1 May to 31 December 2020. The effect of the discount for the financial year 2020 was approximately EUR 2.4 million. In the financial statements in 2021, an increase in the statutory pension contributions in periodized salaries, payable in 2022 have been increased. The increase is due to the compensation of the reduction in the statutory employment pension contribution.

In Sweden, the state has reimbursed some of the salary costs and social security contributions for sick leaves caused by the coronavirus from 1 March to 31 December 2020. The amount of the reimbursed costs is approximately EUR 0.6 million.

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

Expenses from employee benefits by function:		
Costs of goods sold	200,617	193,971
Sales and marketing expenses	31,124	29,485
Administrative expenses	26,790	24,475
Total	258,532	247,931

Group personnel on average by business area (FTE):		
Finland	2,390	2,398
Sweden	876	879
Denmark & Estonia	445	439
Sold operation, OOO Pit-Product		728
Total	3,711	4,444

8. DEPRECIATION AND IMPAIRMENT, EUR 1,000

	2021	2020
Depreciation and write-offs by function:		
Costs of goods sold	44,487	44,136
Sales and marketing expenses	2,498	2,994
Administrative expenses	6,517	5,219
Other operating expenses (Note 6) *	3,601	4,346
Total	57,102	56,695

* Includes EUR 0.8 million impairment on a trademark in 2020.

9. FINANCIAL INCOME AND EXPENSES, EUR 1,000

	2021	2020
Financial income:		
Interest income from financial assets measured at amortised cost	1,534	1,542
Exchange rate gains from financial liabilities and loan receivables measured at amortised cost	1,143	7,168
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments - not in hedge accounting	5,373	7,957
Other financial income	16	15
Total	8,066	16,682
Financial expenses:		
Interest expenses from financial liabilities measured at amortised cost	-4,166	-4,117
Interest expenses from lease liabilities (Notes 14, 25)	-580	-642
Exchange rate losses from financial liabilities and loan receivables measured at amortised cost	-2,345	-5,335
Changes in the value of interest rate swaps for cash flow hedges - transfer from other comprehensive income items	0	-361
Other financial expenses	-1,081	-1,381
Impairment from loan receivables measured at amortised cost (Note 20)	-548	-39
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments – not in hedge accounting	-4,276	-9,282
Total	-12,995	-21,157
Total financial income and expenses	-4,930	-4,475
Items related to financial instruments and recognised in other items of total comprehensive income before taxes:		
Changes in fair value of equity instruments at fair value through other comprehensive income	-437	0
Cash flow hedges	7,186	-1,846
Translation differences	42,712	-7,399
Total	49,461	-9,245

10. INCOME TAXES, EUR 1,000

	2021	2020
Taxes in the income statement:		
Taxes based on the taxable profit for the period	10,692	9,504
Retained taxes	-16	2,120
Deferred tax	-443	965
Total	10,233	12,589
Reconciliation of taxes in the income statement and taxes calculated at the parent company's tax rate:		
Profit before taxes	4,834	37,257
Taxes calculated with the parent company's 20.0% tax rate	967	7,451
Effect of foreign subsidiaries' deviating tax rates	-710	-462
Effect of tax-free income	-202	0
Effect of costs that are non-deductible in taxation		
Translation differences from sold operations (Note 33)	9,022	0
Other *	1,723	751
Effect of income from joint ventures/associates	-676	-134
Adjustments to taxes for previous periods:		
Change in tax treatment of the loss from dissolution **	0	2,140
Other	-16	-305
Unrecognised deferred tax assets	0	1,068
Write-down of deferred tax assets ***	0	2,000
Other changes	126	80
Taxes in income statement	10,233	12,589

* Includes the effect of non-deductible expenses related to the sold subsidiary.
** Atria deducted a loss from the dissolution of its subsidiary UAB Vilniaus Mesa in taxation 2015. According to a decision of the Administrative Court issued in autumn 2020, the loss is not tax deductible. A tax effect of EUR 2.1 million has been recognised in the result in the year 2020.
*** In 2020 deferred tax assets EUR 2.0 million related to OOO Pit-Product was written down.

Taxes recognised in other items of total comprehensive income	Before tax	Tax effects	After tax
2021:			
Cash flow hedges	7,183	-1,438	5,745
Actuarial gains from pension obligations	200	-41	159
Total	7,383	-1,480	5,904
2020:			
Cash flow hedges	-1,846	369	-1,477
Actuarial losses from pension obligations	-184	39	-144
Translation differences	-7,399	577	-6,822
Total	-9,429	986	-8,443

11. EARNINGS PER SHARE, EUR 1,000

	2021	2020
Profit (+) / loss (-) for the financial period attributable to the owners of the parent company	-6,900	22,915
Weighted average of shares for the period (1,000 shares	28,172	28,162
Basic earnings per share	-0.24	0.81
Earnings per share adjusted by the dilution effect	-0.24	0.81

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

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

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

2021	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisition in progress	Total
Acquisition cost 1 Jan	8,455	491,771	713,758	15,511	9,697	1,239,192
Sold operations	-2,623	-25,507	-22,990	-666	-77	-51,863
Increases	227	7,502	10,736	529	51,718	70,711
Decreases			-5,088	-2	-27,266	-32,356
Exchange differences	-65	-992	-3,671	740	137	-3,851
Acquisition cost 31 Dec	5,995	472,773	692,745	16,112	34,208	1,221,833
Cumulative depreciation and impairment 1 Jan	0	-266,006	-565,901	-11,766	-25	-843,699
Sold operations		9,626	21,179	550	0	31,355
Decreases			13,922	2		13,924
Depreciation		-11,683	-26,382	-1,493	0	-39,557
Impairment		-860	-95	-7	0	-962
Exchange differences		632	2,585	-631		2,586
Cumulative depreciation and impairment 31 Dec	0	-268,291	-554,692	-13,345	-25	-836,353
Balance sheet value 1 Jan 2021	8,455	225,764	147,857	3,745	9,672	395,493
Balance sheet value 31 Dec 2021	5,995	204,482	138,053	2,767	34,183	385,480

2020	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisition in progress	Total
Acquisition cost 1 Jan	9,151	484,564	686,336	17,440	9,335	1,206,826
Acquired operations	19	4,115	1,534		102	5,770
Increases		9,056	27,993	1,259	14,915	53,223
Decreases	-29	-7	-2,803	-206	-14,363	-17,407
Exchange differences	-686	-5,958	698	-2,982	-292	-9,219
Acquisition cost 31 Dec	8,455	491,771	713,758	15,511	9,697	1,239,192
Cumulative depreciation and impairment 1 Jan	0	-255,702	-540,566	-12,451	-26	-808,745
Decreases			865	222	1	1,088
Depreciation		-11,557	-26,527	-1,940		-40,024
Impairment			-91	0		-91
Exchange differences		1,252	418	2,403		4,073
Cumulative depreciation and impairment 31 Dec	0	-266,006	-565,901	-11,766	-25	-843,699
Balance sheet value 1 Jan 2020	9,151	228,862	145,770	4,989	9,309	398,081
Balance sheet value 31 Dec 2020	8,455	225,764	147,857	3,745	9,672	395,493

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

13. BIOLOGICAL ASSETS, EUR 1,000

	2021	2020
Biological assets:		
Productive	568	610
Consumable	3,624	3,639
At the end of the period	4,192	4,249
The period change	-58	-544
Amounts of biological assets at the end of the period:		
Boars, sows, gilts / qty	3,659	3,842
Pigs for fattening / qty	30,004	29,982
Chicken eggs and chicks / 1,000 qty	3,227	3,304
Production of agricultural products during the period:		
Pork / 1,000 kg	5,132	5,336
Chicks / 1,000 qty	46,144	44,975

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

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

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

Right-of-use assets acquired through leases in 2020	Real estate	Machinery and equipment	Total
Opening balance 1 Jan	24,995	8,308	33,303
Increases	7,324	2,704	10,028
Depreciation	-6,263	-3,371	-9,634
Balance sheet value 31 Dec	26,056	7,641	33,697

In 2021, outgoing cash flow arising from leases was EUR 10.1 million (10.0 million), of which EUR 0.6 million (0.6 million) is recognised in cash flow from operating activities and EUR 9.5 million (9.4 million) is recognised in cash flow from financing activities.

Liabilities related to leases are presented in Note 25.

	2021	2020
Other variable payments related to leases	503	627
Rents recognised as costs during the financial		
From short-term leases	878	1,183
From low-value leases	797	831

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

2021	Goodwill	Trademarks	Customer relationship	Other tangible assets	Total
Acquisition cost 1 Jan	180,152	75,522	19,027	48,744	323,445
Sold operations		-2,350		-879	-3,229
Increases				9,877	9,877
Decreases	-340	-31	-79	-6,718	-7,168
Exchange differences	-2,144	-995	-91	-119	-3,349
Acquisition cost 31 Dec	177,667	72,146	18,856	50,905	319,575
Cumulative depreciation and impairment 1 Jan	-15,323	-10,526	-13,808	-35,026	-74,683
Sold operations		750			750
Depreciation on decreases	340		79	857	1,276
Depreciation		-1,130	-2,108	-3,717	-6,955
Impairment		-86		-3	-89
Exchange differences	54	187	59	34	334
Cumulative depreciation 31 Dec	-14,928	-10,805	-15,779	-37,855	-79,367
Balance sheet value 1 Jan 2021	164,829	64,996	5,218	13,718	248,761
Balance sheet value 31 Dec 2021	162,739	61,341	3,078	13,050	240,208

2020	Goodwill	Trademarks	Customer relationship	Other tangible assets	Total
Acquisition cost 1 Jan	175,973	73,724	18,855	44,341	312,893
Acquired operations		586		27	613
Increases				5,960	5,960
Decreases				-1,487	-1,487
Exchange differences	4,179	1,212	171	-97	5,465
Acquisition cost 31 Dec	180,152	75,522	19,027	48,744	323,445
Cumulative depreciation and impairment 1 Jan	-15,194	-8,525	-11,616	-32,102	-67,437
Depreciation on decreases				-623	-623
Depreciation		-1,010	-2,090	-3,120	-6,220
Impairment		-726			-726
Exchange differences	-129	-265	-102	819	323
Cumulative depreciation 31 Dec	-15,323	-10,526	-13,808	-35,026	-74,683
Balance sheet value 1 Jan 2020	160,779	65,199	7,239	12,239	245,456
Balance sheet value 31 Dec 2020	164,829	64,996	5,218	13,718	248,761

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

	Goodwill		Trademarks	
	2021	2020	2021	2020
Atria Finland	28,436	28,436	2,500	2,500
Atria Sweden	98,431	100,542	34,340	35,080
Atria Denmark	35,872	35,851	13,340	13,332
Atria Estonia			2,857	2,857
Atria Russia				1,686
Total	162,739	164,829	53,037	55,455

Impairment testing:

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

Key assumptions for 2020	Atria Finland	Atria Sweden	Atria Denmark	Atria Estonia	Atria Russia brand
Long-term net sales growth rate	1.0 %	1.0 %	1.0 %	1.0 %	2.5 %
Discount rate defined before taxes	4.0 %	5.8 %	3.9 %	3.3 %	11,6 % *

*) After tax

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

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

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

As regards EBIT margins, impairment losses must be recognised in Atria Sweden, provided that the long-term level remains below 37% of the assumed level. The same applies to Atria Denmark, if the long-term level remains below 61%. The cash flow forecasts of Atria Sweden include fast food business cash flow for example in Russia. The company has decided to exit the fast food business in Russia, which will reduce the cash flow forecast in Atria Sweden. With unchanged cash flow forecasts discount rates would give rise to impairment losses if they increased by 2.2 percentage points in Sweden and by 2.8 percentage points in Denmark. Clearly higher discount rates would mean that the market situation has changed and that the change could also affect Atria's cash flows. Therefore, the aforementioned increases in discount rates do not directly mean that there would be a need for impairment.

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

16. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

1,000 EUR	2021	2020
Effect on the Group's earnings		
Associates	7	28
Joint ventures	3,372	1,165
Total	3,379	1,193
Balance sheet values in the consolidated statement of financial position		
Associates	2,751	2,836
Joint ventures	14,404	11,643
Total	17,156	14,479

Material investment in a joint venture:

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

Summary of Honkajoki Group's results:		
Net sales	53,135	42,332
EBIT	8,624	3,279
Profit before taxes	8,413	3,036
Profit for the period	6,686	2,427
Summary of Honkajoki Group's balance sheet:		
Assets		
Non-current assets	27,326	26,667
Current assets	19,742	14,381
Total assets	47,068	41,048
Liabilities		
Non-current liabilities	9,090	10,885
Current liabilities	9,840	7,490
Total liabilities	18,930	18,376
Net assets	28,138	22,672

Reconciliation of the summary of financial information for Honkajoki Group:

Profit for the period	6,686	2,427
Share of non-controlling interest	2	-8
Income from joint venture (50%)	3,344	1,209
Net assets 1 Jan	22,672	21,148
Profit for the period	6,686	2,427
Other changes		-138
Dividend distribution	-1,220	-765
Net assets 31 Dec	28,138	22,672
Share of non-controlling interest	227	230
Share of joint venture (50%)	13,955	11,221

Non-material investments in joint ventures:

Balance sheet value in the consolidated statement of financial position	449	422
Effect on earnings in the consolidated income statement	28	-44

The joint ventures and associates are listed in Note 35.

17. OTHER FINANCIAL ASSETS, EUR 1,000

	2021	2020
Other financial assets 1 Jan	1,201	1,198
Increases	80	3
Decreases	-437	0
Other financial assets 1 Dec	844	1,201

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

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

	2021	2020
Deferred tax assets:		
Tax asset to be realised in more than 12 months	1,831	1,311
Tax asset to be realised within 12 months	1	170
Total	1,831	1,481
Deferred tax liabilities:		
Tax liability to be realised in more than 12 months	37,159	39,220
Tax liability to be realised within 12 months	270	30
Total	37,429	39,250
Deferred tax assets by balance sheet item:		
Intangible and tangible assets	113	133
Inventories	0	133
Trade and other receivables	603	550
Interest-bearing and non-interest-bearing liabilities	793	665
Recognised losses	322	0
Total	1,831	1,481
Deferred tax liabilities by balance sheet item:		
Intangible and tangible assets	37,007	39,067
Financial assets	4	0
Inventories	43	149
Trade and other receivables	309	1
Interest-bearing and non-interest-bearing liabilities	66	33
Total	37,429	39,250
Change in deferred taxes:		
Recognised in the income statement	443	-965
Recognised in other items of total comprehensive income	-1,480	986
Acquired operations (Note 32)	0	-395
Sold operations (Note 33)	2,831	0
Exchange differences	377	-768
Total	2,171	-1,143

Deferred tax assets EUR 0.3 million from recognized losses will expire in year 2031.

Deferred tax assets for unused tax losses are recognised to the amount for which obtaining tax benefits on the basis of taxable profit is likely. Unrecognised deferred tax assets were EUR 0.0 million (1.1 million).

The decrease in the corporation tax rate in Sweden has been taken into account in deferred taxes.

