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# ATRIA

Good food – better mood.

## Annual Report 2020

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## ATRIA PRODUCES SUSTAINABLE VALUE

Established in 1903, Atria is one of the leading meat and food companies in the Nordic countries, Russia and Estonia. Our company is highly appreciated by our customers, employees 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 product.

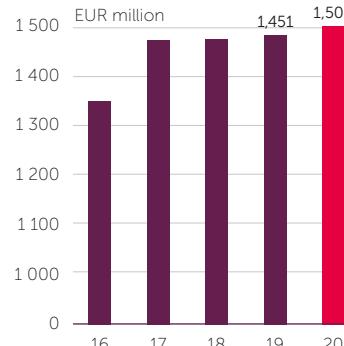
Atria's renewal and growth are based on commercial excellence and an efficient and responsible way of working. Our main product, good food, creates a better mood and sustainable value for all our stakeholders. In 2020, our net sales were approximately EUR 1.50 billion, and Atria had around 4,440 employees in Finland, Sweden, Denmark, Estonia and Russia. Atria Plc's shares have been listed on the Nasdaq Helsinki since 1991.

**Atria Group's key indicators**

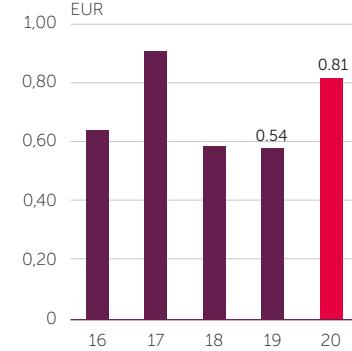
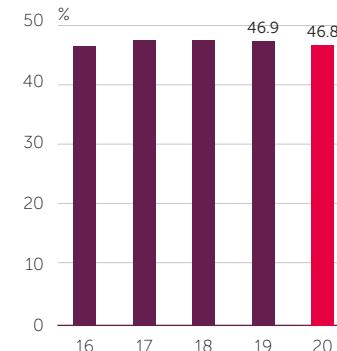
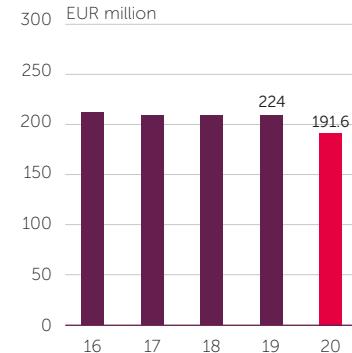
	2020	2019
Net sales, EUR million	1,504.0	1,451.3
EBIT, EUR million	40.5	31.1
EBIT, %	2.7	2.1
Balance sheet total, EUR million	939.5	928.7
Return on equity, %	5.7	3.9
Equity ratio, %	46.8	46.9
Net gearing, %	43.6	51.6

**Net sales (EUR million)****1,504.0**

The Group's net sales were EUR 1,504.0 million, representing an increase of EUR 52.7 million from 2019.

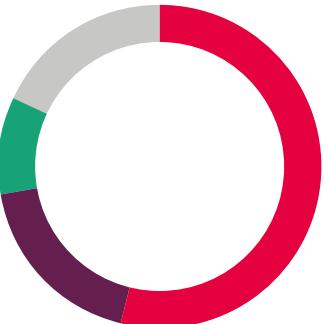
**EBIT (EUR million)****40.5**

The group's EBIT was EUR 40.5 million. EBIT increased by 30% from 2019.

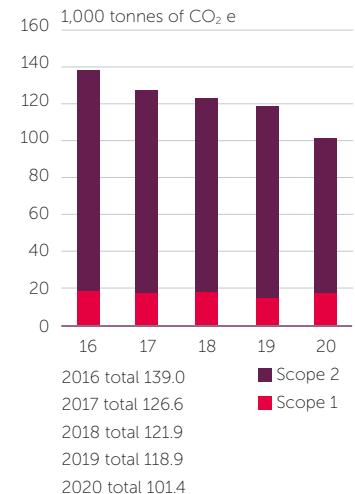
**Earnings per share****Equity ratio****Net debt**

**Net sales by business area  
(1,504.0 EUR million)**

Atria Finland .....	1,066.3 MEUR
Atria Sweden .....	300.8 MEUR
Atria Denmark & Estonia ..	106.8 MEUR
Atria Russia.....	66.7 MEUR

**Personnel by business area  
(4,444)**

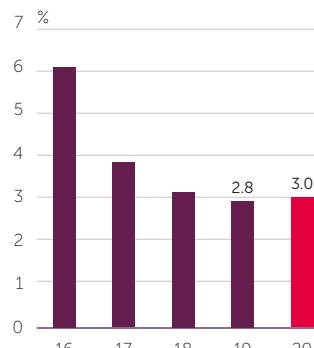
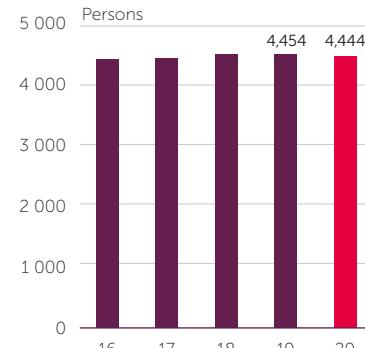
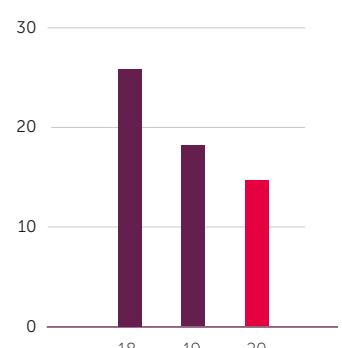
Atria Finland .....	2,398
Atria Sweden .....	814
Atria Denmark & Estonia ..	439
Atria Russia.....	793

**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 cost-based calculation method and employs the emission values of known energy sources or the national residual mix. For Russia, the calculation employs the location-based CO<sub>2</sub> emission value reported by the International Energy Agency (IEA).

**Gross investments,  
% of net sales****Average number  
of personnel****Accident frequency rate  
within the Group<sup>\*)</sup>**

<sup>\*)</sup> The number of accidents leading to an absence of at least 8 hours divided by 1,000,000 working hours.

More information about Atria's sustainability indicators is provided in the Corporate Social Responsibility Report 2020.



**"The food industry is characterised by steady overall demand even in exceptional circumstances."**

## Atria stayed on course despite the turbulent year

Although 2020 was an exceptional year, Atria's operations could be described as astoundingly solid. Our net sales increased, and all our business segments improved their results compared with the previous year. We also published our new strategy to become the winning northern European food company.

2020 was an exceptional year. The new year began with high expectations – everyone expected a normal continuation of 2019. At the turn of the year, we had all seen and heard on the news that a new viral respiratory infection had been discovered in Wuhan in China. From a European perspective, it felt far away at the time, but by February, the same virus was already putting Europe on the rack as well. From then on, 2020 became a year of living with Covid-19.

Atria did well in navigating the exceptional year. The company's net sales increased by EUR 52.7 million to a total of EUR 1,504.0 million. Our EBIT increased to EUR 40.5 million from approximately EUR 31 million, which is 30 % increase from 2019. All our business segments improved their results compared with the previous year. Free cash flow increased from the previous year by more than EUR 7 million and was EUR 59.0 million in 2020.

\*\*\*

The food industry is characterised by steady overall demand even in exceptional circumstances. Variation only occurs in where people buy their food and the food they buy.

Due to the restrictions implemented to stop the spread of the coronavirus, and the voluntary measures taken by various parties, people did not move about as much. Restrictions were placed on hobbies, and some people started working

remotely. At times, the restaurant business was shut down completely. As people spent more time at home, they purchased their food from retailers. In turn, fewer people were eating out.

Atria's sales to retailers increased by 10 per cent, while sales to Food Service customers decreased by 20%. In the summer, our sales development took a fascinating turn: as the number of corona cases decreased, and things returned to normal for a while, sales to Food Service customers quickly recovered to their previous level. There seems to be a strong tendency to return to our previous way of life as soon as the situation allows it.

\*\*\*

Poultry consumption continues to increase. This is a global phenomenon. Pork consumption in Finland has been decreasing for a few years, and the same downward trend continued in 2020. Beef consumption has remained unchanged. One interesting development is the growth of the sausage market – the coronavirus has brought us back to basics, to classics such as sausages. These basics include chicken and minced meat. It was a rocky year for convenience foods, as people prepared more meals at home than usual.

Large fluctuations in demand from one week or month

## CEO'S REVIEW

**"Our EBIT increased to EUR 40.5 million from approximately EUR 31 million in 2019. All our business segments improved their results."**

to another are typical of our industry. So we are already used to fluctuating demand, and this has made it easier for us to adapt to the corona time. We have put all our energy into focusing on the basics. On the other hand, we have not delayed forward-looking measures. Instead, we have strived to maintain business as usual wherever possible. For example, investments have not been postponed.

\*\*\*

In late 2020, we published our new strategy to become the winning northern European food company. "Winning" here refers to operational leadership: Atria wants to be a company that leads by example, reforming the entire industry. Our industrial operations are located in northern Europe.

We are a food company with a versatile product offering that includes delicious solutions for all kinds of meals. The new strategy is a continuation of our Healthy Growth Strategy, which offers a solid foundation for building something new. In recent years, we have enhanced our productivity through means like improved tools for operational monitoring and control. We are now aiming to improve our cost-effectiveness through a straightforward approach. We already have an excellent handle on market intelligence. It is time to make more use of this data.

We want to be a first-class partner for our customers. During the pandemic, many of us at Atria have learned a lot of things the hard way. More than ever, we have come to understand the value of long-term partnerships and the difficulty of building new networks. I want to thank all our customers for placing your trust in Atria.

2020 was a tough year for our personnel. We have had to work in exceptional circumstances, in a situation where nobody knows how long the unusual arrangements will last. However, everyone has done a great job, and both individual employees and different parts of the organisation have clearly demonstrated their willingness to take responsibility. This willpower and the performance it has driven have kept the situation under control. Thank you all.

I also want to thank our business partners and shareholders, who have helped us to succeed and thrive in 2020.