19. INVENTORIES, EUR 1,000

	2021	2020
Materials and supplies	49,906	44,106
Unfinished products	3,727	4,928
Finished products	55,201	51,031
Other inventories	811	2,828
Total	109,646	102,893

During the accounting period, EUR 1.5 million (EUR 2,0 million), i.e. the amount used to lower the book value of the inventories to a value comparable with the net realisable value, was recognised as expenses

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

	2021	2020
	Balance sheet value	Balance sheet value
Non-current:		
Trade receivables from primary production customers	3,066	2,753
Loan receivables from primary production customers	777	920
Other receivables	626	514
Derivative instruments - in hedge accounting	1,618	452
Total	6,086	4,638
Non-current receivables are divided between currencies as follows:		
EUR	5,460	4,124
SEK	595	512
Other	31	1
Total	6,086	4,638
Current:		
Trade receivables from consumer goods customers	58,068	63,241
Trade receivables from primary production customers	22,608	20,409
Loan receivables from primary production customers	2,866	2,860
Other loan receivables	508	551
Other receivables	12,638	10,422
Derivative instruments – in hedge accounting	4,546	282
Derivative financial instruments – not in hedge accounting	163	125
Accrued credits and deferred charges	5,584	6,791
Total	106,981	104,682
Current receivables are divided between currencies as follows:		
EUR	72,674	67,394
SEK	17,686	16,747
RUB	6,091	9,701
DKK	5,245	6,139
USD	3,910	3,279
Other	1,375	1,423
Total	106,981	104,682

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

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

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

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

Receivables from consumer goods customers:

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

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

Breakdown of trade receivables by age and expected credit losses in 2020	Trade receivables before provisions	Change in credit loss provision	Net trade receivables	Expected credit losses, %
Not due	59,293	0	59,293	0.0 %
Overdue				
Less than 30 days	3,373	22	3,395	-0.7 %
30–60 days	254	0	254	0.0 %
61–90 days	31	0	31	0.0 %
More than 90 days	494	-225	268	45.7 %
Total	63,445	-203	63,241	0.3 %

Provision for credit risk from trade receivables on 1 Jan	1,292
Increase in provision	225
Realised credit losses	-544
Cancelled provisions	-22
Exchange differences	-185
Total on 31 Dec	766

<u>Receivables from primary production:</u>

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

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

Breakdown of trade receivables by age and expected credit losses in 2020	Trade receivables before provisions	Change in credit loss provision	Net trade receivables	Expected credit losses, %
Not due	19,744	-181	19,563	0.9 %
Overdue				
Less than 30 days	1,305	0	1,305	0.0 %
30–60 days	121	0	121	0.0 %
61–90 days	64		64	0.0 %
More than 90 days	2,190	-80	2,110	3.6 %
Total	23,423	-261	23,162	1.1 %

Provision for credit risk from trade receivables on 1 Jan	2,416
Increase in provision	261
Realised credit losses *	-510
Total on 31 Dec	2,167

* The realized credit loss is related to an individual customer.

Loan receivables:
At the end of the financial period, loan receivables from primary production customers were EUR 3.6 million (3.8 million). An impairment of EUR 0.5 million (0.4 million) was recognised for loan receivables.

Advances received:
At the end of the financial period, advances from primary production customers amounted to EUR 2.1 million (1.8 million) (Note 28).

21. CASH AND CASH EQUIVALENTS, EUR 1.000

	2021	2020
Cash in hand and at banks	57,332	26,576

22. SHAREHOLDERS' EQUITY, EUR 1,000

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

Number of shares outstanding (1,000)	A series	KII series	Total
1 Jan 2020	18,955	9,204	28,159
Share incentives *	3		3
31 Dec 2020	18,958	9,204	28,162
Share incentives *	13		13
31 Dec 2021	18,971	9,204	28,175

* Note 23

Reserves included in shareholders' equity:

Treasury shares
The treasury shares reserve contains the acquisition cost of own shares held by the Group. In 2008 and 2009, the Group's parent company, Atria Plc, acquired 145,102 series A shares on the stock exchange for an acquisition cost of EUR 1.3 million. The number of treasury shares transferred as part of the share incentive scheme of the Group's key personnel in 2021 was 13,126 (3,429 shares). At the end of the year, the parent company held a total of 92,185 treasury shares (105,311).

Other funds	2021	2020
Fair value fund		
Change in fair value of financial assets	-437	0
Hedging fund		
Effective portion of currency and commodity derivatives	5,967	-1,000
Effective portion of interest rate derivatives	-420	-638
Deferred tax	-1,110	329
Total hedging fund	4,438	-1,310
Total other funds	4,001	-1,310

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

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

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

Dividend per share paid for the period	2021	2020
Dividend/share, EUR	0.50	0.42
Dividend distributed by the parent company	14,088	11,828

The Board of Directors proposes to the Annual General Meeting to be held on 3 May 2022 that a dividend of EUR 0.63 per share be distributed,

Share of non-controlling interest	2021	2020
Non-controlling interest 1 Jan	16,062	14,420
Profit for the period	1,501	1,753
Distribution of dividend	-527	-110
Contribution by non-controlling interest *	871	0
Acquisition of non-controlling interest **	-4,962	0
Non-controlling interest 31 Dec	12,945	16,062

* Includes the non-controlling interest in EUR 0.3 million of the established Nautasuomi Oy and an increase in share capital of EUR 0.6 million in A-Farmers Ltd.
** Atria increased its ownership in Well-Beef Kaunismaa Ltd by 20 per cent through share transactions made on 19th of March, 2021. Atria now owns 90 per cent of Well-Beef Kaunismaa's stock. The purchase price was EUR 4.0 million. In addition, the value of the put option on the company's minority shareholders (10%) was revalued. The value of the put option on December 31, 2021 was EUR 2.1 million and it is recorded in long-term interest-free liabilities.

23. SHARE-BASED PAYMENTS, EUR 1,000

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

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

The share-based incentive scheme covers a maximum of 40 people. The bonuses to be paid for the 2021 earning period are estimated at EUR 1.4 million (EUR 0.9 million).

Earning period:	2021	2020
Grant date	15 Feb 2021	12 Feb 2020
Earning period begins	1 Jan 2021	1 Jan 2020
Earning period ends	31 Dec 2021	31 Dec 2020
Maximum number of shares granted as remuneration	46,400	43,400
Earnings criteria:		
- EPS	70.0 %	70.0 %
- Organic growth	30.0 %	30.0 %
Achievement of earnings criteria, %	100.0 %	67.5 %
Share incentives earned	46,400	29,273
Share price listed on grant date, EUR	11.42	10.06
Share price listed on balance sheet date, EUR	11.52	9.85

24. LOANS, EUR 1,000

	2021	2020
Non-current:	Balance sheet value	Balance sheet value
Loans from financial institutions	176,079	136,838
Pension fund loans	0	2,000
Total	176,079	138,838
Current:		
Loans from financial institutions	171	78
Commercial papers	0	35,000
Pension fund loans	2,000	2,000
Other loans	774	8,052
Total	2,946	45,130
Loans total	179,025	183,968

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

	2021	2020
With fixed interest rates	17.0 %	16.7 %
With variable interest rates	83.0 %	83.3 %
Average interest rate	1.18%	1.28%
Long-term loans mature as follows:		
2022		2,092
2023	1,092	81,092
2024	92	92
2025	25,092	25,092
2026	60,017	
Later	89,786	30,470
Total	176,079	138,838
Short-term and long-term loans by currency:		
EUR	100,446	75,247
SEK	58,836	88,035
DKK	19,321	12,790
Other	421	7,896
Total	179,025	183,968

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

Reconciliation of loans	2020	Proceeds	Repayments	Total cash flows	Translation differences	Other changes	2021
Long-term loans	138,838	120,000	-80,654	39,346	-15	-2,090	176,079
Short-term loans							
Proceeds from long-term borrowings	11,007		-9,030	-9,030		2,090	4,067
Short-term loans	34,122	100,000	-135,278	-35,278	35		-1,121
Total Short-term loans	45,130	100,000	-144,308	-44,308	35	2,090	2,946
Total	183,968	220,000	-224,962	-4,962	20	0	179,025

25. LEASE LIABILITIES, EUR 1,000

	2021	2020
Lease liabilities		
Long-term	21,282	24,553
Short-term	9,587	9,613
Total	30,868	34,166

Reconciliation of lease liabilities:	
Liabilities 1 Jan	34,166
Payments	-9,528
Increases	6,231
Liabilities 31 Dec	30,868

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

26. PENSION OBLIGATIONS, EUR 1,000

	2021	2020
The defined benefit pension obligation on the balance sheet is determined as follows:		
Present value of funded obligations	6,708	7,185
Deficit(+) / Surplus(-)	6,708	7,185
Pension obligation in the balance sheet	6,708	7,185
Benefits paid	-198	-194
Interest expenses	72	102
Pension costs in the profit and loss account	-126	-92
Items recognised in other items of total comprehensive income due to reassessment	-200	184
Pension costs in total comprehensive income	-200	184
Changes to liabilities in the balance sheet:		
Liability of the ITP2 pension arrangement on Jan 1	7,185	6,817
Pension costs in the income statement and total comprehensive income	-327	91
Exchange differences	-150	277
At the end of the period, on 31 Dec	6,708	7,185
Actuarial assumptions used (%):		
Discount rate	1.80	1.00
Inflation rate	2.20	1.50

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

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

	2021	2020
Other non-current liabilities:		
Other liabilities *	2,466	294
Derivative instruments - in hedge accounting	512	1,429
Accruals and deferred income	65	77
Total	3,043	1,799

* Other liabilities include the current value, EUR 2.1 million, of the put option related to the minority share in the subsidiary Well-Beef Kaunismaa Ltd, acquired in 2016 (Note 22).

Other non-current liabilities are mainly in euros.

Financial liabilities by class are presented in Note 29.

Provisions:	
Provisions 1 Jan 2021	290
The cost of Atria Sweden's efficiency measures	
Other operating expenses, decreases	-290
Provisions 31 Dec 2021	0

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

	2021	2020
Trade payables	129,524	120,251
Advances received (Note 20)	2,062	1,941
Other liabilities *	48,519	54,206
Derivative instruments - in hedge accounting	104	945
Derivative financial instruments - not in hedge accounting	210	3,640
Accruals and deferred income	54,948	52,931
Total	235,367	233,914

* Other liabilities in year 2020 include the current value, EUR 5.8 million, of the put option related to the minority share in the subsidiary Well-Beef Ltd., acquired in 2016 (Note 22).

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

Financial liabilities by class are presented in Note 29.

	2021	2020
Current liabilities consist of the following currencies:		
EUR	175,506	164,738
SEK	49,416	54,487
RUB	3,734	4,919
DKK	5,465	8,498
PLN	1,021	732
USD	199	453
Other	25	87
Total	235,367	233,914

29. FINANCIAL RISK MANAGEMENT

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

Interest rate risk

Interest rate risk is managed by dividing financing into instruments with floating and fixed interest rates and by hedging with interest rate derivatives. During the financial year, the Group used interest rate swaps and interest rate cap agreements for interest rate risk management. The Group links interest rate risk management to the interest cover ratio that is forecast by dividing the 12-month rolling operating margin by the forecast net interest rate expenses. The lower the EBITDA is in relation to net financial costs, the larger the share of debt that must have a fixed interest rate. Consolidated interest-bearing debt on the balance sheet date amounted to EUR 209.9 million (218.1 million). The interest-bearing debt includes EUR 179.0 million (184.0 million) in loans and EUR 30.9 million (34.2 million) in lease liabilities. Fixed-rate loans accounted for EUR 30.4 million (30.7 million), or 17.0% (16.7%), of the loans. The ratio of debt with fixed and floating interest rates is at the level defined by the Group's treasury policy.

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

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

2) An interest rate swap amounting to EUR 30 million for the period 2 May 2023 to 2 May 2028, where Atria pays a fixed interest rate of 0.196% and receives the 6-month Euribor rate. The interest rate swap hedges a EUR 30 million portion of a EUR 60 million floating rate loan maturing on 2 May 2028, which is included in fixed rate interest-bearing debt from 2 May 2023, when the interest rate swap becomes effective.

The sensitivity analysis of net interest rate expenses is based on a 1% change in interest rates, which is considered to be reasonably realistic. It is calculated for year-end interest-bearing, floating rate net liabilities that are expected to remain the same over the financial period. The interest rate cap agreement is taken into account in the calculation. In simulations, the same change in interest rate is used for all currencies. On 31 December 2021, net floating rate liabilities excluding lease liabilities amounted to EUR 91.3 million (126.7 million). At the end of 2021, a +/-1% increase in interest rates corresponded to a change of EUR +/-0.9 million in the Group's annual interest rate expenses (+/-1.3 million). The effect on equity would be EUR 2.5 million (0.3 million) with an increase of 1% and EUR -2.6 million (-0.3 million) with a decrease of 1%.

Currency risk

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

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

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

During the financial year, translation differences recognised in the consolidated statement of comprehensive income amounted to EUR +42.7 million (-6.8 million). During the financial year, Atria sold its Russian subsidiary OOO Pit-Product. The accumulated translation differences related to the company were EUR -45.1 million on 30 April 2021. These translation differences were transferred from translation differences in comprehensive income to other operating expenses. At the end of the year, the value of net investments exposed to fluctuations of the rouble was EUR 11.0 million (36.7 million).

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

Liquidity and refinancing risk

Atria Plc's Treasury raises the majority of the Group's interest-bearing financing. Liquidity and refinancing risks are managed through a balanced loan maturity distribution and by having sufficient committed credit facilities with sufficiently long periods of validity at hand, by using several financial institutions and instruments to raise financing and by keeping a sufficient amount of cash funds. Atria uses commercial papers for short-term financing and liquidity management. Unused committed credit facilities totalled EUR 85.0 million (85.0 million) at the end of the year, and EUR 200 million of the EUR 200 million commercial paper programme had not been used at the end of the financial year (165.0 million). The average maturity of the Group's loans and committed credit facilities was 4 years 11 months (3 years 2 months).

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

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

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

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

EUR 1,000		Maturity, 31 Dec 2020 < 1 year	1-5 years	> 5 years	Total
Loans	Instalments	44,744	108,369	30,855	183,968
	Interest payments	2,125	5,415	463	8,004
Lease payments	Instalments and interests	9,078	23,286	2,450	34,814
Derivative financial instruments*	Electricity derivatives	766	790		1,557
	Interest rate swaps	430	215		645
	Currency derivatives**				
	- Capital payments	140,991			140,991
	- Capital income	-144,736			-144,736
Other liabilities	Instalments	10,492	294		10,786
Trade payables	Payments	120,251	0		120,251
Total	Total payments	328,879	138,369	33,767	501,015
	Total income	-144,736	0	0	-144,736
	Net payments	184,143	138,369	33,767	356,279

* There is an agreement on the offsetting right with all derivative counterparties.
The figures for derivative liabilities and assets presented in the table are gross amounts.
If the figures were offset, derivative liabilities would amount to EUR 5.2 million (-5,2 million).

** Forward exchange agreements implemented in gross amounts.

Credit risk

Credit risk is managed at Group level in accordance with the Group's risk management policy approved by the Board of Directors. The credit risk related to financing (counterparty risk) is managed by selecting only well-established highly rated counterparties with good credit ratings. The Group's liquid assets are only invested with counterparties that meet the criteria mentioned above. This is also the procedure when entering into financing and derivative agreements. The credit risk related to derivatives is also reduced by the fact that all payments related to interest rate derivatives are net payments. Atria has only made derivatives with banks that are among Atria's main lenders.

The credit risk of the Group's operative business is related to our customers, of which the main ones are large retail chains. Part of the Group's trade receivables are related to feed and animal trading in primary production. The credit risk related to this is higher, but also more dispersed. The Group's trade receivables are also dispersed over several market areas and many customers. To secure the supply of domestically produced meat raw material in Finland, Atria has granted financing to meat producers. The interest-bearing loan receivables are primarily related to these loans.

Credit loss risk is managed with securities, such as credit insurance policies and bank guarantees, as well as with advance invoicing. Each business area has been assigned a separate credit policy that takes into account the special features of the market area. Credit risk is examined and monitored on a case-by-case basis for major customers and customer groups. More detailed information about trade receivables is provided in Note 20.

Commodity risk

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

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

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

Hedge accounting in accordance with the IFRS is applied to electricity hedges. On 31 December 2021, the volume protected was 543,456 MWh (544,150 MWh), with a nominal value of EUR 12.4 million (EUR 12.7 million). The valuation differences, EUR 6.0 million (-0.9 million), of the effective portion of electricity derivatives which meet the criteria for hedge accounting were recognised in the equity hedge fund.

If the market price for electricity derivatives changed by +/-10% from the level of 31 December 2021, the effect on equity would be EUR +/1.8 million (+/-1.2 million), on the assumption that all hedges are 100% effective.

Capital structure management

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

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

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

The equity ratio was 48.7% (31 December 2020: 46.8%).