Seinäjoki, March 2021

Juha Gröhn  
CEO

**"We are now aiming to improve our cost-effectiveness through a straightforward approach. We already have an excellent handle on market intelligence. It is time to make more use of this data."**

## Atria's new strategy will enable us to become the winning northern European food company

Atria Group's strategy for 2021–2025 guides the company's growth into a winning northern European food company. Renewal of our company's operations and offerings, profitable growth and the increase of shareholder value are supported by the three pillars of our operations: commercial excellence, efficient operations and our way of working, which creates sustainable value for all our stakeholders. The new strategy continues our systematic work to develop the operations of a strong and financially sound company. This work began during the previous strategy periods. Our familiar mission remains at the core of operations: Good food – better mood.



# Strategic goals from primary production to the customer experience

Atria's new strategic goals reflect our development focus on the entire food chain, from primary production to the customer experience. Strong financial performance and commercial expertise are complemented by people: customers, employees and owner-producers. Sustainability will also become a more important strategic strength in Atria's operations.

## Our financial targets for 2021–2025

- EBIT 5%
- Equity ratio: 40%
- Return on equity: 10%
- Capital distribution: 50% of the profit for the period
- Growth above market

## OUR STRATEGIC GOALS: CHARACTERISTICS OF A WINNING NORTHERN EUROPEAN FOOD COMPANY

Goal	Implementation
<b>Best in class financial performance</b>	<ul style="list-style-type: none"><li>• Strong financial performance: growing faster than the market.</li><li>• Maintaining a strong balance sheet and performance.</li></ul>
<b>Most desired brands</b>	<ul style="list-style-type: none"><li>• Atria's brands are the best-known in their product categories, as well as the most highly recommended in all our business areas.</li></ul>
<b>Preferred partner for the customer</b>	<ul style="list-style-type: none"><li>• Customer's overall satisfaction.</li><li>• Successfully and jointly implemented upgrades to shopper experience.</li><li>• Likelihood of customer recommending.</li></ul>
<b>Best partner for owner-producers</b>	<ul style="list-style-type: none"><li>• The best sales channel for meat from contract producers across Finland.</li><li>• Close cooperation throughout the production chain.</li><li>• The best contract producers, expertise and continuous development improve competitiveness.</li><li>• Financially strong owner-producers.</li></ul>
<b>Leader in sustainability</b>	<ul style="list-style-type: none"><li>• A carbon-neutral food chain by 2035.</li><li>• Reducing carbon dioxide emissions by 25% by 2025 compared with 2016.</li><li>• Increasing antibiotic-free production.</li><li>• Zero animal welfare violations.</li></ul>
<b>Committed people</b>	<ul style="list-style-type: none"><li>• Strengthening employees' commitment.</li><li>• Reducing the number of accidents.</li><li>• Employee satisfaction with development opportunities.</li><li>• Mobility for personnel from one job to another across country borders and job rotation within business areas.</li></ul>

# Our strategic priorities

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

## 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 reflected in our decision to invest in a new poultry unit. We want to provide our customers and consumers with interesting channel options in all product segments.

## Expand in convenience foods

Convenience foods are a growing market, because people are increasingly consuming ready-made food. By using customer and market information, we can provide our customers with the products 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.

## Strengthen in Food Service, including fast food

The Food Service market continues to grow, because people are increasingly eating out. We are aiming to grow faster than the market. We seek to achieve this by strengthening



customer relationships in the Food Service 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 service.

## Grow profitably in Sweden

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

## Optimize red meat

Our goal is to improve the profitability of red meat. 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.

## Drive next level supply chain efficiency

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

► Watch our strategy video at [www.atria.fi/en/group/company/strategy/](http://www.atria.fi/en/group/company/strategy/)

# Our new 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 Food Service channel and the popularity of private labels are also increasing. The uncertainty of the international meat and food market and poor predictability pose a key challenge to the entire sector.

Atria's new strategy responds to the following changes that will have a material impact on the food sector between 2021 and 2025:

## Proteins

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

## Categories

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

## Consumers

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

## Macroeconomy

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

## Channels

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

## Our mission

We create inspiring food for every occasion with strong brands and passion.  
Good food – better mood.

## Our vision

Winning Northern European Food Company

## Enablers of strategy

### Commercial excellence

- Consumer and market insight
- Brand and category management (incl. productization)
- Customer experience

### Efficiency

- Monitoring and improving efficiency
- Modern technology
- Cost awareness

### Atria Way of Work

- Safety First
- Committed people
- Performance culture

## ATRIA'S STRATEGIC PATH

Atria's strategy to become a Winning 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

ATRIA'S HEALTHY GROWTH

2020

WINNING NORTHERN EUROPEAN FOOD COMPANY

2025

### Improving productivity

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

### Atria's Healthy Growth

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

### Winning Northern European Food Company

- Strong financial performance
- Growth in poultry, convenience foods and the Food Service 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

# Atria's Healthy Growth strategy highlighted profitability

Atria's Healthy Growth strategy period ended at the close of 2020. The focus of the strategy period was on profitability. Other key goals included improving profitability, accelerating growth and increasing shareholder value systematically over the long term.

During the 2016–2020 strategy period, Atria aimed to grow in a mainly organic manner by developing and expanding its existing operations. The company sought to drive growth by developing new product segments and expanding into new market areas. In this respect, the most significant achievement was entry into the Chinese pork market.

Alongside organic growth, Atria actively identified

opportunities for acquisitions and other arrangements generating healthy growth. These supplemented existing business operations, as well as offering opportunities to create entirely new product segments or enter new market areas. The most significant acquisitions in Finland were the Kaivon Liha Kaunismaa beef and the Domretor convenience food companies. In Sweden, Atria acquired the Lagerbergs poultry company.

Atria managed its Healthy Growth strategy through three main themes: commercial excellence; efficient operations; and the Atria Way of Work. More information about the most important theme-specific successes of the strategy period is provided in the Board of Directors' report (Financial Review, p. 46).

## ATRIA'S FINANCIAL TARGETS AND RESULTS 2018–2020

Target	Result 2020	Result 2019	Result 2018
EBIT 5%	2.7%	2.1%	2.0%
Equity ratio 40%	46.8%	46.9%	47.7%
Return on equity (ROE) 8%	5.7%	3.9%	4.1%
Capital distribution of the profit for the period 50%	61.4%*)	78.4%	68.8%

\*) Board of Directors' proposal

## Atria's most significant production investments 2016–2020

### New pig-cutting plant: EUR 36 million

Atria's new pig-cutting plant was completed in 2017, with world-leading technologies. This investment of around EUR 36 million has enabled Atria to improve the productivity of the pig-cutting plant and the competitiveness of its entire pork chain for the domestic and export markets.



### Lagerbergs poultry company: EUR 33 million

Atria entered the growing Swedish fresh poultry market by acquiring Lagerbergs in 2016. The acquisition of around EUR 19 million was supplemented by an investment programme of around EUR 14 million, through which Atria has strongly improved the productivity and competitiveness of the entire production chain.



## IMPLEMENTATION OF ATRIA'S HEALTHY GROWTH STRATEGY IN 2020

Strategy enablers	Main themes	Realisation of themes in 2020*
<p><b>1. Strong finances</b> Atria's strong balance sheet and good financial position enable growth and development measures in line with the strategy.</p> <p><b>2. Systematic investments</b> Atria executes systematic investments that enable the company to maintain and improve the productivity and competitiveness of its operations, even in the long term.</p> <p><b>3. Efficiency</b> Atria enables the productivity of its operations and the competitiveness of its products through efficiency across its supply chain.</p> <p><b>4. Sound market and customer intelligence</b> Atria is a pioneer in using consumer and market data. This enables the development of commercially successful product groups and their timely introduction.</p> <p><b>5. Highly competent people</b> Strategy implementation is supported by effective personnel planning, timely recruitment, systematic competence development and a successful performance management system.</p>	<p><b>Commercial excellence</b></p> <p><b>Efficiency</b></p> <p><b>Atria Way of Work</b></p>	<ul style="list-style-type: none"> <li>• Atria's retail sales grew in all business areas.</li> <li>• In Finland, Atria's supplier share grew in the consumer-packed meat, cooking and cold cut product categories. Atria was the market leader in poultry product categories.</li> <li>• Atria Finland's pork exports doubled to more than 20 million kilos.</li> <li>• In Sweden, the position of the Lönneberga brand strengthened. Atria's supplier share in the poultry product category grew by approximately 2%.</li> <li>• In Denmark and Estonia, Atria's sales to the retail sector increased significantly.</li> <li>• In Russia, 200 new Sibylla outlets were opened.</li> <li>• Sales of Atria's online meat store multiplied.</li> </ul> <ul style="list-style-type: none"> <li>• After the outbreak of the corona pandemic all Atria production plants continued to operate without interruption and measures to protect the personnel were implemented without delay.</li> <li>• Atria Finland adapted quickly to the changes in demand resulting from the coronavirus pandemic and its delivery reliability was 99.91%.</li> <li>• The operating model for continuous production improvement was systematically applied in all business areas.</li> <li>• Atria Sweden's organisational structure was streamlined to improve efficiency and commercial processes.</li> <li>• In Estonia, the introduction of a new minced meat package improved the efficiency of many internal processes, logistics and truck occupancy rates.</li> </ul> <ul style="list-style-type: none"> <li>• Atria continued to improve sustainability, focusing particularly on reducing the environmental burden and carbon footprint of production. In December, Atria Finland was the first producer in the world to bring carbon footprint-labelled chicken packaging to retail stores.</li> <li>• Atria's Way of Leading programmes continued to ensure a successful future management culture for the various business areas.</li> <li>• The Safely Home from Atria occupational safety and health programme achieved the best result in Atria's history.</li> </ul>

\*) The realisation of the themes is described in more detail in the business area reviews.

## ATRIA'S RISKS

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

- Governance 2020 section (page 132)
- Financial Review 2020 section (page 51)



## Atria handled the Covid-19 pandemic well

The year 2020 was strongly marked by the Covid-19 pandemic. The highly contagious coronavirus disease spread far and wide across the world, impacting the lives of individual people, and companies and entire countries.

When the infectious disease reached Europe, and Atria's countries of operations in particular, we immediately set the main company-wide goals for preventing its spread.