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

Values of financial assets and liabilities by category:

EUR 1,000

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

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

EUR 1,000

2020 Balance sheet item	Recognised at amortised cost	Recognised at fair value though profit or loss	Recognised at fair value through total comprehensive income	Derivatives in hedge accounting	Balance sheet value in total
Non-current assets					
Trade receivables	2,753				2,753
Other financial assets			1,201		1,201
Loan receivables	920				920
Other receivables *	512				512
Derivative financial instrument				452	452
Current assets					
Trade receivables	82,842		809		83,651
Loan receivables	3,411				3,411
Other receivables *	4,141				4,141
Derivative financial instruments		125		282	407
Cash and cash equivalents	26,576				26,576
Total financial assets	121,155	125	2,010	734	124,024
Non-current liabilities					
Loans	138,838				138,838
Lease liabilities	24,553				24,553
Other liabilities **	294				294
Derivative financial instruments				1,429	1,429
Current liabilities					
Loans	45,130				45,130
Lease liabilities	9,613				9,613
Trade payables	120,251				120,251
Other liabilities **	10,492				10,492
Derivative financial instruments		3,640		945	4,585
Total financial liabilities	349,170	3,640	0	2,373	355,184

* Do not include VAT or income tax assets

** Do not include VAT or income tax liabilities

Fair value hierarchy:

EUR 1,000

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

Balance sheet item	2020	Level 1	Level 2	Level 3
Non-current assets				
Financial assets at fair value through				
other comprehensive income				
– Unlisted shares	1,201			1,201
Derivative financial instruments	452		452	
Current assets				
Derivative financial instruments	407		407	
Total	2,060	0	859	1,201
Non-current liabilities				
Derivative financial instruments	1,429		1,429	
Current liabilities				
Derivative financial instruments	4,585		4,585	
Total	6,014	0	6,014	0

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

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

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

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

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

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

Changes in financial instruments belonging to level 3:

Unlisted shares	2021	2020
Opening balance 1 Jan	1,201	1,198
Increases	80	3
Decreases	-437	
Closing balance 31 Dec	844	1,201

Derivative financial instruments:

Fair values of derivative instruments EUR 1,000	Derivative assets 2021	Derivative liabilities 2021	Net fair value 2021	Net fair value 2020
Forward exchange agreements				
Cash flow hedges under hedge accounting	23	104	-82	-38
Other hedges	163	210	-47	-3,515
Interest rate swaps and interest rate cap due in more than one year				
Cash flow hedges under hedge accounting		420	-420	-638
Interest rate cap agreements	31		31	
Electricity derivatives				
Cash flow hedges under hedge accounting	6,141	92	6,049	-963
Total	6,357	827	5,531	-5,154

Nominal values of derivative financial instruments

EUR 1,000	2021	2020
Forward exchange agreements		
Cash flow hedges under hedge accounting	13,763	12,182
Other hedges	78,005	130,792
Interest rate swaps and interest rate cap agreements		
Cash flow hedges under hedge accounting	60,000	30,000
Interest rate cap agreements	30,000	0
Electricity derivatives		
Cash flow hedges under hedge accounting	12,365	12,718
Other hedges		
Total	194,133	185,692

30. CONTINGENT LIABILITIES, EUR 1,000

Debts with mortgages or other collateral given as security	2021	2020
Loans from financial institutions	1,186	1,291
Pension fund loans	4,170	4,387
Total	5,356	5,678
Mortgages and other securities given as comprehensive security		
Real estate mortgages	1,186	1,291
Corporate mortgages		
Total	1,186	1,291
Contingent liabilities not included in the balance sheet		
Guarantees	83	88

31. RELATED PARTY TRANSACTIONS, EUR 1,000

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

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

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

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

Transactions with related parties and related-party assets and liabilities	Joint ventures and associates	Other related party	Total
1 Jan–31 Dec 2020			
Sale of goods	4,201	11,017	15,219
Sale of services	10	193	203
Rental income	4,713	0	4,713
Purchase of goods	15,263	16,412	31,675
Purchase of services	54,879	81	54,961
Rental costs	5,908	5,704	11,612
31 Dec 2020			
Trade receivables	325	672	996
Other receivables	1	0	1
Interest-bearing liabilities	0	7,580	7,580
Trade payables	1,192	-242	950

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

Employee benefits and fees of the Group's key managerial personnel (on an accrual basis)	2021	2020
Short-term employee benefits	3,603	3,596
Post-employment benefits (group pension benefits)	406	348
Share-based payments	594	466
Total	4,604	4,410

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

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

Incentive schemes for management

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

The scheme is based on a share bonus and a cash bonus and is divided into three one-year periods. The possible bonus in the scheme is based on the company's earnings per share (70%) and organic growth (30%). The bonuses for each period are paid in equal instalments over three years following the earning period, The cash proportion aims to cover any taxes and tax-like payments incurred by the person due to the bonus. The share-based incentive scheme covers a maximum of 40 people. The bonuses to be paid for the 2021 earning period are estimated at EUR 1.4 million (EUR 0.9 million).

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

Salaries, benefits and pension contributions for the members of the Supervisory Board and the Board of Directors, the CEO and the Deputy CEO	Salaries and benefits	Supplementary pension contributions	Total
Members of the Supervisory Board:			
Halonen Jyrki, Chair	22		22
Anttikoski Juho, Deputy Chair	13		13
Other members of the Supervisory Board	81		81
Total	115	0	115
Members of the Board of Directors:			
Paavola Seppo, Chair	68		68
Korhonen Pasi, Deputy Chair	40		40
Ginmann-Tjeder Nella	32		32
Kaikkonen Jukka	34		34
Laitinen Leena, member since April 2021	22		22
Moisio Jukka	31		31
Paxal Kjell-Göran	40		40
Ritola Ahti	55		55
Sivula Harri, member until April 2021	11		11
Total	333	0	333
CEO:			
Gröhn Juha	770	170	940
Deputy CEO:			
Back Tomas	408	97	505

32. ACQUIRED OPERATIONS, EUR 1,000

In October 2020, Atria Finland acquired the entire share capital of the Kauhava-based Domretor Oy, a contract manufacturer in the food industry. The ownership and control rights transferred to Atria as of 1 October 2020. Domretor Oy has been an associated company of Atria since 2013, when Atria acquired a 24.9% of Domretor's shares. Domretor's operations began in 1999, and it is a contract manufacturer of high-quality convenience food products and semi-prepared foods. The acquisition allows Atria to strengthen its position in the retail sector's convenience food selection and the market of Foodservice products. Domretor operates as an independent company and now has a better opportunity to take advantage of all of Atria's customer channels. Domretor's production plant is located in Kauhava. The company employs 70 people full time and some 40 people on a seasonal basis. Domretor's net sales in 2019 were EUR 8.8 million.

Domretor Oy	2020
Purchase price	3,510
Fair value of earlier 24.9% holding	1,164
Acquisition price	4,674
Domretor Oy's assets and liabilities, fair values employed in the acquisition:	
Property, plant and equipment	5,770
Intangible assets	613
Investments	2
Inventories	601
Current receivables	1,083
Cash and cash equivalents	75
Total assets	8,145
Deferred tax liabilities	395
Non-current liabilities	1,977
Current liabilities	1,098
Total liabilities	3,471
Net assets	4,674
Purchase price paid in cash	3,510
The company's cash and cash equivalents	75
Effect of the acquisition on cash flow	3,436

33. SOLD OPERATIONS, EUR 1,000

In February, Atria concluded the sale of its Russian subsidiary OOO Pit-Product to Limited Liability Company Agricultural Complex Mikhailovskiy, which belongs to the Cherkizovo Group. The divestment, which transferred ownership of OOO Pit-Product to the buyer, was completed on 30 April 2021. OOO Pit-Product's assets and liabilities are presented as assets held for sale and liabilities related to assets in the March 2021 interim report. The divestment does not include Atria Russia's other subsidiary, Sibylla Rus LLC.

The purchase price was EUR 31.8 million. The divestment has an impact of around EUR 35 million on Atria Group's net sales. The business has been showing a loss. The divested business had approximately 720 employees.

Cumulated translation differences associated with Pit-Product stood at EUR -45.1 million on 30 April 2021. The translation differences have accumulated from exchange rate fluctuations during the Pit-Product holding. Atria purchased Pit-Product in 2005. At that time, one euro corresponded to around RUB 34. At the time of the transaction, one euro was worth RUB 90. When divesting a foreign subsidiary, the cumulative translation differences associated with said subsidiary, which have already been recognised in equity, are recognised through profit or loss. Since the cumulated translation differences already reduced the Group's equity, this recognition had no impact on the Group's equity ratio or cash flow.

OOO Pit-Product	2021
Asset 30 Apr 2021	
Property, plant and equipment	20,793
Right-of-use assets	240
Other intangible assets	1,636
Inventories	7,567
Trade and other receivables	4,475
Cash and cash equivalents	1,438
Total assets	36,149
Liabilities 30 Apr 2021	
Long-term lease liabilities	134
Deferred tax liabilities	1,841
Short-term lease liabilities	131
Short-term trade and other payables	3,421
Total liabilities	5,527

Consideration received:	
Cash	31,775
Sold net assets	-30,623
Transactions costs	-1,026
Result on sale before reclassification of foreign currency translation reserve	126
Reclassification of foreign currency translation reserve	-45,109
Loss on sale	-44,982
Cash flow from sold operations:	
Received payment	31,775
Company´s cash and cash equivalents	-1,438
Total	30,337

34. EVENTS AFTER THE PERIOD UNDER REVIEW

Atria Plc donates a total of EUR 60,000 to three Finnish universities and one university of applied sciences. In addition, Atria donates EUR 5,000 to Food and Forest Development Finland to support agriculture and forestry in developing countries.

Donations are given to:
- Seinäjoki University of Applied Sciences, EUR 20,000
- University of Vaasa, EUR 20,000
- University of Eastern Finland, EUR 10,000
- University of Tampere, EUR 10,000
- FFD (Food and Forest Development Finland), EUR 5,000

In January 2022, Atria Finland received an export license for poultry products to South Korea. The first product batch to South Korea will be shipped during February–March 2022. South Korea is a growing and large market for poultry consumption. The country has a population of 52 million and currently, the consumption of poultry is 16.9 kg per person per year.

Atria decided to exit the fast food business in Russia due to the changed geopolitical situation. The decision is not financially significant for Atria. The net sales of the fast food company operating in Russia is about 1,5 percent of the Group's total net sales. The fast food business is reported in the Atria Sweden segment.

35. GROUP COMPANIES, GROUP JOINT VENTURES AND ASSOCIATES

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

Group companies by business area	Domicile	Share of holding (%)	Share of votes (%)
Atria Finland:			
Ab Botnia Food Oy **	Finland	100.0	100.0
A-Liha Jyväskylä Oy	Finland	100.0	100.0
A-Lihatukkurin Oy	Finland	100.0	100.0
A-Logistics Ltd	Finland	100.0	100.0
A-Pekoni Nurmo Oy	Finland	100.0	100.0
A-Pihvi Kauhajoki Oy	Finland	100.0	100.0
A-Pihvi Kuopio Oy	Finland	100.0	100.0
A-Rehu Oy	Finland	51.0	51.0
A-Sikateurastamo Oy	Finland	100.0	100.0
Atria Plc	Finland		
Atria Finland Ltd	Finland	100.0	100.0
Atria-Chick Oy	Finland	100.0	100.0
Atria-Lihavalmiste Oy	Finland	100.0	100.0
Atria-Meetvursti Oy	Finland	100.0	100.0
Atria-Tekniikka Oy	Finland	100.0	100.0
Atria-Tuoreliha Oy	Finland	100.0	100.0
Atria-Valmisruoka Oy	Finland	100.0	100.0
A-Farmers Ltd	Finland	97.9	99.0
Best-In Oy	Finland	100.0	100.0
Domretor Oy	Finland	100.0	100.0
Kauhajoen Teurastamokiinteistöt Oy	Finland	100.0	100.0
Well Beef Ltd *	Finland	90.0	90.0
Kiinteistö Oy Tievapolku 3	Finland	100.0	100.0
Liha ja Säilyke Oy	Finland	100.0	100.0
Mestari Forsman Oy **	Finland	100.0	100.0
Nautasuomi Oy	Finland	51.0	51.0
Rokes Oy	Finland	100.0	100.0
Sahalahden Broiler Oy	Finland	100.0	100.0
Suomen Kalkkuna Oy	Finland	100.0	100.0
Atria Sweden:			
Atria Concept SP Z.o.o	Poland	100.0	100.0
Atria Concept UK Ltd	UK	100.0	100.0
Atria Korea LLC	Republic of Korea	100.0	100.0
Sibylla Rus LCC	Russia	100.0	100.0
Atria Sverige AB	Sweden	100.0	100.0
Atria Sweden AB	Sweden	100.0	100.0
Sibylla Sweden AB	Sweden	100.0	100.0
Atria Denmark & Estonia:			
Atria Danmark A/S	Denmark	100.0	100.0
Atria Denmark Holding A/S	Denmark	100.0	100.0
Atria Eesti AS	Estonia	100.0	100.0
Atria Farmid OÜ	Estonia	100.0	100.0
OÜ Atria **	Estonia	100.0	100.0
Unallocated:			
Atria-Invest Oy	Finland	100.0	100.0
OOO Pit-Product, until 30 Apr 2021	Russia	100.0	100.0

* Note 22
** Dormant company

The consolidated financial statements include all subsidiaries. Owners with non-controlling accounted for an insignificant share of Atria Group's profit for the period and retained earnings.

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

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

PARENT COMPANY FINANCIAL STATEMENTS, FAS

INCOME STATEMENT, EUR 1,000

	Note	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
NET SALES	2.1	37,705	35,784
Other operating income	2.2	5,892	5,708
Personnel expenses	2.3	-5,555	-4,272
Depreciation and impairment	2.4		
Depreciation according to plan		-21,999	-21,061
Other operating expenses	2.5	-5,618	-5,958
EBIT		10,426	10,202
Financial income and expenses	2.6	2,143	-5,406
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		12,569	4,796
Appropriations	2.7	20,675	14,995
Income taxes	2.8	-6,282	-7,124
PROFIT/LOSS FOR THE PERIOD		26,963	12,666

BALANCE SHEET, EUR 1,000

Assets	Note	31 Dec 2021	31 Dec 2020
FIXED ASSETS			
Intangible assets	3.1		
Intangible rights		10	12
Other long-term expenditure		7,643	7,912
Total intangible assets		7,653	7,924
Tangible assets	3.1	231,357	215,985
Investments	3.2		
Investments in Group companies		355,125	282,668
Investments in associates		3,520	3,520
Other shares and investments		624	1,061
Total investments		359,270	287,250
Non-current receivables	3.3	146,500	126,868
TOTAL FIXED ASSETS		744,779	638,027
CURRENT ASSETS			
Current receivables	3.3	40,403	144,444
Cash in hand and at bank		55,984	20,807
TOTAL CURRENT ASSETS		96,386	165,252
Total assets		841,166	803,279

Liabilities	Note	31 Dec 2021	31 Dec 2020
EQUITY	3.4		
Share capital		48,055	48,055
Treasury shares		-1,057	-1,206
Invested unrestricted equity fund		248,540	248,689
Retained earnings		6,190	7,611
Profit/loss for the period		26,963	12,666
TOTAL EQUITY		328,691	315,816
ACCRUED APPROPRIATIONS	3.5		
Depreciation difference		84,756	80,436
LIABILITIES			
Non-current liabilities	3.6	175,420	137,638
Current liabilities	3.7	252,299	269,389
TOTAL LIABILITIES		427,719	407,027
Total liabilities		841,166	803,279

CASH FLOW STATEMENT, EUR 1,000

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Payments received from sales	37,133	35,144
Other business revenue	5,892	5,708
Payments on operating expenses	-7,106	-9,624
Cash flow from operating activities	35,919	31,228
Dividends received	2,195	21,999
Interest received and other financial income	4,654	14,556
Interest paid and financial expenses	-7,974	-13,280
Tax paid	-5,559	-7,930
Cash flow from operating activities	29,235	46,572
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-37,100	-22,672
Investments in subsidiaries	-72,457	-37,510
Change in Group receivables	95,046	11,225
Change in loan receivables	5	0
Cash flow from investments	-14,507	-48,957
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of long-term loans	120,000	37,000
Repayment of long-term loans	-89,000	-41,700
Drawdown of short-term loans	65	34,972
Repayment of short-term loans	-34,972	-41,071
Change in Group liabilities	23,443	22,283
Received or given Group contributions	15,000	19,770
Dividends paid	-14,088	-11,828
Cash flow from financing activities	20,448	19,426

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
CASH FLOW FROM OPERATING ACTIVITIES	29,235	46,572
CASH FLOW FROM INVESTMENTS	-14,507	-48,957
CASH FLOW FROM FINANCING ACTIVITIES	20,448	19,426
TOTAL	35,176	17,041
Change in cash and cash equivalents		
Cash and cash equivalents 1 Jan	20,807	3,766
Cash and cash equivalents 31 Dec	55,984	20,807
Change	35,176	17,041

1. PRINCIPLES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

General principles applied in preparing the financial statements

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

Information concerning the Group

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

Valuation principles

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

The depreciation periods are as follows:

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

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

Items presented in foreign currencies

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

Financial assets and liabilities

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

Derivative financial instruments

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

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

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
2.1 NET SALES	37,705	35,784

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

2.2 OTHER OPERATING INCOME

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Service charges from Group companies	5,808	5,678
Other	84	30
Total	5,892	5,708

2.3 PERSONNEL EXPENSES

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Average number of personnel		
Office personnel in Finland	19	19
Personnel expenses		
Salaries:		
CEO, Executive Vice President and Deputy CEO		
and members of the Board	1,375	1,273
Members of the Supervisory Board	61	52
Other salaries	2,841	2,029
Total	4,277	3,354
Pension costs	1,127	788
Other staff-related expenses	151	130
Total	1,278	918
Total personnel expenses	5,555	4,272

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

2.4 DEPRECIATION AND IMPAIRMENT

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Depreciations of tangible and intangible assets	21,999	21,061

Depreciation specification per balance sheet item included in section 3.1.

2.5 OTHER OPERATING EXPENSES

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Other operating expenses	5,618	5,958

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

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Fees paid to auditors/PricewaterhouseCoopers Oy		
Auditing fees	158	161
Total	158	161

2.6 FINANCIAL INCOME AND EXPENSES

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Return on long-term investments:		
From Group companies	1,493	21,542
From other companies	702	457
Total	2,195	21,999
Other interest and financial income:		
From Group companies	3,305	3,161
From other companies	4,989	11,147
Total	8,294	14,308

	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Interest expenses and other financial expenses:		
To Group companies	-3	-22
Impairment of investments in fixed assets *	-437	-27,000
To other companies	-7,906	-14,691
Total	-8,346	-41,714
Total financial income and expenses	2,143	-5,406
Interest expenses and other financial expenses include exchange rate gains/losses (net)	112	46

* In 2020 pursuant to Chapter 5, section 13 of the Accounting Act, the company has reduced the value of the shares of Atria-Invest Oy, which invests in Russian subsidiaries, on Atria Plc's balance sheet. The impairment is due to the Russian operations' performance capability, which failed to meet expectations as well as the ruble weakening against the euro. The reduction in value has no effect on the financial statements of Atria Group.

2.7 APPROPRIATIONS

Difference between planned depreciation and depreciation implemented in taxation	-4,325	-5
Group contributions received	25,000	15,000
Total	20,675	14,995

2.8 INCOME TAXES

Income taxes for the accounting period	6,290	4,975
Taxes for previous financial periods *	-8	2,149
Total	6,282	7,124

* Atria deducted a loss from the dissolution of its subsidiary UAB Vilniaus Mesa in taxation in 2015. According to a decision of the Administrative Court issued in autumn 2020, the loss is not tax deductible. A tax effect of EUR 2.1 million has been recognised in the result in 2020.

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

3.1 INTANGIBLE AND TANGIBLE ASSETS	31 Dec 2021	31 Dec 2020
Intangible assets:		
Intangible rights		
Acquisition cost 1 Jan	1,483	1,483
Acquisition cost 31 Dec	1,483	1,483
Cumulative depreciation 1 Jan	-1,470	-1,467
Depreciation for the period	-3	-3
Cumulative depreciation 31 Dec	-1,473	-1,470
Balance sheet value 31 Dec	10	12
Other long-term expenditure		
Acquisition cost 1 Jan	38,291	35,920
Increases	1,717	2,371
Decreases	-11	0
Acquisition cost 31 Dec	39,997	38,291
Cumulative depreciation 1 Jan	-30,794	-28,137
Depreciation for the period	-2,629	-2,657
Cumulative depreciation 31 Dec	-33,424	-30,794
Balance sheet value 31 Dec	6,573	7,496
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	416	
Changes +/-	655	416
Acquisition cost 31 Dec	1,070	416
Balance sheet value 31 Dec	1,070	416
Total intangible assets	7,653	7,924

	31 Dec 2021	31 Dec 2020
Tangible assets:		
Land and water		
Acquisition cost 1 Jan	1,179	1,179
Acquisition cost 31 Dec	1,179	1,179
Balance sheet value 31 Dec	1,179	1,179
Buildings and structures		
Acquisition cost 1 Jan	330,720	323,129
Increases	3,205	7,592
Acquisition cost 31 Dec	333,925	330,720
Cumulative depreciation 1 Jan	-189,563	-182,812
Depreciation for the period	-6,886	-6,751
Cumulative depreciation 31 Dec	-196,449	-189,563
Balance sheet value 31 Dec	137,476	141,157
Machinery and equipment		
Acquisition cost 1 Jan	396,288	383,743
Increases	8,285	13,404
Decreases	-21	-859
Acquisition cost 31 Dec	404,552	396,288
Cumulative depreciation 1 Jan	-328,695	-317,155
Depreciation for the period	-12,373	-11,540
Cumulative depreciation 31 Dec	-341,068	-328,695
Balance sheet value 31 Dec	63,485	67,593
Other tangible assets		
Acquisition cost 1 Jan	3,794	3,794
Acquisition cost 31 Dec	3,794	3,794
Cumulative depreciation 1 Jan	-2,370	-2,260
Depreciation for the period	-108	-110
Cumulative depreciation 31 Dec	-2,478	-2,370
Balance sheet value 31 Dec	1,316	1,424

	31 Dec 2021	31 Dec 2020
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	4,630	4,882
Changes +/-	23,270	-251
Acquisition cost 31 Dec	27,900	4,630
Balance sheet value 31 Dec	27,900	4,630
Total tangible assets	231,357	215,985
Non-depreciated acquisition cost of machinery and equipment	63,485	67,593

The share of items other than production machinery and equipment is not significant in amount. The acquisition costs of completely depreciated and scrapped items are presented as decreases.

3.2 INVESTMENTS

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

	31 Dec 2021	31 Dec 2020
Joint ventures and associates:		
Foodwest Oy, Seinäjoki	24.5	24.5
Honkajoki Oy, Honkajoki	50.0	50.0
Kiinteistö Oy Itikanmäen Teollisuustalo, Seinäjoki	12.6	12.6
Länsi-Kalkkuna Oy, Säkylä	50.0	50.0
Transbox Oy, Helsinki	18.6	18.6
Tuoretie Oy, Seinäjoki	33.3	33.3

3.3 RECEIVABLES

Non-current receivables:		
Loan receivables	0	5
Receivables from group companies:		
Loan receivables	146,500	126,863
Total non-current receivables	146,500	126,868
Current receivables:		
Trade receivables	20	3
Other receivables	251	-4
Accrued credits and deferred charges	259	473
Receivables from group companies:		
Trade receivables	3,056	2,500
Other receivables	11,146	125,829
Accrued credits and deferred charges	25,670	15,643
Total current receivables	40,403	144,444
Material items included in accrued credits and deferred charges:		
– group contributions	25,000	15,000
– interest accruals	674	646
– valuation of forward contracts	140	0
– other	115	470
Total	25,929	16,117

3.4 EQUITY	31 Dec 2021	31 Dec 2020
Share capital 1 Jan	48,055	48,055
Share capital 31 Dec	48,055	48,055
Total restricted equity	48,055	48,055
Treasury shares 1 Jan	-1,206	-1,247
Share incentives	149	41
Treasury shares 31 Dec	-1,057	-1,206
Invested unrestricted equity fund 1 Jan	248,689	248,730
Change	-149	-41
Invested unrestricted equity fund 31 Dec	248,540	248,689
Retained earnings 1 Jan	20,278	19,440
Distribution of dividends	-14,088	-11,828
Retained earnings 31 Dec	6,190	7,611
Profit/loss for the period	26,963	12,666
Retained earnings 31 Dec	33,153	20,278
Total unrestricted equity	280,636	267,761
Total equity	328,691	315,816

At the end of the financial period on 31 December 2021, the company held a total of 92,185 treasury shares, representing 0.3% of the shares and 0.1% of the votes in the company. The number of treasury shares transferred as share incentives during the financial period was 13,126.

Calculation of distributable funds:		
Invested unrestricted equity fund	248,540	248,689
Retained earnings	6,190	7,611
Profit/loss for the period	26,963	12,666
Treasury shares	-1,057	-1,206
Total	280,636	267,761

The breakdown of the share capital is as follows:

	2021		2020	
	Number of	EUR 1,000	Number of	EUR 1,000
Series A (1 vote per share)	19,063,747	32,408	19,063,747	32,408
Series KII (10 votes per share)	9,203,981	15,647	9,203,981	15,647
Total	28,267,728	48,055	28,267,728	48,055

3.5 ACCRUED APPROPRIATIONS	31 Dec 2021	31 Dec 2020
Depreciation difference	84,756	80,436

3.6 NON-CURRENT LIABILITIES

Loans from financial institutions	175,000	135,000
Pension fund loans	0	2,000
Accruals and deferred income	420	638
Total non-current liabilities	175,420	137,638

3.7 CURRENT LIABILITIES

Loans from financial institutions	65	41,972
Pension fund loans	2,000	2,000
Trade payables	7,701	4,149
Other payables	640	1,302
Accruals and deferred income	3,367	5,109
Liabilities to Group companies:		
Trade payables	571	345
Other payables	237,953	214,510
Accruals and deferred income	3	3
Total current liabilities	252,299	269,389

Material items included in accruals and deferred income:		
– accruals of salaries and social security payments	1,891	1,054
– interest accruals	544	315
– valuation of forward contracts	187	3,479
– amortised taxes	499	0
– other	250	263
Total	3,371	5,112

4. OTHER NOTES, EUR 1,000

4.1 SECURITIES GIVEN, CONTINGENT LIABILITIES AND OTHER LIABILITIES	31 Dec 2021	31 Dec 2020
Contingent liabilities and other liabilities not included in the balance sheet		
Guarantees		
On behalf of Group companies	36,933	46,646
Total	36,933	46,646
Other leases		
Within one year	756	709
Within more than one year and a maximum of five years	1,263	1,448
After more than five years	2,194	2,305
Total	4,213	4,463

4.2 VAT LIABILITIES

The company has made property investments as referred to in the Value Added Tax Act. The remaining verification liability of these investments was assessed for each verification period on 31 December 2021.

Year of completion of the investment	Remaining amount of verification liability	
2012		91
2013	87	174
2014	185	278
2015	628	838
2016	758	948
2017	559	671
2018	324	378
2019	505	577
2020	1,275	1,435
2021	4,759	
Total	9,081	5,389

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

4.3 INTEREST RATE SWAPS

Asset being hedged: A floating rate loan of EUR 30 million maturing on 25 September 2027, which will be included in fixed rate interest-bearing debt starting from 27 December 2023 when the interest rate swap becomes effective. Interest rate swap with a nominal value of EUR 30 million for the period of 27 December 2023 to 23 June 2027; the company receives a six-month Euribor rate and pays the fixed interest rate of 0.686%. The fair value of the agreement on the closing date is EUR 478,404.56.

Asset being hedged: A portion of EUR 30 million of a EUR 60 million floating rate loan maturing on 2 May 2028, which will be included in fixed rate interest-bearing debt starting from 2 May 2023 when the interest rate swap becomes effective. Interest rate swap with a nominal value of EUR 30 million for the period of 2 May 2023 to 2 May 2028; the company receives a six-month Euribor rate and pays the fixed interest rate of 0.196%. The fair value of the agreement on the closing date is EUR -58,581.47.

4.4 DERIVATIVE FINANCIAL INSTRUMENTS

Fair values of derivative financial instruments:	Derivative assets 31 Dec 2021	Derivative liabilities 31 Dec 2021	Net fair value 31 Dec 2021	Net fair value 31 Dec 2020
Forward exchange agreements (maturity less than a year)	140	-187	-47	-3,479
Interest rate swaps		-420	-420	-639
Total	140	-607	-467	-4,118

Nominal values of derivative financial instruments:	31 Dec 2021	31 Dec 2020
Forward exchange agreements	78,005	102,878
Interest rate swaps	60,000	30,000
Total	138,005	132,878

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

Fair value hierarchy:

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

Balance sheet item	31 Dec 2020	Level 1	Level 2	Level 3
Non-current liabilities				
Interest rate swaps	-639		-639	
Current liabilities				
Derivative financial instruments	-3,479		-3,479	

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

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

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

On the balance sheet date, 31 December 2021, the company had EUR 0.6 million (EUR 1.1 million on 31 December 2020) in other financial assets, in addition to derivatives, consisting of unlisted shares. These belong to level 3.

Signatures to the financial statements and annual report

Seinäjoki, 18 March 2022

Seppo Paavola Chair	Nella Ginman-Tjeder
Jukka Kaikkonen	Pasi Korhonen
Jukka Moisio	Kjell-Göran Paxal
Ahti Ritola	Harri Sivula
Juha Gröhn CEO	

Note to the financial statement

A report on the audit performed has been issued today.

Seinäjoki 21 March 2022

PricewaterhouseCoopers Oy
Firm of authorised public accountants

Samuli Perälä
Authorised public accountant

Report on the Audit of the Financial Statements

To the Annual General Meeting of Atria Plc

Report on the audit of the financial statements

Opinion

In our opinion

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

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

What we have audited

We have audited the financial statements of Atria Plc (business identity code 0841066-1) for the period of 1 January to 31 December 2021. The financial statements comprise:

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

Basis for opinion

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

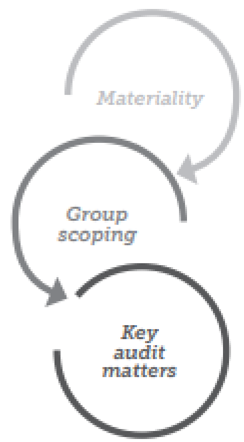
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview



- Overall group materiality: 2,900,000 euros.

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

The following items have been recognised as key audit matters:

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

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

Materiality

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

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

Overall group materiality	2,900,000 euros
How we determined it	Materiality has been determined taking into consideration net sales, gross profit and profit before taxes.

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

How we tailored our group audit scope

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

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

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

Key audit matters

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

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

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

– We tested a sample of other revenue transactions based on the results of data analysis procedures.

Valuation of goodwill and trademarks with indefinite useful lives

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

The group tests annually goodwill and the intangible assets with indefinite useful lives for possible impairment. Goodwill in the Atria Group consolidated balance sheet totalled to 163 million euros and trademarks with indefinite useful lives to 53 million euros at 31 December 2021.

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

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

Our audit procedures included for example the following procedures:

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

Valuation of inventories

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

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

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

Our audit procedures included for example the following procedures:

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

Key audit matter in the audit of the parent company	How our audit addressed the key audit matter
Valuation of subsidiary shares and loan receivables *Refer to Accounting Policies and Notes to the parent company financial statements 3.2 and 3.3* Value of shares in subsidiaries in the Atria Plc financial statements at 31 December 2021 totalled 355 million euros and loan receivables from group companies 147 million euros. Valuation of shares in subsidiaries and loan receivables in accordance with the Accounting Act is subject to management judgement. These valuations include significant management judgement in relation to for example subsidiaries projected future cash flows. Valuation of subsidiary shares and loan receivables is considered a key audit matter in the audit of the parent company due to its financial significance as well as due to the high degree of management judgement involved in the valuation.	Our audit procedures included for example the following procedures: – We assessed the book value of Atria Plc's shares in subsidiaries based on the subsidiary's equity and the management estimates of the projected future cash flows. – We discussed with the management the most significant assumptions used in the valuation of shares in subsidiaries and assessed the assumptions of the valuation calculations. – We evaluated the reliability of estimates from previous years by comparing those to the actual results for the period.