Atria's goals for preventing the spread of the SARS-CoV-2 virus remained the same throughout the period under review: preventing the spread of the virus; protecting our personnel; and safeguarding Atria's operations throughout the chain.

The exceptional situations and changes in the operating environment also required management to step up to the plate. The management teams of the Group and the individual business areas were involved in outlining Atria's approach. The Covid-19 task forces established by the Group and all business areas were responsible for maintaining a continuous view of the situation, drafting new guidelines and planning new practices. Atria followed the instructions and guidelines issued by the authorities in all its operations.

The SARS-CoV-2 virus is mainly transmitted through droplets, but also through aerosols at close range. There have been no confirmed cases of contact transmission through packaging, food products or goods. The most important new practices implemented by Atria were based on preventing the spread of the coronavirus with respiratory protection, good hand hygiene and social distancing. Many people at Atria started working remotely early in the spring of 2020, and this will continue in the spring of 2021. Atria issued guidelines on travel, including travel bans, and limited gatherings and visits to our locations.

Atria has solid safety systems in place even in normal times. We are used to working in the sphere of food-related microbes, and are familiar with risk management and product safety practices. The same risk minimisation tools and product safety management practices are also well-suited to tackling the coronavirus. In addition, we have had to take into account that this is a human infectious disease, a human pandemic.

Atria handled the exceptional circumstances of the pandemic well. Apart from the new practices, the epidemic did not greatly affect our operations, and Atria was able to meet consumer demand and customer requirements.

Merja Leino  
EVP, Sustainability  
Atria Plc



## Some Covid-19 practices likely to become permanent

Atria Finland's Senior Occupational Health Physician Timo Kinnunen believes that some of the practices implemented by Atria during the Covid-19 pandemic are likely to become permanent: "Respiratory protection will be used more often than before, and the importance of good hand hygiene will be highlighted. Remote meetings will become more common, reducing the need for business trips. The coronavirus also serves as a stern warning that will make us treat infectious diseases in general with more respect and caution going forward."

# Increased sales to retailers and decreased sales to the Food Service sector in all business areas

The Covid-19 pandemic had very similar effects on all Atria's business areas: it boosted sales to retailers, and reduced sales to the Food Service and Fast Food sectors. The increase in retailer sales was approximately 10 per cent. Sales to Food Service and

Fast Food customers decreased by approximately 20 per cent due to the coronavirus restrictions implemented in various business areas.

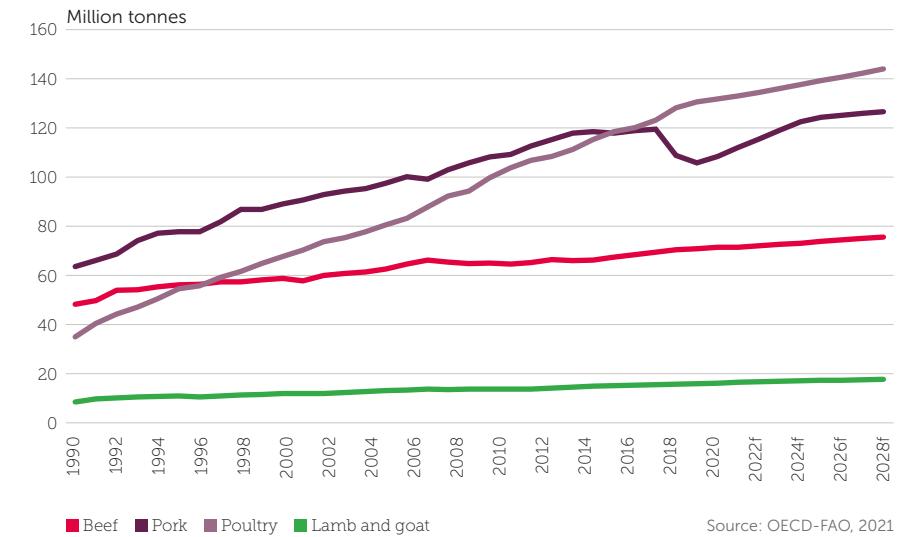
## THE EFFECTS OF THE CORONA PANDEMIC ON ATRIA'S BUSINESS OPERATIONS

		Atria Finland	Atria Sweden	Atria Denmark & Estonia	Atria Russia
Effect on overall demand for Atria's product categories	In retail trade	⬆ Demand grew by about 10%.	⬆ Demand grew by about 10%.	⬆ Demand grew by about 10%.	⬆ Demand grew by about 10%.
	In the FS sector (incl. the Fast Food sector)	⬇ Demand fell by about 20%.	⬇ Demand fell by about 20%.	⬇ In Denmark demand fell by about 35% and in Estonia more than 50%.	⬇ Demand fell by about 5%.
Product categories showing the largest growth	In retail trade	Strongest growth in the cooking and convenience food categories.	Strongest growth in cold cuts, sausages, poultry meat and convenience food.	In Estonia demand for minced meat grew in the spring.	No significant effect.
	In the FS sector (incl. the Fast Food sector)	Decline in all product categories.	Decline in all product categories.	• No significant effect. • Demand for the best cuts fell in Estonia	Decline in all product categories, except high-quality, air-dried products.
Effect on the production and supply chain		<ul style="list-style-type: none"> <li>Delivery reliability was 99.91% despite great fluctuations in demand during the early stages of the pandemic.</li> <li>Management system was revised to secure the continuity of production and reliable deliveries.</li> </ul>	<ul style="list-style-type: none"> <li>Investments to ensure uninterrupted production.</li> <li>Strict health and safety instructions were adopted to secure operations.</li> </ul>	Strict health and safety instructions were adopted to secure operations.	Strict health and safety instructions and travel restrictions were adopted to secure operations.
Effect on production costs and other costs		Additional costs for special arrangements and protecting the personnel.			

## ATRIA PLC | OPERATING ENVIRONMENT

### Global meat consumption, 1990–2028, million tonnes

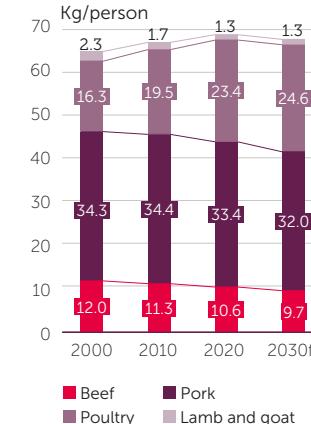
The consumption of poultry has increased steadily over the last few decades. Pork consumption began to decline in 2019 as pork production in China fell due to African swine fever. It is expected to recover in the next few years.



Source: OECD-FAO, 2021

### Meat consumption in Europe

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.



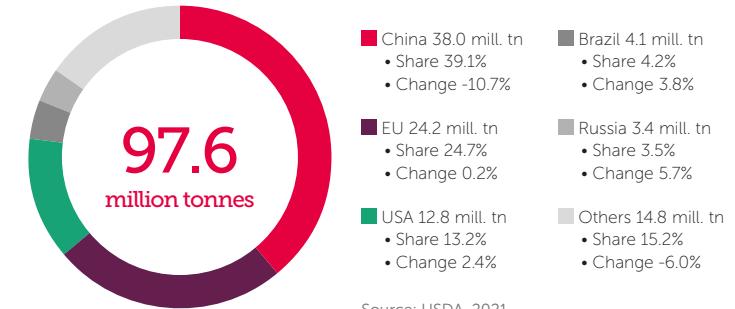
Source: European Commission and Eurostat, 2020



## ATRIA PLC | OPERATING ENVIRONMENT

### Global pork production in 2020

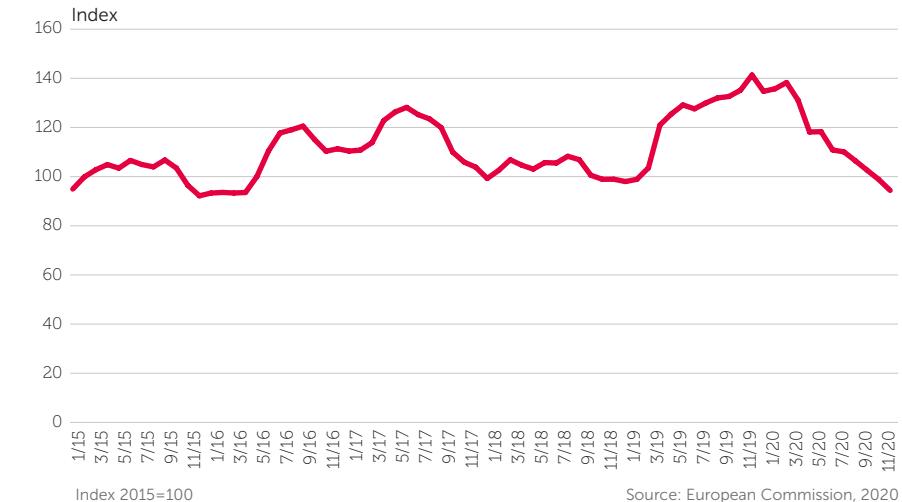
World pork production decreased in 2019, as pork production in China declined about a third due to African swine fever (ASF).



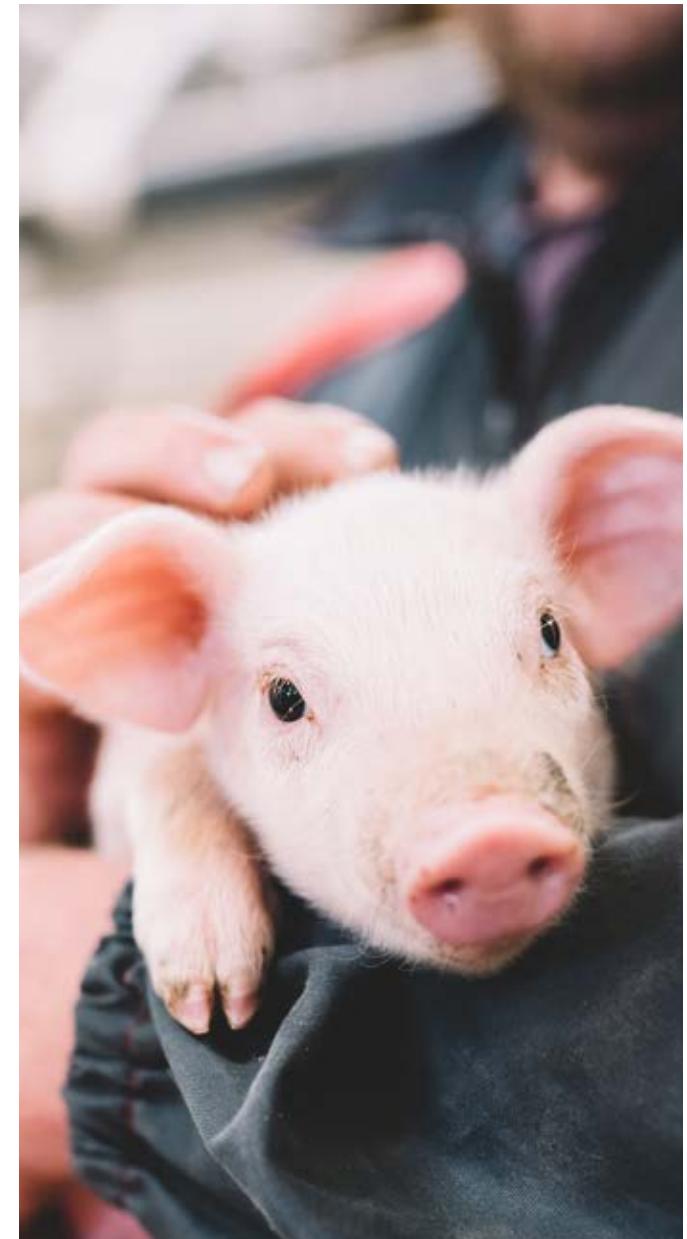
Source: USDA, 2021

### Development of pork prices in Europe (index, 2015=100)

Pork price shot up in 2019 after the collapse of Chinese pork production due to African swine fever. In 2020, the price returned to its pre-disease level.

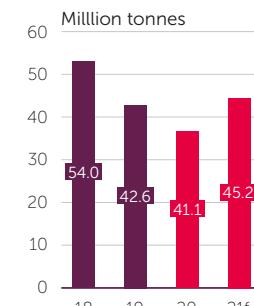


Source: European Commission, 2020



### Pork production in China 2018–2021

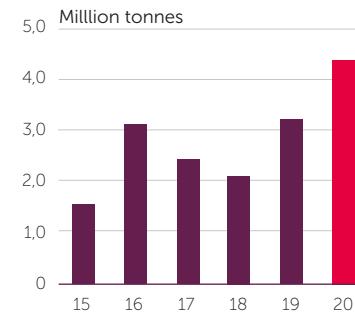
Chinese pork production declined in 2019 and 2020 as a result of African Swine Fever (ASF). Production volume was at its lowest level at 2020. In 2021 production is forecast to increase about 10%.



Source: National Bureau of Statistics of China, Rabobank, 2021

### Chinese pork imports

China's share of global pork imports has risen to about 40%. In 2020, the reduced domestic supply of pork together with high prices pushed China's total meat imports to a record level of nearly 10 million tonnes. Pork accounted for about 4.7 million tonnes.



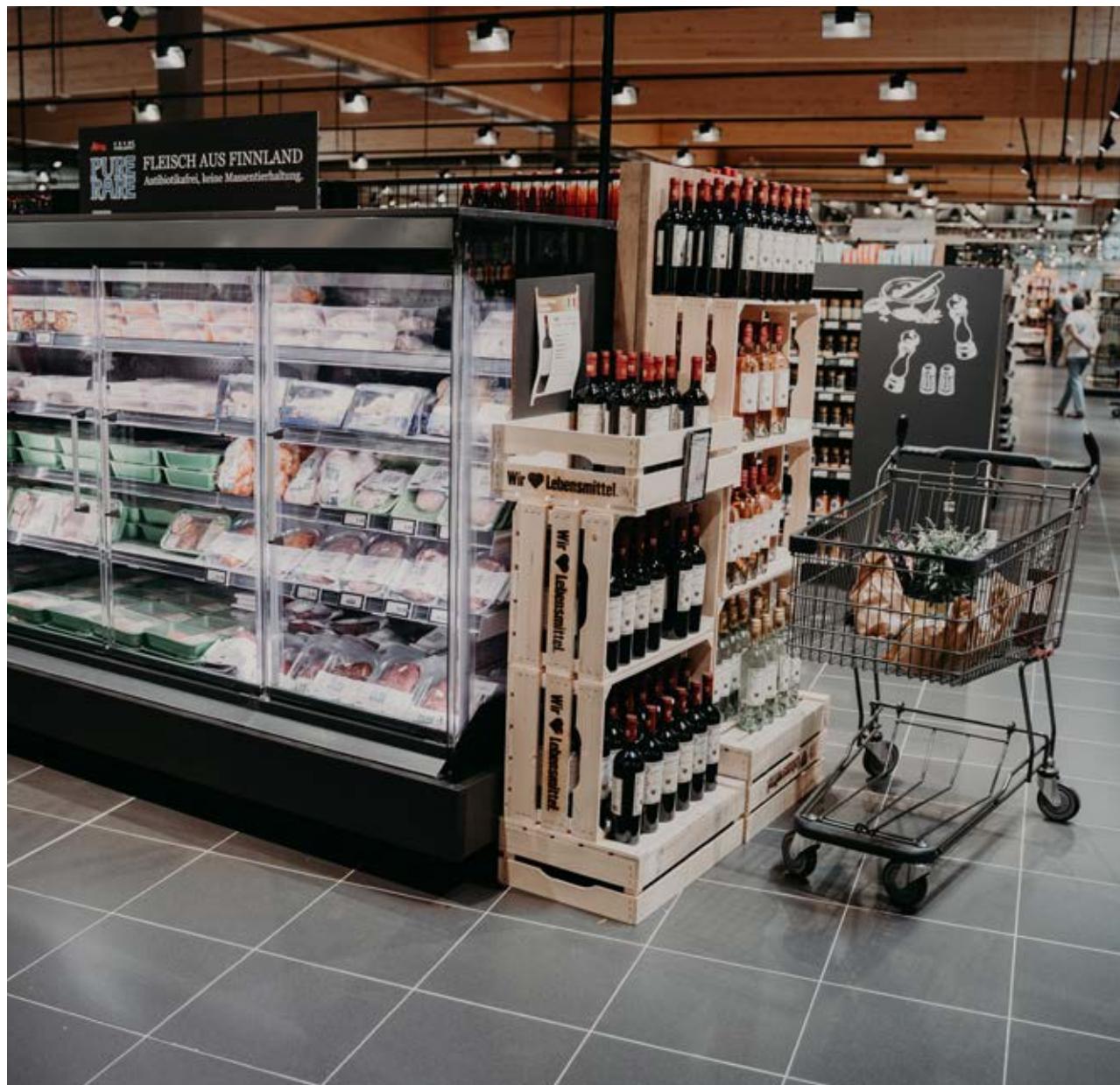
Source: China Customs, Rabobank, 2020



## Chinese consumers are interested in high-quality food products

In China, consumption in both urban and rural areas will grow rapidly in the coming years. Consumers are increasingly interested in high-quality, ecological, customised and safe food products. The consumption of animal-based products continues to grow, but the demand for processed plant-based products is also increasing. The demand and supply of pork are slowly finding a balance. In general, China will maintain its position as a major importer of agricultural products.

Source: China Agricultural Outlook 2020–2029, Ministry of Agriculture and Rural Affairs, 2020



## Strong growth for Atria's pork exports

Atria's export of pork to China increased to over 20 million kilos in 2020. This accounts for almost 30% of the volume of meat processed by Atria. Exports to other key export countries, such as South Korea and Sweden, also increased. In addition, Atria signed a new cooperation agreement with a Japanese restaurant chain.

In total, Atria's exports increased by about 50% from 2019. It is important to Atria's export customers that the products are clean, safe and traceable, and that the rearing of the animals is antibiotic-free.

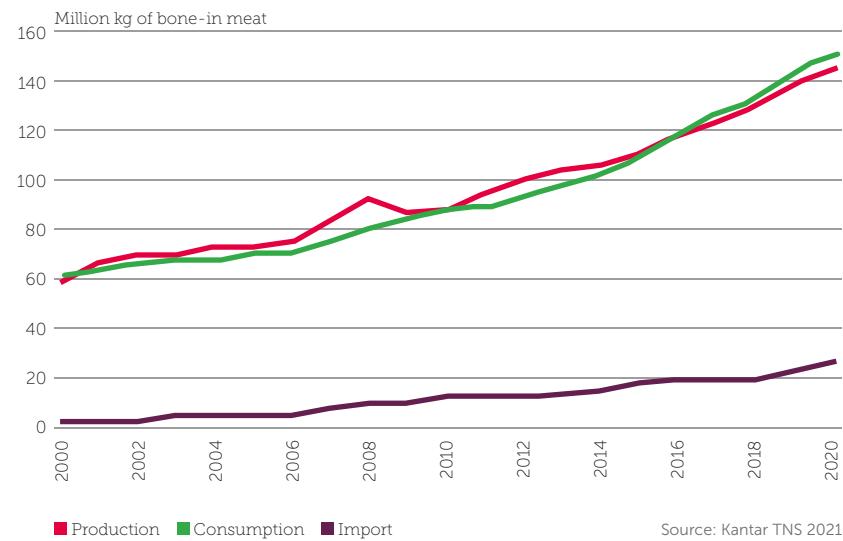
## Antibiotic-free pork for a Japanese restaurant chain

Atria signed a cooperation agreement with a Japanese restaurant chain for the export of Finnish antibiotic-free pork to Japan. The Japanese Bikkuri Donkey family restaurant chain uses Atria pork in its burger steaks.

Bikkuri Donkey is part of the Aleph Inc. Group, which is committed to sustainable development. Its restaurants only use responsibly produced ingredients.