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Other Reporting Requirements

Appointment

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

Other information

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

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

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

In our opinion

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

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

Seinäjoki 21 March 2022
PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant

GENERAL INFORMATION ABOUT THE COMPANY

Registered Company address	Itikanmäenkatu 3, Seinäjoki
Home country	Finland
Name or other identifier of the reporting entity	Atria Plc
A description of the change in the name or other identifier of the reporting entity since the end of the previous reporting period	N/A
The legal form of the company	Public company
Company domicile	Kuopio
Head office	Seinäjoki
A description of the nature and main activities of the company	Atria Plc and its subsidiaries manufacture and market food products, especially meat products, poultry products, meals and food concepts.
Name of the parent company	Atria Plc
Name of the parent company of the entire group	Atria Plc

CORPORATE GOVERNANCE STATEMENT AND REMUNERATION REPORT

Contents

1. Corporate Governance Statement

Atria Plc ("Atria" or "the company") is a Finnish public company, and the responsibilities and obligations of its governing bodies are determined by Finnish law. The parent company, Atria Plc, and its subsidiaries constitute the international Atria Group. The company is domiciled in Kuopio.

Responsibility for the administration and operations of Atria Group lies with the governing bodies of the parent, Atria Plc. These are the Annual General Meeting, the Supervisory Board, the Board of Directors and the CEO.

Decision-making and governance at Atria comply with the Finnish Limited Liability Companies Act, the Securities Markets Act, the Auditing Act and the Accounting Act and other regulations pertaining to listed companies, as well as with Atria Plc's Articles of Association and the rules of procedure of Atria's Board and Board committees. Atria is also bound by EU-level regulations and Nasdaq Helsinki Ltd's rules, as well as by orders and guidelines issued by the Financial Supervisory Authority. Atria follows the Securities Market Association's (SMA) Corporate Governance Code, which came into effect on 1 January 2020. The Corporate Governance Code is available on the SMA website at www.cgfinland.fi.

In accordance with the 'comply or explain' principle, the company departs from the recommendations of the Corporate Governance Code as follows (the departures are explained under the relevant items):

- As an exception to recommendation 6 of the Corporate Governance Code, the term of each Board member is three years in accordance with Atria's Articles of Association.
- As an exception to recommendation 10 of the Corporate Governance Code, three of the eight members on the Board of Directors are independent of the company.
- As an exception to recommendation 17 and 18 of the Corporate Governance Code, one of the three members on the Nomination and Remuneration Committee is independent of the company.

The Corporate Governnace Statement is presented as a report separate from the Board of Director's Report. The Corporate Governance Statement is available on the company's website at www.atria.com (Investors -> Corporate Governance).

1.1 Articles of Association

The Articles of Association and the redemption clause are available on the company's website at www.atria.com (Investors > Corporate Governance).

1.2 Shareholder Agreement

Lihakunta and Itikka Co-operative, two of Atria's shareholders, have agreed to ensure that they are both represented on the Supervisory Board in proportion to their holdings of Series KII shares in the company, and that all members of the Supervisory Board are appointed by them, unless it has been separately agreed on a case-by-case basis that some Supervisory Board members are selected from among candidates designated by other shareholders. It has also been agreed that when the Chair of the Supervisory Board and the Vice Chair of the Board of Directors are appointed by one of these two parties, the Chair of the Board of Directors and the Vice Chair of the Supervisory Board are appointed by the other party.

Regarding the distribution of Board positions, it has been agreed that each of the parties may nominate three ordinary members and their deputy members to the Board of Directors. The agreement also includes stipulations on the mutual proportion of shareholding and on the procedures followed when either party acquires more series KII shares directly or indirectly. According to the agreement, the acquisition of series A shares is not considered in the evaluation of the mutual proportion of shareholding.

Furthermore, Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative, which hold shares in Atria, have agreed to ensure that Pohjanmaan Liha Co-operative has one representative on the Supervisory Board. The agreement also includes stipulations on Pohjanmaan Liha Co-operative's shareholding.

The company is not aware of any other shareholder agreements.

Despite the above, the Annual General Meeting, as stated in section 3 below, decides on the number of members of the company's Supervisory Board and of the Board of Directors and their election.

2. Annual General Meeting

The Annual General Meeting is Atria Plc's highest decision-making body. At the General Meeting, shareholders decide, among other things, on the approval of the financial statements and the use of the profit shown on the balance sheet; the discharge of the members of the Board of Directors and of the Supervisory Board, as well as the CEO, from liability; the number of members of the Supervisory Board and of the Board of Directors, and their election and remuneration; acceptance of Remuneration Report (and Remuneration Policy) and the election and remuneration of the auditor.

The Annual General Meeting is held annually by the end of June on a date designated by the Board of Directors, and the agenda includes matters that are to be processed by the Annual General Meeting in accordance with the Limited Liability Companies Act and the Articles of Association and any other proposals mentioned in the notice of the meeting. Extraordinary General Meetings may be convened as needed.

Under the Limited Liability Companies Act, a shareholder has the right to have a matter falling within the competence of the Annual General Meeting dealt with by the Annual General Meeting if the shareholder so demands in writing from the Board of Directors well in advance of the meeting, so that the matter can be mentioned in the notice. Where applicable, the shareholder must submit a request to have the matter dealt with by the Annual General Meeting by the date set by the company, which is published on the company's website at www.atria.com. The request, together with the accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, P.O. Box 900, FI-60060 ATRIA.

The Annual General Meeting is convened by the Board of Directors. In accordance with the company's Articles of Association, the Annual General Meeting is held in the company's domicile, Kuopio, or in Helsinki. The notice to convene the Annual General Meeting is communicated by publishing the notice on the company's website and by a company announcement at the earliest three (3) months and at the latest three (3) weeks before the Annual General Meeting, but nevertheless no later than nine (9) days prior to the record date for the Annual General Meeting. In addition, the Board of Directors may decide to publish the notice, or a notification concerning the delivery of the notice, in one or more Finnish national newspapers determined by the Board of Directors, or in any other manner it may decide.

The company's Annual General Meeting for 2021 was held in Helsinki on 29 April 2021 at Atria's office. The meeting was attended, either in person or by a representative, by a total of 88 holders of A shares, representing a total of 9,271 759 shares and votes, and three (3) holders of KII shares, representing a total of 9,203,981 shares and 92,039,810 votes. The minutes of the meeting, as well as other documents related to the meeting, are available on Atria's website at www.atria.com (Investors > Annual General Meeting).

3. Shareholders' Nomination Board

Atria Plc has a Shareholders' Nomination Board. Atria Plc's Annual General Meeting on 3 May 2012 established a Nomination Board and confirmed its written rules of procedure. The rules of procedure were amended by the Annual General Meeting on 6 May 2014 and 27 April 2017. In accordance with its charter, the Nomination Board is charged with preparing proposals concerning the remuneration of the Board of Directors and Supervisory Board and the election of the members of the Board of Directors for the next Annual General Meeting.

Shareholders or their representatives who own Series KII shares are selected for the Nomination Board, as well as the largest holder of Series A shares who does not own Series KII shares, or a representative of such a shareholder. The right to nominate a representative to the Nomination Board is determined on the basis of the shareholder register maintained by Euroclear Finland Ltd in accordance with the situation on the first banking day of the September preceding the Annual General Meeting. The Chair of the Board of Directors will also be appointed on the Nomination Board as an expert member.

If a shareholder does not wish to exercise their right to nominate a member, the right will be transferred to the next largest series A shareholder in accordance with the shareholder register, who would not otherwise have the right to nominate a member. Some shareholders are obligated to notify the company of certain changes in shareholding when necessary under the Finnish Securities Markets Act (notification obligation). Such shareholders may present a written request to the company's Board of Directors by the end of August for the holdings of corporations or foundations controlled by the shareholder, or the shareholder's holdings in several funds or registers, to be combined when calculating voting rights.

The Nomination Board is convened by the Chair of the Board of Directors, and the Nomination Board elects a Chair from among its members. The Nomination Board will present its proposal to the Board of Directors by the first day of the February preceding the Annual General Meeting.

On 7 September 2021, the owners of Atria's KII shares and the largest owner of series A shares nominated the following members on the Nomination Board: Juho Anttikoski (Itikka Co-operative), Jyrki Halonen (Lihakunta), Kjell-Göran Paxal (Pohjanmaan Liha Co-operative) and Timo Sallinen (Varma Mutual Pension Insurance Company). Juho Anttikoski was elected as Chair of the Nomination Board, and Seppo Paavola, Chair of Atria's Board of Directors, serves as an expert member of the Nomination Board.

The Nomination Board, which prepared the proposal for the 2022 Annual General Meeting, convened five times. The Nomination Board submitted its proposals for the Annual General Meeting to be held on 3 May 2022 to the Board of Directors on 10 January 2022. The proposals were published by means of a stock exchange release on 10 January 2022.

Name	Year of birth	Education	Main occupation	Attendance at meetings	Shareholding on 31 Dec 2021
Jyrki Halonen	1961	Agricultural technician	Farmer	5/5	250
Juho Anttikoski	1970		Farmer	5/5	4,000
Kjell-göran Paxal	1967	Agrologist	Farmer, piglet and pork producer	5/5	2,566
Timo Sallinen	1970	MSc (Econ)	SVP, Investments (listed equities)	5/5	

4. Supervisory Board

In accordance with Atria Plc's Articles of Association, the company has a Supervisory Board elected by the Annual General Meeting. The Supervisory Board consists of a minimum of 18 and a maximum of 21 members, who are elected for a term of three years at a time. The Supervisory Board elects a Chair and a Vice Chair from amongst its members for a term of one year at a time. The Supervisory Board meets four times a year on average.

The duties of the Supervisory Board are specified in the Limited Liability Companies Act and Atria's Articles of Association. The key duties of the Supervisory Board are as follows:

- Supervising the company's administration by the Board of Directors and the CEO.
- Providing instructions to the Board of Directors on matters that are of far-reaching consequence or important in principle.
- Submitting its statement on the financial statements and the auditors' report to the Annual General Meeting

On 31 December 2021, Atria Plc's Supervisory Board consisted of the following 20 members:

Name	Year of birth	Member since	Education	Main occupation	Attendance at meetings	Shareholding on 31 Dec 2021	Independence of the company and its significant shareholders
Juho Anttikoski	1970	2009		Farmer	4/4	4,000	Dependent of the company
Mika Asunmaa	1970	2005		Farmer	4/4	11,000	Dependent of the company and significant shareholder (Itikka Co-operative)
Lassi-Antti Haarala	1966	2006	Agrologist	Farmer	4/4	6,000	Dependent of the company and significant shareholder (Itikka Co-operative)
Jyrki Halonen	1961	2019	Agricultural technician	Farmer	4/4	250	Dependent of the company
Mika Herrala	1974	2021	M.Sc (Biophysics)	Farmer	3/3	100	Dependent of the company
Veli Hyttinen	1973	2010	Agrologist	Farmer	4/4	1,500	Dependent of the company and significant shareholder (Lihakunta)
Pasi Ingalsuo	1966	2004	Agrologist	Farmer	4/4	4,000	Dependent of the company and significant shareholder (Itikka Co-operative)
Jussi Joki-Erkkilä	1977	2016		Agricultural entrepreneur	4/4	0	Dependent of the company
Marja-Liisa Juuse	1963	2015		Farmer	4/4	250	Dependent of the company
Juha Kiviniemi	1972	2010	M.Sc. (Agr)	Farmer	4/4	300	Dependent of the company and significant shareholder (Itikka Co-operative)
Risto Lahti	1990	2020	B.Sc. (Food Science)	CEO	4/4	57	Dependent of the company and significant shareholder (Itikka Co-operative and Lihakunta)
Ari Lajunen	1975	2013	M.Sc. (Agr)	Farmer	4/4	0	Dependent of the company and significant shareholder (Lihakunta)
Vesa Lapatto	1968	2020	Agrologist	Dairy farmer	4/4	0	Dependent of the company
Juha Nikkola	1976	2018	M.Sc. (Agr)	Farmer	4/4	100	Dependent of the company and significant shareholder (Itikka Co-operative)
Mika Niku	1970	2009		Farmer	4/4	300	Dependent of the company and significant shareholder (Lihakunta)
Heikki Panula	1955	2005	M.Sc. (Agr)	Farmer	4/4	500	Dependent of the company
Ari Pöyhönen	1970	2020	M.Sc. (Agr)	Farmer	4/4	1,000	Dependent of the company
Risto Sairanen	1960	2013		Farmer	4/4	0	Dependent of the company and significant shareholder (Lihakunta)
Ola Sandberg	1981	2018	Agrologist	Farmer	4/4	90	Dependent of the company
Timo Tuhkasaari	1965	2002		Farmer	4/4	600	Dependent of the company

The Board of Directors has deemed all members of the Supervisory Board to be dependent of Atria, as they are either full-time farmers who have – or are members of the operative management of a company that has – a customer, supplier or cooperation relationship with Atria Group that is significant for the entrepreneur/company in question.

The Board of Directors has deemed that the members of Atria's Supervisory Board who are also members of the Board of Directors of a significant shareholder (Itikka Co-operative or Lihakunta) are dependent of a significant shareholder. Membership of the Supervisory Board of a significant shareholder alone has not been deemed to constitute dependence.

The Board of Directors has deemed all members of the Supervisory Board to be dependent of Atria, as they are either full-time farmers who have – or are members of the operative management of a company that has – a customer, supplier or cooperation relationship with Atria Group that is significant for the entrepreneur/company in question. The Board of Directors has deemed that the members of Atria's Supervisory Board who are also members of the Board of Directors of a significant shareholder (Itikka Co-operative or Lihakunta) are dependent of a significant shareholder. Membership of the Supervisory Board of a significant shareholder alone has not been deemed to constitute dependence.

In 2021, Atria Plc's Supervisory Board met four times, and the average attendance of the members was 100%.

5. Board of Directors

In accordance with the Articles of Association, Atria's Board of Directors has a minimum of five (5) and a maximum of nine (9) members. The term of office of a member of Atria's Board of Directors departs from the term of one year specified in recommendation 6 of the Corporate Governance Code. As per the Articles of Association, the term of a member of the Board of Directors is three (3) years. Shareholders representing more than 50% of the votes have stated that the term of three (3) years is appropriate for the long-term development of the company and have not seen the need to shorten the term from that specified in the Articles of Association. As an exception to recommendation 10 of the Corporate Governance Code, three of the eight members on the Board of Directors are independent of the company. It is the company's view that an understanding of Atria's business requires in-depth knowledge of and commitment to the meat industry from the majority of the Board's members.

The Chair and the Vice Chair of the Board of Directors are nominated in accordance with the shareholder agreement of Lihakunta and Itikka Co-operative.

5.1 Duties of the Board of Directors

Atria's Board of Directors is responsible for the company's administration and its appropriate organisation. The Board of Directors is responsible for the appropriate organisation of the supervision of the company's accounting and asset management. To this end, the Board of Directors has confirmed written rules of procedure concerning the duties of the Board, the matters to be dealt with, meeting practices and the decision-making procedure. According to the rules of procedure, the Board of Directors discusses and decides on significant matters related to the company's strategy, investments, organisation and financing. The rules of procedure lay down the following key duties for the Board of Directors:

- Approving the strategic goals and guidelines for the Group and its business areas
- Approving the budgets and business plans for the Group and its business areas
- Deciding on the investment plan for each calendar year and approving major investments that exceed one million euros
- Approving major M&A and restructuring operations
- Approving the Group's operating principles for important elements of management and supervision
- Discussing and adopting interim reports and financial statements • Monitoring and evaluating the company's financial reporting system
- Preparing the items to be dealt with at Annual General Meetings and ensuring that decisions are implemented
- Approving the audit plan for internal auditing, as well as monitoring and assessing the effectiveness of internal control and auditing as well as the risk management systems
- Appointing and dismissing the CEO and deciding on their remuneration and other benefits
- Approving, at the CEO's proposal, the hiring of his or her direct subordinates and the principal terms of their employment contracts
- Approving the organisational structure and the key principles of incentive schemes
- Monitoring and evaluating the CEO's performance
- Monitoring and evaluating the independence of the auditor and particularly the provision of services other than auditing services provided by the auditor
- Monitoring and evaluating the company's financial reporting system and the auditing of its financial statements and consolidated financial statements
- Deciding on other matters that are important in view of the size of the Group and that are not part of day-to-day operations, such as considerable expansion or contraction of business or other material changes to operations, the taking of long-term loans and the sale and pledging of fixed assets
- Monitoring and evaluating the compliance of agreements and other legal transactions between the company and its related parties with requirements concerning ordinary business activities and market terms

- Deciding on other matters which, under the Limited Liability Companies Act, fall within the remit of the Board of Directors
- Performing the Audit Committee’s duties referred to in recommendation 16 of the Corporate Governance Code.