### Poultry market growth in Finland in 2000–2020

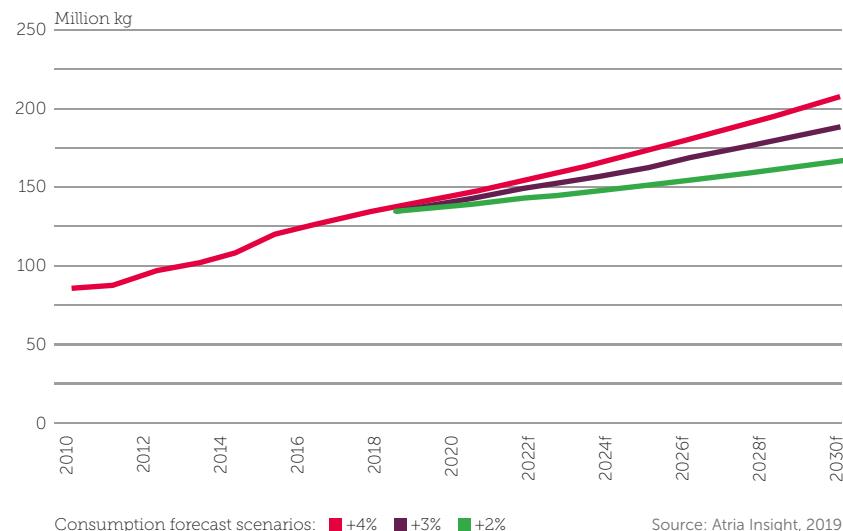
Poultry consumption has increased steadily in Finland throughout the 2000s. In 2020, both poultry consumption and production increased by about 4%. The domestic share of consumption also increased.



Source: Kantar TNS 2021

### Forecast for poultry consumption in Finland

According to consumption forecasts by Atria, poultry consumption (mainly chicken products) in Finland will exceed 200 million kilos by 2030 if the consumption trend remains similar to that between 2011 and 2020, when the average annual growth rate was 3.8%.



Source: Atria Insight, 2019



### Atria introduced carbon footprint markings on chicken product packaging

The first carbon footprint-marked chicken products were sold in retail stores in December 2020. As far as we know, Atria is the first producer to use carbon footprint labelling on its chicken products. Farm-specific traceability of the meat raw material enables product-specific carbon footprint labelling. The Alatalo farm's chicken products were the first to carry a carbon footprint label. As farm-specific calculations are completed for more farms, more and more products will get a carbon footprint marking. The label shows the climate impact of the product's entire production chain in terms of carbon dioxide. The calculation also takes into account industrial production and packaging. The carbon footprint calculation was carried out in cooperation with Envitecpolis Oy and Atria producers.



## The decision to build a new poultry plant was confirmed

In October, Atria confirmed the decision to build a new poultry plant in Nurmo. The investment is the largest in Atria's history and extremely important to the company. The value of the investment is approximately EUR 155 million, and it will increase Atria Finland's poultry production capacity by approximately 40%.

The construction of the new poultry plant meets the increased demand for chicken and strengthens Atria's position as the market leader in chicken products. The consumption of chicken has grown strongly both in Finland and globally for many years, and it is expected to keep growing.

The new plant will be completed in 2024. Further information about the progress of the investment is available on our website at [www.atria.fi/konserni/ajankohtaista/atrian-siipikarjainvestointi-2024/](http://www.atria.fi/konserni/ajankohtaista/atrian-siipikarjainvestointi-2024/).

## The schedule of the new poultry plant



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## BUSINESS AREA REVIEWS

In terms of operational structure, Atria Group consists of four business areas, or reporting segments: Atria Finland, Atria Sweden, Atria Denmark & Estonia and Atria Russia. In 2020, Atria Group's net sales were EUR 1,504 million, which was distributed between the business areas follows: Atria Finland 70%, Atria Sweden 19%, Atria Denmark & Estonia 7% and Atria Russia 4%.

# Atria Finland

Atria Finland is responsible for Atria's operations in Finland. Atria Finland develops, produces, markets and sells fresh meat and other food products, in addition to providing related services. Atria is the market leader in the slaughterhouse industry and many of its product categories in Finland. It also has substantial export operations. In 2020, Atria Finland's net sales were EUR 1,066.3 million, and the company had about 2,400 employees. All of the meat used in Atria brand is Finnish.



## Net sales

**70%**

of the Group's net sales

## Personnel

**54%**

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

- Grosery trade
- Food Service customers
- Export customers
- Sibylla concept customers
- Food industry

## Core product categories

- Fresh and consumer-packed meat
- Poultry products
- Cooking products, such as sausages
- Cold cuts
- 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.

**Atria**  
PERHETILAILTA YUODESTA 1903

**JYVÄS BROILER**  
KAURALLA KÄSYÄNUT

**Frisian**

**W**  
WINKLER

**Sibylla**

**Atria VEGYOU**

**RIDDER HEIMS**  
DE MAT FESTA  
KÄÄVÄÄNÄ

## BUSINESS AREA REVIEWS | ATRIA FINLAND



### Strong growth under challenging circumstances

The year 2020 was good for Atria Finland's growth and profitability. Despite the coronavirus pandemic making our operating environment exceptionally challenging and uncertain, we succeeded to make stronger

progress than in the previous year in two of our main channels, retail trade and exports. In our third main channel, the Food Service sector, the measures taken to limit the coronavirus pandemic reduced the industry's total earnings by about one-fifth. Atria's development was similar to the general development of the industry.

The coronavirus pandemic also changed the Finnish consumer demand for food dramatically. Demand for food grew at the same rate as cooking at home, and good home-cooked meals became highly valued. This was directly reflected in Atria's sales to the retail sector. The market for Atria's cooking, poultry and consumer-packed meat product categories grew by almost 10%. Atria's supplier share grew in all product categories, as did the sales of Atria's own brands. Overall development was strong. The same is true of Atria's pork exports to China: they more than doubled from the previous year to over 20 million kilos. This was almost 30% of the pork produced by the Nurmo plant.

The consumption of meat in Finland remained stable. Ninety-three per cent of Finns eat meat – and specifically meat produced in Finland. About 83% of all meat consumed in Finland was domestically produced. These figures are very important for Atria's future growth. After all, the year 2020 saw the largest investment decision in our history, amounting to approximately EUR 155 million, to build a new poultry unit near the Nurmo plants.

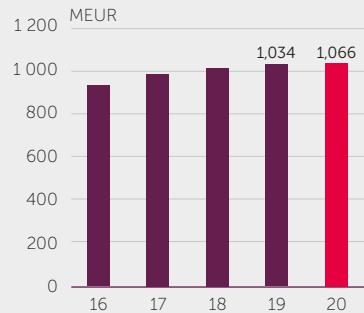
Mika Ala-Fossi  
Executive Vice President, Atria Finland

#### Net sales (EUR million)

The net sales of Atria Finland grew by EUR 32.5 million compared to the previous year, and amounted to EUR 1,066.3 million. Net sales were boosted by increased sales to the retail sector and export customers. Pork exports to China increased significantly and the sales of Atria's product categories in the Finnish retail trade also grew more strongly than in the previous year. Sales to Food Service customers decreased significantly due to the coronavirus pandemic.

**1,066.3**

(EUR 1,033.8 million in 2019)

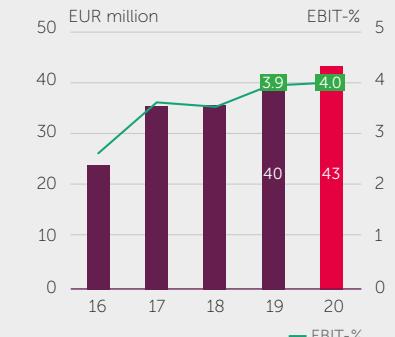


#### EBIT (EUR million)

Atria Finland's EBIT increased EUR 3.1 million from the previous year to EUR 43.1 million. This was 4.0% of net sales. Profitability improved mostly because of increased net sales, improved productivity and effective cost control.

**43.1**

(EUR 40.0 million in 2019)



## THE POSITION OF ATRIA'S MAIN CATEGORIES IN THE MARKET<sup>1)</sup>

Category	Change in overall markets <sup>2)</sup>		Manufacturing share <sup>3)</sup>	Atria's bränds <sup>4)</sup>
	Value (€)	Volume (%)		
Consumer-packed meat	10.2%	7.0%	31.7%	#1
Poultry	13.4%	11.3%	44.0%	#1
Cooking	11.9%	6.0%	24.2%	#2
Cold cuts	5.9%	1.2%	21.6%	#1
Convenience food	7.1%	4.6%	13.3%	#2
Total	9.1%	5.8%	24.4%	

1) Retail sector, consumer-packed products

2) Percentage of change in comparison to 2019

3) Atria as a supplier

4) The market position of product categories sold under the Atria brand

## TOTAL MARKETS OF ATRIA'S MAIN PRODUCT CATEGORIES<sup>1)</sup>

Value (EUR million)	Volume (EUR million)
<b>2,651</b>	<b>387</b>
Change-% <b>8.4%</b>	Change-% <b>5.8%</b>

1) Grocery trade, consumer-packed and bulk products

## FINLAND'S MEAT MARKET AND MEAT PRODUCT MARKETS<sup>2)</sup>

Value (EUR million)
<b>3,080 (VAT 0%)</b>
Change-% 0.6 (volume) 3.7 (value)

2) Total value of the meat and meat products market in the grocery trade and food service channels.

## An acquisition strengthened Atria's position in convenience food selections

Atria Finland acquired the entire share capital of Domretor Oy, a contract manufacturer in the food industry. Domretor produces a range of convenience food products and semi-prepared foods. The acquisition strengthens Atria's position both in the retail convenience food selections and in the market for Food Service products. Domretor Oy has been an associated company of Atria since 2013 and will continue to operate independently as its own company.

## THE FINNISH BARBECUE MARKET IN 2020<sup>1)</sup>

Value, approx.  
(EUR million)**124**

Change-%

**9.5%**

(-4.6% in 2019)

**28%**

Market share of Atria's barbecue product categories

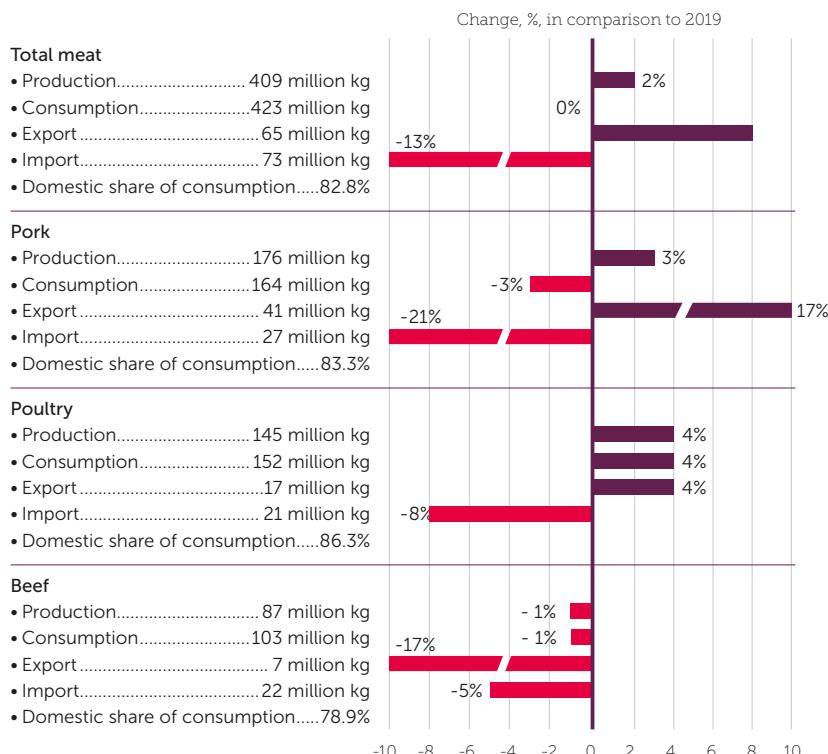
**#1**

Market position of Atria's barbecue product categories

1) Atria Insight 2020



## BUSINESS AREA REVIEWS | ATRIA FINLAND

MEAT PRODUCTION AND CONSUMPTION IN 2020<sup>1)</sup>

1) Production and consumption of bone-in meat. 80% of bone meat is boneless, and the loss of cooking varies from 10 to 30% depending on the product.

Source: Kantar TNS Agri, 2021

## Online meat sales multiplied

Online food sales took a big step forward during this exceptional year, and this was also seen in Atria's online meat store. In 2020, online sales and deliveries of meat multiplied. As more cooking was done at home than before, consumers bought premium meat products from Atria's online store. Sales of fillets and organic products grew particularly strongly.

## Volume of meat processed by Atria (million kg)

# 176.6

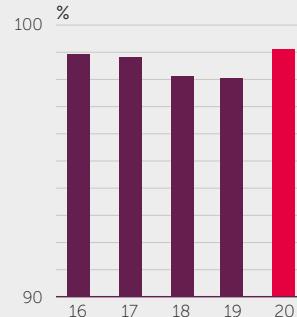


Compared to the previous year, the meat volumes processed by Atria increased by 3.0 million kilos to 176.6 million kilos. Poultry and pork processing volumes increased almost as much. Atria is the market leader in the slaughter industry in Finland.

## Atria's delivery reliability (%)

# 99.91

Atria's sound management of the supply chain increases the predictability of operations alongside delivery reliability. Atria's supply chain was able to respond to large fluctuations in demand during 2019 the year under review. Delivery reliability was 99.91 percent.





### 3 TRENDS

The following consumer trends in the food industry are among those affecting Atria Finland's operations and selection in 2020:

#### Cooking ingredients

- Atria offers a wide range of high-quality cooking ingredients.
- Atria's convenient minced meat packages and Murea & Nopea -strips met this consumer demand well.

#### High-quality products

- The growing demand for convenience food in the strongest for high-quality products.
- The Atria Artesaani range of microwave meals was a great success.

#### Responsibility and origin

- The value of responsibility and the Finnish origin of the products continues to grow.
- Atria introduced a carbon footprinting in poultry product packaging.

## A new look to bring the brand to the 2020s

Atria redesigned its brand logo and packaging visuals as part of the renewal of Atria's brand image. The new packaging highlights the traceability of the products to farms, responsibility and the Finnish origin of the products more clearly than before. The new logo communicates the brand's values more clearly: approachability and warmth in line with the brand's goals. The year highlights our long history and the know-how and reliability that come with it. The new packaging was launched in shops in August.



## Gastrogrill Muré serves the best meat in the world

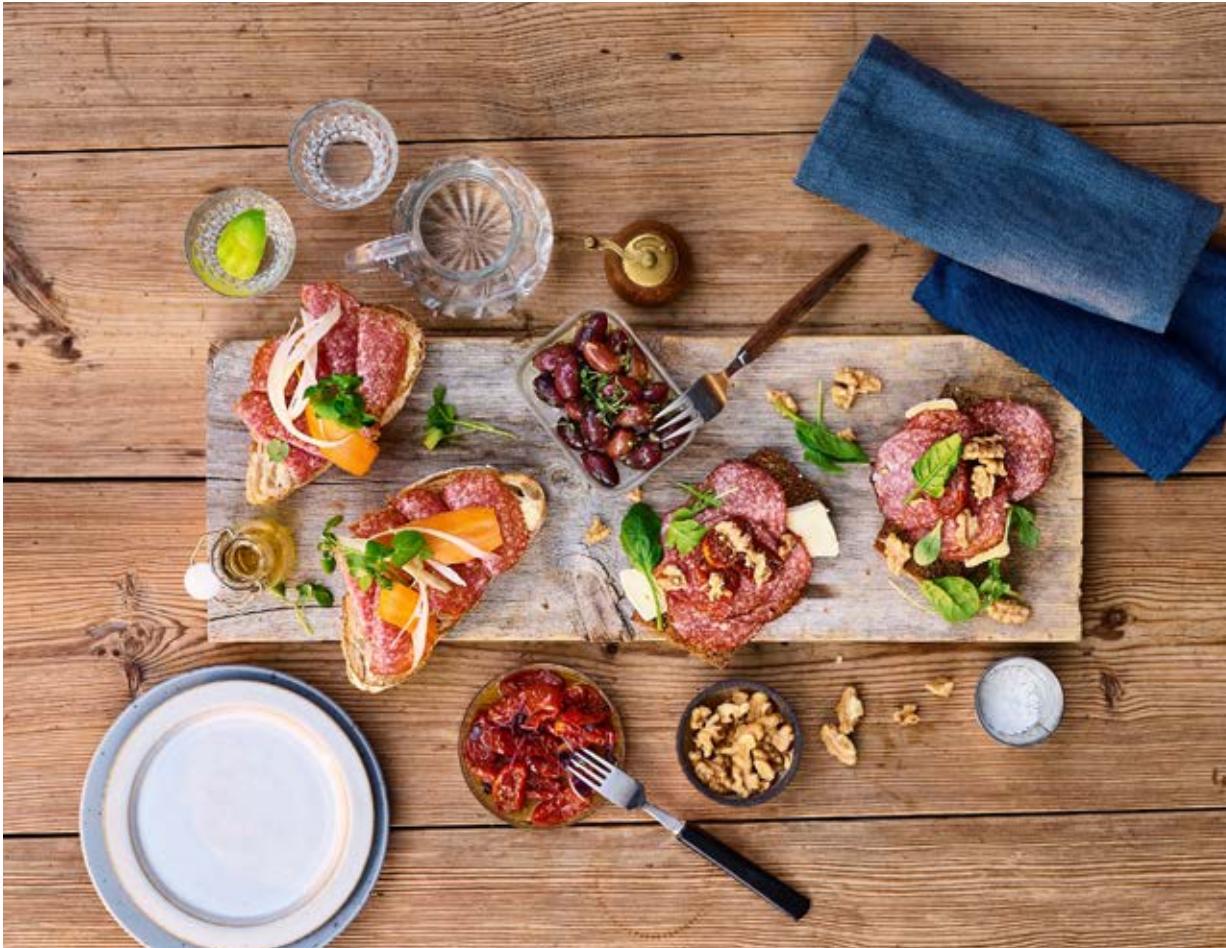
In June, Atria opened its own meat-focused restaurant Gastrogrill Muré in Helsinki. At the heart of the restaurant is Finnish, internationally awarded meat. The restaurant serves meat prepared in a variety of ways and introduces new flavour combinations. The origin of the meat features strongly at the restaurant: the journey of each serving to the plate can be traced back to the farm.