The Board of Directors assesses its operations and working methods regularly by conducting a self-evaluation once a year.

5.2 Meeting practices and information flow

The Board of Directors meets at regular intervals around 10 times during the term in accordance with a separate meeting schedule confirmed in advance by the Board, and when necessary. In 2021, the Board of Directors met 17 times. The average attendance of the members of the Board of Directors was 97%.

During the meetings of the Board of Directors, the CEO gives a review of the financial situation of the Group by business area. The review also covers forecasts, investments, organisational changes and other issues that are important for the Group.

5.3 Members of the Board of Directors

Name	Seppo Paavola, Chair	Pasi Korhonen, Vice Chair
		
Year of birth	1962	1975
Education	Agrologist (secondary school graduate)	
Main occupation	Farmer	Farmer
Relevant work experience	• Agricultural entrepreneur 1996–present • Farm advisor, Rural Centre of Central Ostrobothnia 1991–1996	• Farmer
Member of the Board since	2012	2016
Concurrent key positions of trust	• Member of the Supervisory Board of Itikka Co-operative 2000–present, Deputy Chair of the Supervisory Board of Itikka Co-operative 2008–2011 Chair of the Supervisory Board of Itikka Co-operative 2012–present • Chair of the Board of Directors of Jokilaakso Co-operative Bank (former Perhonjokilaakso Co-operative Bank, former Kaustinen Co-operative Bank) 2002–present • Member of the Board of Directors of Pellervo 2012–present	• Chair of the Board of Directors of Lihakunta 2019–present • Member of the Board of Directors of Lihakunta 2013–present • Member of the Board of Directors of Kainuun maa- ja metsäsäätiö 2013–present • Member of the Board of Directors of Nautasuomi Oy 2021–present
Past key positions of trust	• Member of the Supervisory Board of Atria Plc 2006–2012, Deputy Chair of the Supervisory Board of Atria Plc 2009–2012 • Member of the Co-operative Advisory Committee of Pellervo Confederation 2012–2017	• Deputy Chair of the Board of Directors of Lihakunta 2016–2019 • Councillor of the Sotkamo Municipal Council 2005–2017
Independence	Dependent of the company	Dependent of the company and significant shareholders
Shareholding on 31 December 2021	4,400	0
Share-based rights in the company	None	None
Attendance in meetings	17/17	17/17

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Name	Nella Ginman-Tjeder	Jukka Kaikkonen
		
Year of birth	1959	1963
Education	M.Sc. (Econ.)	Agrologist
Main occupation	Eira Hospital Ltd, Managing Director	Farmer, beef producer
Relevant work experience	• Ifolor Oy, Managing Director 2007–2014 • American Express, Country Manager 2004–2007	• Agricultural entrepreneur 1990–present • Salaojakeskus 1987–1990
Member of the Board since	2016	2020
Concurrent key positions of trust	• Member of the Board of Directors of Viking Malt Oy 2014–present • Member of the Board of Directors of Oy Indmeas Ab 2008–present	• Member of the Board of Directors of Lihakunta 2019–present
Past key positions of trust	• Member of the Board of Directors of Stiftelsen Arcada 2010–2020 • Member of the Board of Directors of Tulikivi Corporation 2013–2015	• Deputy Chair and Member of the Supervisory Board of Lihakunta 2013–2019 • Member of the Supervisory Board of Atria Plc 2013–2019 and Chair 2017–2019
Independence	Independent of the company and significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2021	0	500
Share-based rights in the company	None	None
Attendance in meetings	16/17	16/17

Name	Leena Laitinen	Jukka Moisio
		
Year of birth	1970	1961
Education	M.Sc. (Econ.)	M.Sc. (Econ.), MBA
Main occupation	President and CEO of Alko Inc. 2017–present	CEO of Nokian Tyres 2020–present
Relevant work experience	• Snellman Group, CEO 2014-2017 • SOK, Home Goods Trade Director 2009-2013 • SOK, Prisma Chain Director 2007-2009 • SOK, Managing Director of As Prisma Peremarket 2004-2007 • Keskimaa OSK, Director of Prisma 2000-2004 • Cooperative PeeÄssä, Director of Prisma 1997 - 2000	• CEO of Huhtamäki Oyj 2009–2019 • CEO of Ahlstrom Oyj 2004–2008
Member of the Board since	2021	2014
Concurrent key positions of trust	• Ilmarinen Mutual Pension Insurance Company, Member of the Board 2018- • Viljava Oy, Member of the Board 2021 -	• Member of the Board of Directors of Paulig Ltd, 2019–present, Chair of the Board of Directors of Paulig Ltd 2020–present • Member of the Board of Directors of Metsä Board Corporation 2020–present
Past key positions of trust	• Service Sector Employers Palta, Member of the Board and Executive Committee 2019-2021 • Aava Health Services, Member of the Board 2017-2020 • Sponda Plc, Member of the Board 2014-2017 • Finnish Food and Drink Industries' Federation, Member of the Board 2014-2017	
Independence	Independent of the company and of significant shareholders	Independent of the company and significant shareholders
Shareholding on 31 December 2021	0	0
Share-based rights in the company	None	None
Attendance in meetings	12/12	17/17

Name	Kjell-Göran Paxal	Ahti Ritola
		
Year of birth	1967	1964
Education	Agrologist	B.Ba. (Business Administration)
Main occupation	Farmer, piglet and pork producer	Farmer, beef producer
Relevant work experience	• Feed salesman, Oy Foremix Ab 1990–1997 • Primary Production Manager, Pohjanmaan Liha Co-operative 1990–1997	• Entrepreneur in agriculture, real estate and commerce since 1985
Member of the Board since	2012	2018
Concurrent key positions of trust	• Member of the Board of Directors of Pohjanmaan Liha Co-operative 2002–present • Deputy Chair of the Board of Directors of Pohjanmaan Liha Co-operative 2021–present • Chair of the Board of Directors of Oy Foremix Ab 2010–present • Member of the Board of Directors of A–Rehu Oy 2010–present • Chair of the Board of Directors of Ab WestFarm Oy 2010–present • Member of the Board of Directors of Oy Foremix Ab 2004–present	• Chair of the Board of Directors of A–Rehu Oy 2018–present • Chair of the Board of Directors of Itikka Co–operative 2018–present, Member of the Board of Directors of Itikka Co–operative 2013–present • Member of the Board of Directors of Nautasuomi Oy 2021–present • Chair of the Board of Directors of Nautasuomi Oy 2021–present
Past key positions of trust	• Member of the Board of Directors of A-Farmers Ltd 2003–2021 • Chair of the Board of Directors of Pohjanmaan Liha Co-operative 2010–2020 • Debuty Chair of the Board of Directors of Pohjanmaan Liha Co-operative 2002–2009 • Deputy member of the Board of Directors of the Central Union of Swedish speaking Agricultural Producers in Finland 1999–2001	• Member of Itikka Co-operative's Representative Counsil 2001–2012 • Member of the Supervisory Board of Itikka Co-operative's 2012–2013 • Member of the Supervisory Board of Atria Plc 2013–2017 • Member of the Representative Counsil of South Ostrobothnia Co-operative Bank 2004–2017
Independence	Dependent of the company	Dependent of the company and significant shareholders
Shareholding on 31 December 2021	2,566	0
Share-based rights in the company	None	None
Attendance in meetings	15/17	17/17

The Board of Directors has deemed that the following members of the Board are dependent of Atria: Seppo Paavola, Jukka Kaikkonen, Ahti Ritola, Pasi Korhonen and Kjell-Göran Paxal. These members are either full-time farmers who have – or are members of the operative management of a company that has – a customer, supplier or cooperation relationship with Atria Group that is significant for the entrepreneur/company in question.

Of the Board members, Ahti Ritola is a member of the Board of Directors of Itikka Co-operative, a significant shareholder, and Pasi Korhonen and Jukka Kaikkonen are members of the Board of Directors of Lihakunta, a significant shareholder. They are therefore dependent of a significant shareholder. Seppo Paavola is a member of the Supervisory Board of Itikka Co-operative, a significant shareholder. Membership of the Supervisory Board of a significant shareholder alone has not been deemed to constitute dependence of a significant shareholder. The members of the Board of Directors are obliged to provide the Board with information sufficient to assess their skills and independence and to notify the Board of any changes to the information.

5.4 Principles concerning the diversity of the Board of Directors and the Supervisory Board

Diversity is part of Atria's responsible business operations. When planning the composition of Atria's Board of Directors and/or Supervisory Board, diversity is considered from a variety of perspectives, and the company's development needs and the scope of its business operations are taken into account.

When selecting the members of the Board of Directors and/or Supervisory Board, the goal is that the members' broad-based expertise and the composition of the Board support the development of Atria's current and future business operations. A constructively questioning and challenging Board of Directors and Supervisory Board create added value for the company's operations. This also brings diversity to their work. Atria seeks to promote the selection of members who are as qualified as possible and have broad and varied experience in various fields and to ensure that candidates of both genders have equal opportunities to be selected on the Board. Atria's goal is to ensure that both genders are represented on the Board of Directors and the Supervisory Board, and that the representative of the minority gender is given preference if two candidates are equally competent. In addition to the aforementioned areas, the selection considers the candidates' ability to spend a sufficient amount of time on their Board duties.

5.4.1. Diversity of the Board of Directors

The selection aims to ensure that the Board has core competence from a variety of fields within the value chain of Atria's business operations, a wide range of experience of entrepreneurship and business activities, as well as know-how and understanding of international business required by the company's strategy. Rather than every member of the Board being qualified in all of the aforementioned areas, the aim is that every Board member possesses some skills in one or more of the aforementioned areas. The diversity of the Board of Directors is furthermore supported by the members' other complementary skills, their training and experience from different occupational fields and industries, as well as by a consideration of the Board members' age and gender distribution. In addition to the aforementioned areas, the selection considers the candidates' ability to spend a sufficient amount of time on their Board duties.

5.4.2 Diversity of the Supervisory Board

When selecting members of the Supervisory Board, the goal is to consider their expertise in the meat industry and its various types of production. Diversity is also ensured by selecting members who represent various areas of Finland. In addition, the age and gender distribution of the members of the Supervisory Board are considered, along with other skills that support the Board's work.

5.4.3. Implementation of the diversity principles

To achieve the goals for the principles on diversity, the company has sought and seeks to actively communicate these goals to Atria's shareholders. During the 2021 financial year, two members of the Board of Directors were women, and the other members were men, meaning that the minority gender represented 25% of all Board members. During the 2021 financial year, one member of the Supervisory Board was a woman, and the other members were men, meaning that the minority gender represented 5.2% of all Board members. The company's goal of both genders being represented has therefore been met. The company's other goals concerning the diversity of the Board of Directors and the Supervisory Board have also been met with regard to the Board members' in-depth knowledge of the meat business and commercial and industrial operations, and the Supervisory Board members' expertise in the meat industry and various types of production, as well as geographical representation.

6. Board Committees

The Board of Directors may decide to establish committees to handle duties designated by the Board. The Board confirms the committees' rules of procedure.

The Board of Directors has one committee: the Nomination and Remuneration Committee. The Board of Directors appoints the members of the Committee from among its members in accordance with the Committee's rules of procedure. The Committee has no autonomous decision-making power. The Board of Directors makes decisions on the basis of the Committee's preparations and proposals. The Committee reports regularly to the Board of Directors, which supervises the operations of the Committee.

The aim of the Nomination and Remuneration Committee is to prepare the CEO's, the Deputy CEO's and the management's terms of employment, ensure objective decisionmaking, promote the achievement of the company's goals through bonus schemes, increase the company's value and ensure that bonus schemes are transparent and systematic. The aim of the Nomination and Remuneration Committee is also to ensure that the performance bonus systems are linked to the company's strategy and the results achieved.

The Nomination and Remuneration Committee has three (3) members. The Nomination and Remuneration Committee consists of the Chair, Vice Chair and one member of the Board of Directors elected by the Board in accordance with its rules of procedure. As an exception to recommendations 17 and 18 of the Corporate Governance Code, one (1) of the members of the Nomination and Remuneration Committee is independent of the company. The Nomination and Remuneration Committee is composed of members of the Board of Directors.

The Chair of the Nomination and Remuneration Committee is Seppo Paavola, and the other members are Pasi Korhonen and Nella Ginman-Tjeder. In 2021, the Nomination and Remuneration Committee met four times, and its members' average attendance was 100% as follows: Seppo Paavola 4/4, Pasi Korhonen 3/4 and Nella Ginman-Tjeder 4/4.

According to its rules of procedure, the Nomination and Remuneration Committee has the following duties:

- Making preparations for the nomination of the CEO and Deputy CEO
- Making preparations to search for successors to the CEO and Deputy CEO
- Preparing the terms of the service contracts of the CEO and Deputy CEO for the Board of Directors to decide on
- Preparing the remuneration, fees and other employment benefits of the directors who report to the CEO and bringing them before the Board of Directors
- Preparing the forms and criteria of the bonus and incentive schemes of top management and bringing them before the Board of Directors
- Preparing the content and group assignments of the pension programmes of the company's management and bringing them before the Board of Directors
- Submitting its statement on the bonus arrangements for the entire personnel before their approval and assessing their functionality and the achievement of the systems' goals
- If required, discussing possible interpretation problems related to the application of the approved bonus schemes and recommending a solution
- If required, reviews information to be published in the financial statements and, where applicable, in other bonus-related documents
- Preparing the remuneration policy and report for the Annual General Meeting, and presenting the remuneration policy and report at the Annual General Meeting and answering any questions concerning the policy and report with regard to the remuneration of the CEO and the Deputy CEO
- Performing other duties separately assigned to it by the Board of Directors.

The Chair of the Nomination and Remuneration Committee convenes the Committee as needed. At the meetings, the matters falling under the duties of the Committee are reviewed. The Nomination and Remuneration Committee may invite other people to join its meetings if deemed necessary, and may use external experts to assist the Committee in fulfilling its duties.

As mentioned in section 4 above, Atria's Annual General Meeting has established a separate Shareholders' Nomination Board to prepare proposals concerning the election and remuneration of the members of the Board of Directors, as well as the remuneration of the members of the Supervisory Board for the next Annual General Meeting.

7. CEO

The company's CEO in charge of managing its day-to-day operations in accordance with the instructions and orders issued by the Board of Directors and informing the Board of Directors of the development of the company's operations and financial performance. The CEO also is also responsible for ensuring the legality of the company's accounting and the reliability of asset management. The CEO is appointed by the Board of Directors, which decides on the terms of their service contract.

Since March 2011, Atria's CEO has been Juha Gröhn, MSc (Food Sc). Atria also has a Deputy CEO. Tomas Back has served as Deputy CEO since 2018.

8. Management Team

Atria Group has a Management Team chaired by the CEO. The Management Team assists the CEO in planning the operations and in operational management. The duties of the Management Team include, among others, preparing strategic plans and putting them into practice, handling significant projects and organisational changes, as well as reviewing and implementing the Group's risk management measures in their respective areas of responsibility. In 2021, the Management Team met ten times.

Management Team on 31 December 2021

Name	Juha Gröhn, CEO	Tomas Back, CFO, deputy CEO, Executive Vice President, Atria Denmark
		
Joined Atria in	1990	2007
Year of birth	1963	1964
Education	M.Sc. (Food Sc.)	M.Sc. (Econ)
Relevant work experience	• CEO, Atria Plc 2011–present • Managing Director of Atria Scandinavia Ab; Vice President of Atria Plc 2010–2011 • Managing Director of Atria Finland Ltd; Vice Managing Director of Atria Plc 2006–2010 • Director for Meat Industry and Vice Managing Director, Atria Ltd 2004–2006 • Director for Steering and Vice Managing Director, Atria Ltd 2003–2004 • Director for Slaughterhouse Industry and Vice Managing Director, Atria Ltd 1999–2003 • Director, Meat Products and Convenience Food Industries, Atria Ltd 1993–1998 • R&D Manager Itikka-Lihapolar 1991–1993 • Foreman Lihapolar 1990–1991	• CFO, Deputy CEO Atria Plc, Executive Vice President Atria Denmark 2018–present • Executive Vice President, Atria Scandinavia 2011–2017 • Executive Vice President, Atria Baltic 2010–2011 • CFO, Atria Plc 2007–2011 • CFO, Huhtamäki Americas / Rigid Europe 2003–2007 • Financial Manager/CFO, Huhtamäki Oyj 1996–2002 • Financial Manager, Huhtamäki Finance Oy, Lausanne 1990–1995
Concurrent key positions of trust	• Member of the Board of Directors in Finnish Food and Drink Industries' Federation (ETL) 2012– present • Member of the Board of Directors in Laihian Mallas 2018–present	
Past key positions of trust	• Chair of the Board of Directors in Finnish Food and Drink Industries' Federation (ETL) 2013–2015 • Member of the Board of Directors in East Office of Finnish Industries Ltd 2011- 2021	• Member and Deputy Chair of the Board of Directors of Swedish Meat Industry Association 2012–2018 • Member of the Board of Directors of Swedish Food Federation 2012–2018 • Member of the Board of Directors of the Svensk Fågel Service Ab 2017–2018
Shareholding on 31 December 2021	25,108	2,986

Name	Mika Ala-Fossi, Executive Vice President, Atria Finland	Jarmo Lindholm, Executive Vice President, Atria Sweden
		
Joined Atria in	2000	2002
Year of birth	1971	1973
Education	Meat industry technician	M. Sc. (Econ.)
Relevant work experience	• Executive Vice President, Atria Finland 2011–present • Director, Convenience Food and Meat Product Production, Atria Finland 2007–2011 • Director, Poultry Business, Atria Finland 2006–2007 • Production Manager, Atria Ltd 2003–2006 • Unit Manager, Atria Ltd 2000–2003 • Foreman, Liha-Saarioinen Oy 1997–2000	• Executive Vice President, Atria Sweden 2018–present • Executive Vice President, Atria Russia 2011–2017 • Group Vice President, Product Leadership, Atria Plc 2010–2011 • Group Vice President, Product Group Management and Product Development, Atria Plc, Commercial Director, Atria Finland Ltd, 2005–2010 • Marketing Manager, Atria Ltd 2002–2005 • Account Manager, Marketing Manager, AC Nielsen 2000–2002 • Custom Service Manager & e-Business, Unilever Finland 1998–2000
Concurrent key positions of trust	• Member of the Board of Directors of Länsi-Kalkkuna Oy 2007–present • Chair of the Board of Directors of Honkajoki Oy 2015–present and Member of the Board of Directors 2011–present • Member of the Board of Directors of Nautasuomi Oy 2021–present	• Member of the Board of Directors of Swedish Food Federation since 2018–present • Member of the Board of Directors of KCF (Svenska Kött & Chark Företagen) 2020–present
Past key positions of trust		• Member of the Board of Directors of the East Office of Finnish Industries 2012–2018
Shareholding on 31 December 2021	2,046	2,126

Name	Olle Horm Executive Vice President, Atria Estonia	Ilari Hyyrynen Director of Sibylla Russia
		
Joined Atria in	2012	2018
Year of birth	1967	1965
Education	Engineer	MBA
Relevant work experience	• Executive Vice President, Atria Estonia 2018–present • Executive Vice President, Atria Baltic 2012–2017 • Chair of the Board, Maag Meat Industry 2009–2012 • Chair of the Board, Skanska EMV AS 2008–2009 • Chair of the Board, Rakvere Lihakombinaat AS 2000–2008 • Head of transportation and equipment department, EMV AS 1998–1999 • Management and development duties, EK AS 1992–1998	• Director of Sibylla Russia 2021 • Executive Vice President, Atria Russia 2018–2021 • Country Director, Russia, Tikkurila Plc 2014–2018 • Managing Director, Tikkurila Polska S.A. 2012–2014 • Director BU North, Tikkurila Plc 2010–2012 • Tikkurila Ltd/ Plc, several positions 2003-2010 • Dynea Overlays Ltd, Sales Manager 2002–2003 • Akzo Nobel Coatings Ltd, Sales Manager 1998–2002 • Kausalan Tapetti ja Väri Ltd, Salesman 1988–1998
Concurrent key positions of trust	• Member of the Board of Directors of the Estonian Food Industry Federation • Member of the Board of Directors of the Estonian Pig Breeders' Association	• Member of the Board of Directors of Nor-Maali Oy 2021–present • Member of the Board of Directors of the East Office of Finnish Industries Oy 2018-2021
Past key positions of trust		
Shareholding on 31 December 2021	-	-

Name	Pasi Luostarinen Executive Vice President, Marketing & Market Insight	Lars Ohlin Executive Vice President, Human Resources
		
Joined Atria in	2000	2007
Year of birth	1966	1958
Education	M.Sc. (Econ)	B.A. (International Business Administration)
Relevant work experience	• Executive Vice President Marketing & Marketing Insight, Atria Plc 2016–present • Senior Vice President Marketing & Product Development, Atria Finland 2011–2016 • Group Vice President Brand Management & Cold Cuts / Senior Vice President Meat Products, Atria Plc and Atria Finland 2007–2011 • Group Vice President Marketing & Product Development, Atria Plc 2006–2007 • Marketing Director, Atria Plc, Atria Finland and Atria Sweden 2000– 2006 • Marketing Director, Valio 1997–2000 • Trade Development Manager, British American Tobacco Nordic 1996–1997 • Key Account Manager/ Category Manager, Fazer Makeiset Oy 1993– 1996 • Product Manager, Mallasjuoma Oy 1991–1993	• Executive Vice President Human Resources, Atria Plc 2016–present • Senior Vice President Human Resources, Atria Scandinavia 2014–2016 • General Manager, Ridderheims & Falbygdens (Atria Deli) 2010–2014 • Business Development Director, Atria Scandinavia 2007–2010 • Business Development Director, Sardus 2000–2007 • Business Area Director, Nationalencyklopedin 1997–2000 • Vice Managing Director, Forte 1995–1997 • Market Development Director, Master Foods Finland and Baltics 1992–1995 • Human Resource Director, Master Foods Sweden and Finland 1988–1992 • Product Manager, Master Foods Sweden 1987–1988 • Product Manager, Findus/Nestlé 1984–1987
Concurrent key positions of trust		
Past key positions of trust	• Member of the Board of Seinäjoen Tangomarkkinat Ltd 2019–2020, Chair of the Board 2019–2020	
Shareholding on 31 December 2021	3,070	1,616

Name	Merja Leino Executive Vice President, Sustainability
	
Joined Atria in	1996
Year of birth	1960
Education	PhD (Food Chemistry)
Relevant work experience	• Executive Vice President, Sustainability, Atria Plc 2019– present • Senior Vice President, Convenience Food Business, Quality, Food Safety and Sustainability, Atria Finland 2016–2019 • Senior Vice President, Poultry Business, Quality, Food Safety and Sustainability, Atria Finland 2011–2016 • Group Vice President, Quality, Product Safety and Food Business (poultry and convenience food), Atria Plc 2007–2011 • Director, Poultry Business, Quality and Product Safety, Atria Finland 2000–2007 • Director, Consumer Packed Meat, Quality Development and Product Safety, Atria Finland 1999–2000 • Product Development Director, Atria Finland 1996–1999 • National Coordinator, Elintarviketalouden Osaamiskeskus 1995–1996 • Packaging Developer / Packaging Manager, Unilever 1993–1995 • Researcher, University of Turku 1991–1993 • Product Developer, Huhtamäki, Jalostaja 1987–1991
Concurrent key positions of trust	• Chairman of the Board of Directors, Foodwest Oy 2005–present • Member of the Supervisory Board, Finnish 4H organization 2005–present
Past key positions of trust	• Member of the Board of Directors, Foodwest Oy 1996–2005
Shareholding on 31 December 2021	2,656

9. Remuneration

Atria has prepared a remuneration report in compliance with the Corporate Governance Code that came into effect on 1 January 2020. The statement is available on the company's website at www.atria.com (Investors > Corporate Governance).

10. Internal control, risk management and internal audit

10.1 Internal control

The purpose of internal control within the Atria Group is to support the implementation of Atria's strategy and the achievement of its goals, and to ensure Atria's operations´ efficiency and both external and internal reporting reliability. Internal control also ensures compliance with legislation, regulations, agreements and Atria's values, as well as internal procedures and principles.

Atria has strategic and annual financial goals which steer the entire Group's operations. These goals are set to all business areas, and they have been approved as part of the strategy process or the annual goal-setting process. The achievement of the financial goals is monitored on a monthly and quarterly basis.

Atria uses Group policies, principles and guidelines for internal control and related steering. The company seeks to ensure compliance with the guidelines and rules by providing training. In addition, internal control is supported by internal audit and risk management. Approval procedures, user rights and controls are also part of internal control.

The reliability of financial and business reporting is ensured through the documentation of financial processes and by means of financial management guidelines, as well as control practices and the related guidelines. The control practices consist of both preventive and investigative measures. Typical control practices include approval, insurance, verification, reconciliation, operational inspections, the protection of assets, the separation of jobs and the administration of user rights.

The Group's CEO and Board of Directors are responsible for the appropriate organisation of internal control. The Board of Directors is responsible for ensuring that Atria has internal control principles in place, and that the effectiveness of the principles is guided and monitored. Each business area is responsible for arranging effective and appropriate control procedures.

10.2 Risk management

Risk management supports the implementation of Atria's strategy and the achievement of its goals, as well as organisation developing in the operating environment defined in Atria's strategy. Risk management also aims to prevent unfavourable events and safeguard business continuity.

Atria defines risk as the impact of uncertainty on the company's objectives. Risks can cause positive or negative deviations from set goals. For reporting purposes, Atria's risks are divided into four categories: strategic risks, operational risks, liability risks and financial risks. Risks are also divided into internal and external risks depending on whether they are posed by factors external to the Group or by internal factors. Risk management is guided by the company's risk management policy, which has been approved by the Board of Directors, and by the ISO 31000 and ISO 31010 standards as applicable. The recommendations of the Securities Market Association (SMA) for listed companies have also been observed in the arrangement of risk management. The risk management policy specifies Atria's risk management goals, principles, responsibilities and authorisations, along with the principles of risk assessment and reporting. More detailed guidelines for operating methods concerning risk identification and reporting are provided in Atria's risk management process guidelines.

Risk management is part of Atria's day-to-day business operations, and risk management enables the company to consider the impact of uncertainty on its operations when making decisions. Risk management at Atria Group is based on consistent risk identification, assessment and reporting, and risk management is part of the annual planning process. Communication related to risks complies with the Group's communication plan. Risks are managed in accordance with the specified approved principles in all business areas and Group operations.

The Board of Directors approves the Risk Management Policy and any changes to the policy, and supervises the implementation of the principles specified in the policy. The Group's CEO is responsible for the appropriate organisation of risk management at Atria, and the CFO sees to the development of the risk management and reporting framework.

Board of Directors and the members of the Group's Management Team are responsible for identifying and assessing strategic risks and for implementing risk management in their respective areas of responsibility. The management teams of the business areas are responsible for identifying and assessing operational risks and for implementing risk management in their respective business areas. The Group's Treasury Committee is responsible for identifying and assessing financial risks and for implementing risk management throughout the Group.

When preparing an annual plan for internal audit, key observations from the risk assessments made as part of the Group's planning process are taken into account. Every Atria employee is responsible for identifying and assessing risks associated with their work and any other risks that they encounter, and for drawing attention to and preventing such risks.

Major risks and uncertainties known to the Board of Directors are discussed in more detail in the Board of Directors' report under 'Risk management at Atria'.

10.3 Internal audit

Internal Audit evaluates and inspects the effectiveness of the Group's internal control system, the relevance and efficiency of the activities, and compliance with guidelines. It also aims to promote the quality of operations and the process, ensure the achievement of Atria's goals and the effectiveness of risk management and highlight best practices and development opportunities in various functions.

Internal Audit assesses the following areas:

- Accuracy and adequacy of financial information
- Compliance with operating principles, guidelines and regulations
- Protection of property against losses
- Economical and efficient use of resources
- Implementation of changes
- Measures resulting from changes in the operating environment
- Opportunities provided by various practices and the utilisation of best practices

The results of internal auditing are documented and discussed with the audited area of operation and Group management. A summary of the audit results is presented to the Board of Directors at least once a year. Regular discussions are held with the auditor to ensure that the audit activities cover a sufficiently wide range of operations and to avoid overlapping audit operations.

The Board of Directors approves the annual plan for internal auditing. The preparation of the audit plan is guided by risk management, issues identified as part of the Group's internal reporting, goals related to improving the quality and efficiency of the operations, and current issues in the company's operating environment. Atria's Group Control function is responsible for internal auditing in cooperation with an external service provider. Where necessary, separate studies commissioned by the Board of Directors or the Group's management will be conducted.

11. Auditing

In line with its Articles of Association, the company has one (1) auditor. Its auditor must be an audit firm approved by the Finnish Patent and Registration Office. The auditor's term of service ends at the close of the Annual General Meeting following their election.

The auditor provides Atria's shareholders with an auditor's report in accordance with the law, in connection with the company's financial statements, and reports regularly to the Board of Directors and management. The auditor participates in a Board meeting at least once a year, on which occasion a discussion of the audit plan and the results of auditing is held.

In 2021, Atria Plc's Annual General Meeting elected PricewaterhouseCoopers Ltd, Authorised Public Accountants, as the company's auditor for a term ending at the close of the next Annual General Meeting. The audit firm has announced that Samuli Perälä, APA, serves as the principal auditor. Remuneration is paid to the auditor according to an invoice approved by the company.

Auditor's remuneration for the 2021 financial year

In 2021, the Group paid EUR 378,500 to PricewaterhouseCoopers Ltd. as the auditor's remuneration.

12. Insider policy

Atria complies with Nasdaq Helsinki Ltd's Guidelines for Insiders. In addition, Atria's Board of Directors has confirmed Atria's insider guidelines, which complement other insider guidelines and include instructions concerning insiders and insider administration. The company's insider guidelines have been distributed to all persons discharging managerial duties as defined by the company, as well as to the people involved in the preparation of financial reporting. The guidelines are also available on the company's intranet.

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) has been applied since 3 July 2016. Atria has not established a permanent insider register. Insider information is managed by means of project-specific insider registers that are established and maintained as needed. All projectspecific insiders are informed about their insider status in writing and provided with the appropriate insider instructions.

Atria has determined that the members of the Board of Directors, the members of the Supervisory Board, the CEO, the Deputy CEO and the CFO satisfy the definition of personnel discharging managerial duties with a notification obligation. The company maintains a list of the personnel discharging managerial duties and their related parties.

The company maintains registers of managers subject to the notification obligation and their related parties, as well as of Atria's project-specific insiders when necessary. The company's legal department and CFO monitor compliance with the insider guidelines. The right of personnel discharging managerial duties and involved in the preparation of financial reporting to trade in the company's financial instruments has been restricted in such a way that the aforementioned people may not trade in the company's shares 30 days prior to the publication of an interim report and a release of the financial statements and further should the period between the end of a review period and the publication of the report/release exceed 30 days.

13. Related-party transactions

Atria's business operations may include regular business transactions with its related parties. The ordinary business activities of Atria Group's primary production companies may include the sale and purchase of animals, grain and feed to and from people included in Atria's related parties. In addition, Atria Group's companies may purchase and sell services and raw materials from and to companies included in Atria's related parties.

The company has defined its related parties and maintains a list of such related parties. The related parties have been provided with the necessary guidelines. Each person included in Atria's related parties is responsible for ensuring that Atria has up-to-date information about their related parties. The company updates its list of related parties at least once a year by sending an information request to the people included in its related parties. The communities included in Atria's related parties are checked in connection with this.

Decision-making guidelines have been prepared for business transactions with related parties. These guidelines enable Atria to identify related party transactions and the related requirements and to assess in advance whether the transaction is part of is ordinary business activities. The purpose of the guidelines is to ensure the careful preparation of related party transactions and the acquisition of any reports, statements and/or assessments necessary for the preparation, as well as decision-making in accordance with the disqualification regulations.