## HEALTHY GROWTH AT ATRIA FINLAND

Strategy enablers	Strategic focal points	Implementation of focal points in 2020
1. <b>Large scale</b> Enables supply for growing and increasingly diverse demand.	<b>Market insight</b>	<ul style="list-style-type: none"> <li>Investment in market research, data and analysis (Atria Insight) was increased to support product development, marketing and sales.</li> <li>The coronavirus pandemic resulted in rapid changes in consumer demand. The changing market required swift responses. The growth in consumer demand was the strongest for basic products.</li> </ul>
2. <b>Strong competitive position</b> Atria is the market leader or the second-strongest player in its main product categories, and the market leader in the slaughterhouse industry.	<b>Product category and brand management</b>	<ul style="list-style-type: none"> <li>Atria responded to the rapid changes in consumer demand by offering products to meet the demand. In addition to basic products, Atria launched new products such as premium microwave meals and new types of seasoning packets.</li> <li>The brand logo and product packaging were redesigned to match the brand values.</li> </ul>
3. <b>Strong and valued Brands</b> Atria is the best-known food brand in the meat industry. This enables Atria to launch new product segments and create new markets.	<b>Strong competitive position</b>	<ul style="list-style-type: none"> <li>Atria announced its decision to invest EUR 155 million in building a poultry unit.</li> <li>The acquisition of the entire share capital of the convenience food company Domretor strengthened Atria's position in both convenience food selections and the Food Service market.</li> </ul>
4. <b>High productivity</b> The efficiency of industrial processes and consistent investments in improving productivity ensure price competitiveness.	<b>Commercial excellence</b>	<ul style="list-style-type: none"> <li>Atria maintained its strong market position: its supplier's share in the retail sector was 24.4 percent.</li> <li>Sales to the retail sector grew in all product categories. Atria's market share was the largest in the poultry product category, about 29 percent.</li> <li>Sales of Atria's online meat store multiplied.</li> </ul>
5. <b>Responsible and reliable supply chain</b> Atria's responsible operations have a positive impact across the Finnish meat and food chain. Good cooperation, particularly with producers, secures deliveries, quality and growth.	<b>Daily operational efficiency</b>	<ul style="list-style-type: none"> <li>Atria responded well to the peak in demand caused by the coronavirus pandemic. Company was able to produce significantly larger quantities than before and deliver them according to customer wishes.</li> <li>The continuous improvement of production was systematically implemented, and improvements were made in occupational safety, the ingredient and capacity utilisation rates, and in the efficiency of water use.</li> <li>Production investments included a new pork packing plant for Chinese exports and a new production line for Murea &amp; Nopea products.</li> </ul>
	<b>Supply chain efficiency</b>	<ul style="list-style-type: none"> <li>Atria's supply chain was able to respond to large fluctuations in demand. The delivery reliability was 99.91 per cent.</li> </ul>
	<b>Resource optimisation</b>	<ul style="list-style-type: none"> <li>Atria achieved its key goals for energy and resource efficiency by, for example, reducing its carbon footprint, improving its water efficiency and reducing waste.</li> <li>Efforts were made to optimise production and management systems. The investments improved energy efficiency.</li> <li>Use of renewable energy was increased in heat production.</li> <li>The results are presented in Atria's corporate responsibility report at <a href="http://www.atria.fi/en/group/corporate-responsibility/corporate-responsibility-reporting/">www.atria.fi/en/group/corporate-responsibility/corporate-responsibility-reporting/</a></li> </ul>
	<b>Atria Way of Work</b>	<ul style="list-style-type: none"> <li>The Safely Home from Atria programme produced excellent results: the number of occupational accidents, as well as absences were historically low.</li> <li>The management system was renewed to meet the requirements of the coronavirus pandemic. Aim is to protect the personnel from infection and ensure reliable product deliveries.</li> </ul>

# 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 2020, Atria Sweden's net sales were around EUR 300.8 million, and the company had 814 employees. The meat raw material used in Atria Sweden's product groups is mainly of domestic origin.

**Net sales****19%**

of the Group's net sales

**Personnel****18%**

of the Group's personnel

**Customers**

- Consumer goods retail trade
- Food Service customers
- Sibylla concept customers
- Export customers

**Core product categories**

- Cold cuts
- Cooking sausages
- Fresh poultry products
- Convenience food
- Vegetable and delicatessen products

**Brands**

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





## On the road to profitable growth

For the second year running, Atria Sweden made progress in achieving its key strategic goal, the improvement of

profitability. We improved our result by EUR 4.1 million. The operating loss decreased to one third compared to the corresponding period of the previous year. A central reason for our improved performance was the improving competitiveness and profitability of our poultry business.

The significant improvement in profitability was a good outcome in the Swedish food market hit by the pandemic. The measures to restrict the spreading of the coronavirus significantly weakened Atria's Food Service and Fast Food sales, but the effects on retail sales were the opposite. The sales of Atria's products to the retail trade grew exceptionally strongly, both in terms of volume and value. The value of the poultry product market grew the most, by as much as 19.2%. The market for sausages also grew by 15.7%. These markets are very important to Atria, and we were able to increase our supplier share in both.

Although the Swedish Food Service market shrank by about 20% last year, Atria's development was not equally poor. We were able to slightly strengthen our market position. We benefited from our large customer base that includes both private and public professional kitchens. We actively collaborated with both of these customer groups in product development and sales. We were able to adapt our supply to the changes in demand and flexibly launched new products on the market, especially chicken products. The sales of Finnish beef and pork to professional kitchens also developed favourably.

**Jarmo Lindholm**

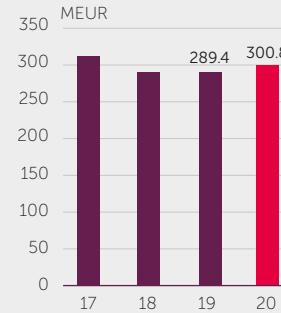
Executive Vice President, Atria Sweden

# 300.8

(EUR 289.4 million in 2019)

### Net sales (EUR million)

Atria Sweden's net sales increased by EUR 11.4 million year-on-year and were EUR 300.8 million in total. In the local currency, net sales improved by 3.1 per cent year-on-year. Net sales were boosted by increased sales to the retail sector. The Swedish krona also strengthened against the euro. Sales to Food Service and Fast Food customers decreased significantly due to the coronavirus pandemic.



# -2.0

(EUR -6.1 million in 2019)

### EBIT (EUR million)

Atria Sweden's operating loss decreased by EUR 4.1 million to EUR -2.0 million. Improved efficiency, lower costs and the strengthening of the Swedish krona improved profitability.



## Atria announced an investment plan in Sweden

After the review period, Atria announced the launch of an investment plan to reorganise Atria Sweden's production lines and to increase productivity. The investment is estimated to total around EUR 30 million. If implemented, the project is expected to be fully completed during 2023.

More information about the investment is provided in the Report by the Board of Directors (page 49).

## BUSINESS AREA REVIEWS | ATRIA SWEDEN

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

Product category	Change in total markets <sup>1)</sup>		Changes in Atria's share of production	Market position <sup>2)</sup>
	Value (€)	Volume (%)		
Cold cuts	8.1%	2.2%	-0.6%	#2
Sausages	16.0%	6.1%	0.9%	#2
Poultry products	18.8%	19%	1.9%	#3

1) Percentage of change in comparison to 2019

2) Position of Atria's brand categories on the retail market

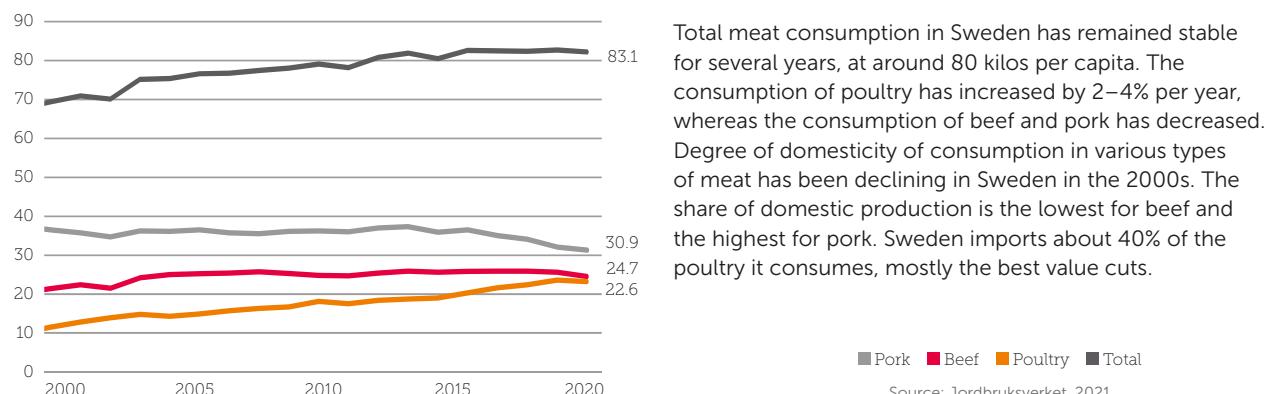
Source: Atria/Nielsen, 2021



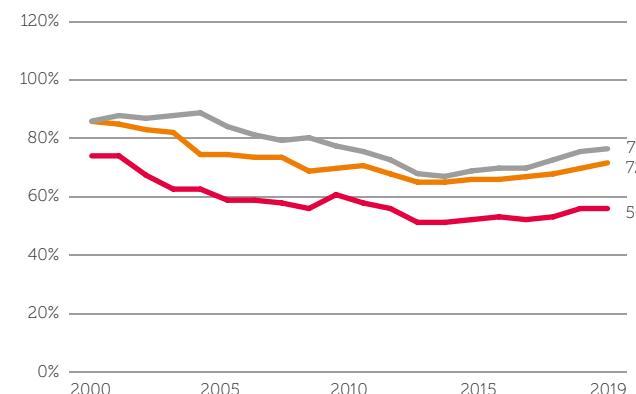
### TOTAL MARKETS OF ATRIA'S MAIN PRODUCT CATEGORIES

Value (MEUR)	Market for cold cuts (MEUR)	Market for sausages (MEUR)	Market for fresh poultry products (MEUR)
<b>1,305</b> (1,154 MEUR in 2019)	<b>536</b> (496 MEUR in 2019)	<b>485</b> (418 MEUR in 2019)	<b>284</b> (239 MEUR in 2019)
Change <b>7.7%</b>	Change <b>8.1%</b>	Change <b>16.0%</b>	Change <b>18.8%</b>

### MEAT CONSUMPTION IN SWEDEN (kg/person) IN 2000–2020



### THE SHARE OF DOMESTIC PRODUCTION IN SWEDEN IN 2000–2019



## 5 TRENDS

The following consumer trends in the food industry are among those affecting Atria Sweden's operations and selection.

### Responsibility

- We promote people's health and well-being through a well-balanced selection of good food.
- Ethical operations and partnerships are of key importance in our business operations and partnerships.
- We are a pioneer in animal welfare: all the production animals we use must be healthy and well cared for.
- We reduce environmental and climate impacts across the value chain. We have reduced our carbon footprint by 84% since 2016.

### Healthiness

- We are making full use of the trend towards white meat by strengthening our offering of poultry products.
- We focus on a balanced diet and stay out of short-lived fads.

### Consumers as influencers

- We ensure the best value for money.
- We act openly to build trust in our brands.
- We strengthen our diverse presence online and on social media.

### Ease of use

- We offer new types of convenience food solutions for busy lifestyles.
- We react to changes in our sales channels and the resulting changes in customer and consumer requirements.
- We are developing our Food Service and Concept business operations in response to the growing trend of eating out.

### Enjoyment

The coronavirus pandemic has brought joy to cooking and eating well.