Atria has a monitoring and reporting system for related party transactions, and control measures are also targeted regularly at related party transactions. Related party transactions are reported annually to the Board of Directors to ensure that the transactions are part of the company's ordinary business activities and are conducted on market terms.

14. Communications

The aim of Atria's investor communications is to ensure that the markets have accurate and sufficient information to determine the value of Atria's shares at all times. Another aim is to provide the financial markets with comprehensive information to enable active participants in the capital markets to create an overview of Atria as an investment.

Silent period

Atria has established a silent period for its investor relations communications. The silent period covers 30 calendar days prior to the publication of interim reports and annual reports and, if there are more than 30 days between the end of the review period and the publication of the report/release, the period in question. Atria will not issue any statements on its financial standing during this period.

Investor information

Atria publishes financial information in real time on its website at www.atria.com. The website contains annual reports, interim reports, and press and stock exchange releases. Information about the company's largest shareholders is updated regularly on the website. The disclosure policy approved by Atria's Board of Directors describes the key principles and procedures followed by Atria as a listed company in its communications with the media, capital markets and other stakeholders. Atria's disclosure policy is available in its entirety on the company's website at www.atriagroup.com, under Investors, Disclosure Policy.

Remuneration report 2021

This Remuneration Report includes information concerning the remuneration of the Board of Directors, Supervisory Board, CEO and deputy CEO of Atria Plc during 1 January 2020 – 31 December 2021. This Report describes the remuneration of our governing bodies according to Finnish Securities Market Act, Liability Companies Act and Corporate Governance Code 2020 published by Finnish Securities Market Association.

1. Shortly about our Remuneration Policy

The Remuneration Policy of Atria Oyj was presented for the Annual General Meeting held on April, 29, 2020. The Policy is applied until the Annual General Meeting in 2024, unless the Board decides to bring it to the General Meeting earlier.

The objective of remuneration in Atria is to attract, motivate and retain the right people capabilities and leadership necessary to achieve performance and strategic goals. The structure of the total remuneration should be aligned with the long-term value creation of Atria, the business strategy, the financial results as well as the employee's contribution. Remuneration is based on predetermined and measurable performance and result criteria.

The long-term goal of Atria is to secure and improve profitability, boost growth and increase the Company's value. Remuneration at Atria aims to promote the Company´s long-term financial success, competitiveness and the favourable development of shareholder value. Remuneration is based on performance, results and contribution to Atria. Remuneration should be understandable, consistent, transparent, internally fair and non-discriminating. Remuneration complies with statutory regulations and good corporate governance.

During 1 January 2020 - 31 December 2021 Atria has followed its Remuneration Policy and the Policy has been seen to support our long term targets well. No deviations have been made from the Policy in 2021. No clawbacks of remuneration has been made.

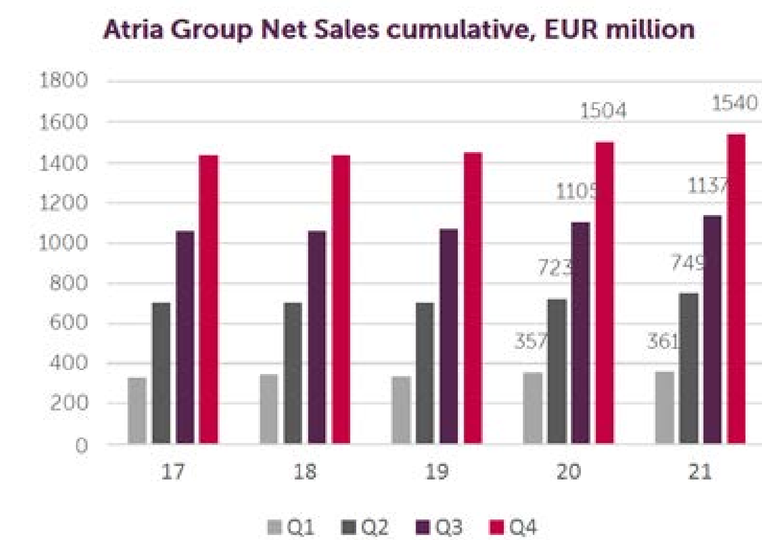
2. Shortly about the remuneration in 2021

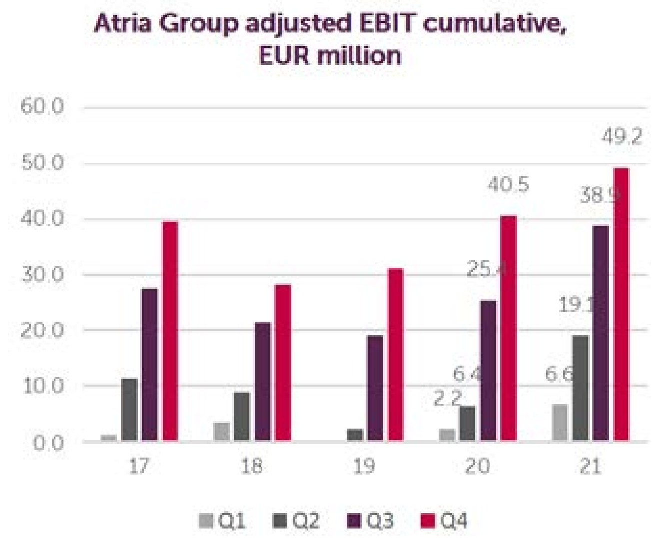
No major changes have been made in the remuneration of Board of Directors' or Supervisory Board's or CEO's or Deputy CEO's remuneration during 2021. Minor salary increases have been made in line with the market development. No changes have been made in the STI or LTI conditions.

3. Development of Atria's financial performance and remuneration

In terms of growth and earnings, 2021 was strong for Atria. Atria's net sales rose to EUR 1,540.2 million, an increase of EUR 36 million on the previous year. The development was good considering the sale of the Russian subsidiary OOO Pit-Product and the very challenging operating environment with Covid-19 restrictions. The sale of the Russian operations had the effect of reducing net sales for the full year. Adjusted EBIT improved by EUR 8.7 million to EUR 49.2 million.

Remuneration for Atria's governing bodies and remuneration per FTE during past five years is described below.





Actually paid, EUR	2017	2018	2019	2020	2021
Supervisory Board	92,050	102,600	111,300	101,800	114,900
Board of Directors	346,500	347,300	345,100	337,850	332,700
CEO	715,861	744,301	735,964	758,257	939,995
Deputy CEO	281,260	338,543	406,314	426,949	504,929
Remuneration per FTE *	42,632	43,791	44,852	46,146	55,723

* Sold subsidiary, OOO Pit-Product is not included to the reported figure of 2021.

4. Remuneration of the members of the Supervisory Board

The Annual General Meeting 2021 decided on the remuneration of the members of the Supervisory Board, on the basis of the proposal prepared to the Annual General Meeting by the Shareholders' Nomination Board as follows:

- Meeting compensation: EUR 300/meeting
- Compensation for loss of working time: EUR 300 for meeting and assignment dates
- Fee of the Chairman of the Supervisory Board: EUR 1,500/month
- Fee of the Deputy Chairman of the Supervisory Board: EUR 750/month
- Travel allowance according to the Company's travel policy.

Meeting compensation and compensation for loss of working time is paid for meetings of Supervisory Board and for Chairman and Deputy Chairman for those Board of Director`s meeting where they attend to carry out the tasks of Supervisory Board. The members of the Supervisory Board have no share incentive plans or share-based bonus schemes, nor are they entitled to any other financial benefits besides the remunerations decided on by the Annual General Meeting.

In 2021 monthly fees and meeting fees paid to the members of the Board of Directors (including being a member of the Board of another company that is part of the same Group) were as follows:

The member of the Supervisory Board	Atria Plc		A-Farmers Ltd		A-Rehu Oy		Total
	Monthly fee	Meeting fees	Monthly fee	Meeting fees	Monthly fee	Meeting fees	
Halonen Jyrki, chairman	18,000	3,600					21,600
Anttikoski Juho, deputy chairman	9,000	3,600					12,600
Asunmaa Mika		1,500		4,200			5,700
Haarala Lassi-Antti		1,500		600			2,100
Hantula Jussi, until 29 April 2021		300					300
Herrala Mika, as of 30 of April 2021		1,200					1,200
Hyttinen Veli		1,500	5,850	2,700	1,950	1,200	13,200
Ingalsuo Pasi		1,500	7,800	4,800			14,100
Joki-Erkkilä Jussi		1,500					1,500
Juuse Marja-Liisa		1,500					1,500
Kiviniemi Juha		1,500					1,500
Lahti Risto		1,200					1,200
Lajunen Ari		1,500					1,500
Lapatto Vesa		1,200					1,200
Nikkola Juha		1,500					1,500
Niku Mika		1,500	15,600	4,800			21,900
Panula Heikki		1,500					1,500
Pöyhönen Ari		1,500					1,500
Sairanen Risto		1,500		4,800			6,300
Sandberg Ola		1,500					1,500
Tuhkasaari Timo		1,500					1,500

5. Remuneration of the members of the Board of Directors

The Annual General Meeting 2021 decided on the remuneration of the members of the Board of Directors, on the basis of the proposal prepared to the Annual General Meeting by the Shareholders' Nomination Board as follows:

- Meeting compensation: EUR 300/meeting
- Compensation for loss of working time: EUR 300 for meeting and assignment dates
- Fee of the Chair of the Board of Directors: EUR 4,800/month
- Fee of the Deputy Chair of the Board of Directors: EUR 2,600/month
- Fee of members of the Board of Directors: EUR 2,200/month
- Travel allowance according to the Company`s travel policy.

Meeting compensation and compensation for loss of working time is paid for members of Board of Directors beside of Board meetings also for meetings of Remuneration and Nomination Committee and those meetings of Supervisory Board where Board members attended. Remuneration is handled in the form of monetary compensation. The members of the Board of Directors have no share incentive plans or share-based bonus schemes, nor are they entitled to any other financial benefits besides the remunerations decided on by the Annual General Meeting.

In 2021 monthly fees and meeting fees paid to the members of the Board of Directors (including being a member of the Board of another company that is part of the same Group) were as follows:

The member of the Board	Atria Plc		A-Farmers Ltd		A-Rehu Oy		Total
	Monthly fee	Meeting fees	Monthly fee	Meeting fees	Monthly fee	Meeting fees	
Paavola Seppo, chairman	57,600	10,800					68,400
Korhonen Pasi	31,200	8,700					39,900
Ginman-Tjeder Nella	26,400	6,000					32,400
Kaikkonen Jukka	26,400	7,800					34,200
Laitinen Leena, as of 30 April 2021	17,600	4,200					21,800
Moisio Jukka	26,400	4,200					30,600
Paxal Kjell-Göran	26,400	6,900		1,800		4,500	39,600
Ritola Ahti	26,400	8,400			15,600	4,500	54,900
Sivula Harri, until 29 April 2021	8,800	2,100					10,900

6. Remuneration of CEO and deputy CEO

The remuneration of Atria Plc's management aims to promote the company's long-term financial success and competitiveness and the favorable development of shareholder value.

The remuneration of the CEO and the Deputy CEO consists of base salary (including fringe benefits), short-term incentive (STI) and long-term incentive (LTI), pension and other benefits. For the members of Atria Group Management Team, belonging to Finnish social security, there has been agreed a group pension arrangement accepted by the Atria Board of Directors. The retirement age based on the group pension arrangement is at least 63 years. According to the pension arrangement agreement, if the legislation concerning pension changes, the retirement age is altered. CEO and Deputy CEO have nevertheless the right with certain conditions to retire at the age of 60. The pension arrangement is payment based and the amount of pension is based on the annual earnings as decided by the Board of Directors (including monetary salary and fringe benefits without cash payments of incentive schemes). The CEO's period of notice is six months for both parties. If the Company terminates the contract, the CEO is entitled to the salary for the period of notice and severance pay, which together correspond to 18 months' salary. There are no terms and conditions for any other compensation based on the termination of employment. The Deputy CEO's period of notice is six months for both parties. If the Company terminates the contract, the Deputy CEO is entitled to the salary for the period of notice and severance pay, which together correspond to 14 months' salary. There are no terms and conditions for any other compensation based on the termination of employment.

Short-term incentive plan

The maximum amount of bonus pay under Atria's short-term incentive plan is 25 to 50% of the annual salary, depending on the effect on the results and the level of competence required for the role. The criteria in the bonus pay plan are the performance requirements and net sales at Group level and in the area of responsibility of the person concerned

Long-term incentive plans

In 2020, Atria Plc's Board of Directors decided on the long-term incentive program for management and key personnel for the period 2021-2023. The programme is principally the same as in 2018–2020. The purpose of the share-based incentive plan is to encourage Atria's management to acquire the company's shares and to increase the company's long-term value increase through its decisions and operations.

The programme is based on incentives paid in shares and cash, and it is divided into three earnings periods of one year, with the first earning period beginning on 1 January 2021 and ending on 31 December 2021. The bonuses for 2021 will be paid in three equal instalments in 2022, 2023 and 2024, partly in the form of shares in the company and partly in cash. The cash sum is intended to cover the taxes and tax-like fees arising from the bonus. The potential reward of the plan is based on the company's earnings per share EPS (70%) and organic growth (30%). If a person's employment relationship ends before the payment of the bonus, the bonus will not usually be paid. There are no restrictions regarding the ownership of paid shares.

The total paid salary for CEO during 2021 was EUR 769 791 and for deputy CEO EUR 408 217. The proportion of variable remuneration actually paid in 2021 was 27% for the CEO and 23% for the Deputy CEO of the total paid remuneration.

The remuneration of the CEO and the deputy CEO in 2021 was as follows:

Element	CEO	Deputy CEO
Base salary (including fringe benefits)	EUR 559,479	EUR 315,660
Pension benefits	EUR 170,204	EUR 96,712
2021 paid short-term incentives 2021 earned short-term incentives	EUR 122,097 (paid in 2021) EUR 154,927 (earned in 2021)	EUR 71,372 (paid in 2021) EUR 91,711 (earned in 2021)
2021 paid long-term incentives	EUR 88,215 EUR 52,929 paid in cash 2021 + 3 098 shares at EUR 11.39 / 22 March 2021, cash and shares both earned based from earning periods 2018, 2019 and 2020.	EUR 21,185 EUR 12,711 paid in cash 2021 + 744 shares at EUR 11.39 / 22 March 2021, cash and shares both earned based from earning periods 2018, 2019 and 2020.
Earned long-time incentives, not paid	EUR 422,957 Earned from earning periods 2019, 2020, 2021. Total value 36,715 shares (part of the shares is given as cash equivalent), with share value EUR 11.52 (share value per 31 December 2021), total value EUR 422,957. Shares/cash equivalent will be paid in 2022, 2023 and 2024.	EUR 101.549 Earned from earning periods 2019, 2020, 2021. Total value 8,815 shares (part of the shares is given as cash equivalent), with share value EUR 11.52 (share value per 31 December 2021), total value EUR 101,549. Shares/cash equivalent will be paid in 2022, 2023 and 2024.
Other benefits	No other benefits during 2021	No other benefits during 2021

Financial communications

The aim of Atria's investor reporting is to ensure that the market has at all times correct and sufficient information available to determine the value of Atria's share. In addition the aim is to provide the financial markets with versatile information, based on which those active in the capital markets can form a justified image of Atria as an investment object.

Atria has established a silent period for its investor relations communications; this period covers 30 calendar days prior to the publication of interim reports and annual reports and, if there are more than 30 days between the end of the review period and the publication of the report/release, the period in question. Atria will not issue any statements on its financial standing during this period.

Investor information

Atria publishes financial information in real time on its web pages at www.atria.com. Here you can find annual reports, interim reports and press and company announcements. The company's largest shareholders and insiders as well as their holdings are updated regularly to the web pages.

Company announcements

Atria Plc published a total of 28 company announcements or investor news in 2021. The releases can be found on the Atria Group website www.atria.com.

Disclosure policy

The disclosure policy approved by the Atria Board of Directors describes the key principles followed by Atria as a listed company in its communications with the capital markets and other stakeholders. The disclosure policy is available in full on the company's website.

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