## HEALTHY GROWTH AT ATRIA SWEDEN

Strategy enablers	Strategic focal points	Implementation of focal points in 2020
<b>1. Stronger competitive position:</b> Through a focus on product category management and the building of strong and valued retail brands.	<b>Market insight</b>	<ul style="list-style-type: none"> <li>The development of own market research tool continued, and it was increasingly used to support decision-making.</li> <li>The product category strategy and action plan were reviewed and developed for the main product categories: poultry, cold cuts, sausages and convenience food.</li> </ul>
<b>2. Stronger competitive position:</b> Through the growth of the Food Service and Concept businesses.	<b>Category and brand management</b>	<ul style="list-style-type: none"> <li>Strong investment was made in the Lönneberga brand in all four product categories.</li> <li>Media investments were targeted at cold cuts to restore their market share in retail.</li> <li>The new Sibylla Pockit concept was successfully test launched.</li> </ul>
<b>3. Efficiency:</b> Improved operational efficiency and resource allocation in production.	<b>Commercial excellence</b>	<ul style="list-style-type: none"> <li>The sales channels were adjusted in reaction to changes in the consumers' purchase behaviour brought about by the pandemic.</li> <li>Atria's share of manufacturing grew in poultry and sausages.</li> </ul>
<b>4. Atria Way of Work:</b> Creating a successful team and ensuring safe, responsible and sustainable operations.	<b>Operational efficiency</b>	<ul style="list-style-type: none"> <li>The programme for developing operational excellence continued at all production plants. The programme aims for EUR 4 million in annual cost savings.</li> <li>The new business system was implemented and ready to launch at the end of the year.</li> </ul>
	<b>Supply chain efficiency</b>	<ul style="list-style-type: none"> <li>A new logistics and transport agreement was completed with positive results.</li> <li>The reform of the sales and operational planning process started.</li> <li>Investments to improve water treatment at the Sörvästervik and Malmö production plants were approved.</li> </ul>
	<b>Resource optimisation</b>	<ul style="list-style-type: none"> <li>Environmental and climate impacts were reduced throughout the value chain. The targets for energy and resource efficiency were achieved; the carbon footprint decreased by 84 percent from 2016.</li> </ul>
	<b>Atria Way of Leading</b>	<ul style="list-style-type: none"> <li>The implementation of the Atria Way of Leading continued, with the goal of creating a winning corporate culture.</li> <li>A solid management culture was ensured for the future through the Atria Way of Leading programme, and future leadership and competence potential was ensured through the Talent Management programme and the Group's trainee programmes. The programme had to be partly postponed due to the coronavirus pandemic.</li> <li>The organisation structure was streamlined to achieve collaboration and efficiency, and to implement commercial processes.</li> <li>A safe, responsible and sustainable way of working was promoted. Absences due to accidents at work decreased, especially at the poultry plant in Sörvästervik.</li> </ul>



# Atria Denmark & Estonia

Atria Denmark & Estonia produces and markets cold cuts, meat and meat products for the Danish and Estonian food markets. The business area also has export operations. Atria Denmark & Estonia 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 2020, the net sales of Atria Denmark & Estonia were EUR 106.8 million, and the company had 439 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

7 %

of the Group's net sales

## Personnel

10 %

of the Group's personnel

## Customers

- Grocery trade
- Food Service customers
- Export customers

## Core categories

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

## Brands

Atria's main brands in Denmark are 3-Stjernet and Aalbaek Specialiteter. Atria's main brand in Estonia is Maks&Moorits, supplemented by the regional VK and Wöro brands.



## BUSINESS AREA REVIEWS | ATRIA DENMARK & ESTONIA



### The cold cut market is growing well in Denmark

A strong upward trend was seen in Atria Denmark's sales. Atria was able to maintain a strong supplier share of around 17% in the Danish retail cold cut market, which grew both in volume and value. The increase in value was 8.4%. The growth in sales was driven by significant investments in marketing and sales. Atria renewed and diversified the product selections of both its Danish brands, 3-Stjernet and Aalbaeck. The development of Aalbaeck, which focuses on premium organic products, was the most significant: the brand was also able to considerably increase its sales in Danish discount chains.

Atria Denmark's export operations decreased due to the coronavirus pandemic. The pandemic also limited our cooperation with the Food Service sector, which had a good start in the previous year. The growing use Aalbaeck organic products in professional kitchens was a positive development.

Svend Schou Borch

Executive Vice President, Atria Denmark



### Investment in minced meat drove development in Estonia

Atria Estonia kept its position well in a market that remained almost at the previous year's level. The sales volumes of Atria's product categories in the Estonian retail sector fell slightly from the previous year - by 1%. The reduction was exceptional, albeit understandable, in exceptional circumstances where the consumers' purchasing power fell. Prices, on the other hand, rose by 4.4%. In this market, Atria's most successful product category was minced meat. Atria launched a new, more ecological minced meat package in Estonia, which increased the delivery volumes of minced meat to the retail sector by about 40%.

Atria Estonia's deliveries to professional kitchens decreased, as did exports. However, this did not have a major impact as the retail trade developed so well.

Olle Horm

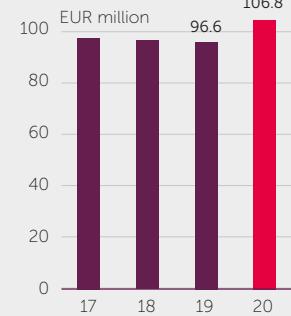
Executive Vice President, Atria Estonia

#### Net sales (EUR million)

The net sales of Atria Denmark & Estonia increased by EUR 10.2 million in comparison to the corresponding period in the previous year and were EUR 106.8 million in total. Net sales grew as a result of increased sales to both Danish and Estonian retail sectors. Food Service sales account for a small share of Atria Denmark & Estonia's net sales.

**106.8**

(EUR 96.6 million in 2019)

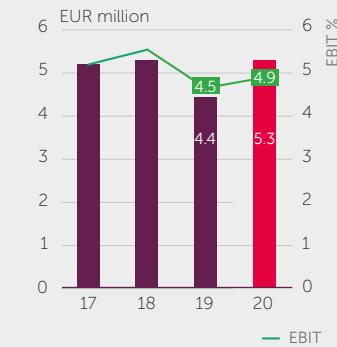


#### EBIT (EUR million)

The operating profit of Atria Denmark & Estonia increased by EUR 0.9 million to EUR 5.3 million. This was 4.9% of net sales, which is almost in line with the Group's 5% EBIT margin target. The result was improved mostly by increased sales volumes at strengthened prices.

**5.3**

(EUR 4.4 million in 2019)



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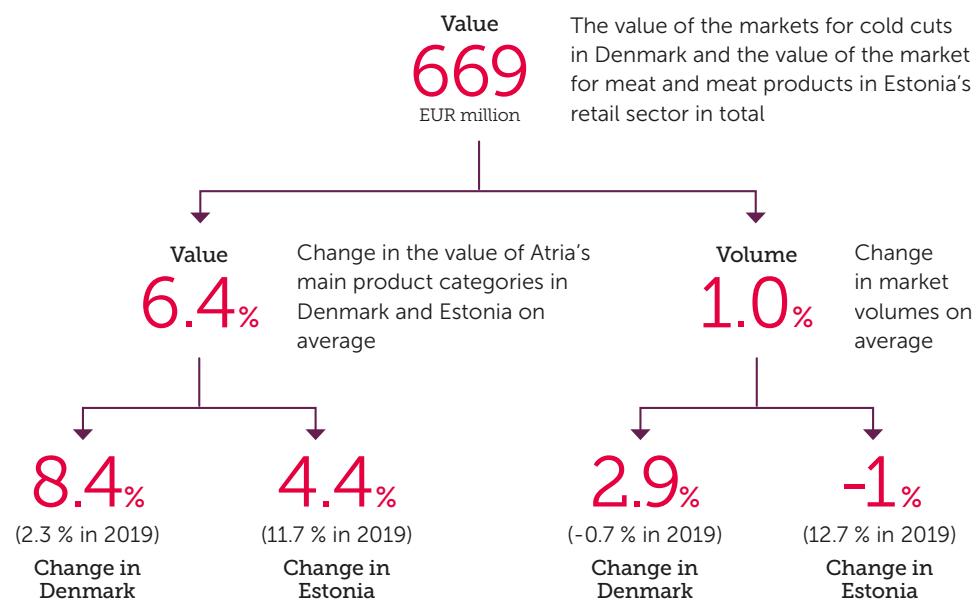
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## BUSINESS AREA REVIEWS | ATRIA DENMARK & ESTONIA

### THE POSITION OF ATRIA'S MAIN CATEGORIES ON THE RETAIL MARKETS OF DENMARK AND ESTONIA



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



### Atria brought high-quality organic products to the Food Service market

As part of the business strategy for Denmark, we aim to establish Atria as a new player in the Food Service market. To achieve this goal, Atria launched a selection of high-quality Aalbaek dry organic sausages.

## HEALTHY GROWTH AT ATRIA DENMARK & ESTONIA

Strategy enablers	Strategic focal points	Implementation of focal points in 2020
<p><b>1. Strong competitive position</b> Atria's leading market position in the cold cuts segment. A strong focus on brands, product category management and the utilisation of market information.</p> <p><b>2. Building market position</b> Maintaining the current market position and building new sales channels to reach customers.</p> <p><b>3. Efficiency</b> The improvement of supply chain efficiency through performance management and resource optimisation.</p> <p><b>4. Atria's Way of Work</b> Building a winning team with strong skills and a good attitude.</p>	<b>Market insight</b>	<ul style="list-style-type: none"> <li>In Denmark, investments were made in healthy food solutions that make consumers' daily life easier.</li> <li>A new digital market tool was being developed in Denmark.</li> </ul>
	<b>Category and brand management</b>	<ul style="list-style-type: none"> <li>In Denmark, the strategy for the cold cut product category was developed.</li> <li>Communication and packaging for the 3-Stjernet brand were refreshed.</li> <li>New hybrid products were launched in the 3-Stjernet product range.</li> <li>Maks&amp;Moorits became the most popular meat brand in Estonia.</li> </ul>
	<b>Commercial excellence</b>	<ul style="list-style-type: none"> <li>In Denmark Atria maintained its strong market position as the second largest player in cold cuts.</li> <li>The launch of the new Aalbæk Specialiteter beef sausage was a success.</li> <li>In Estonia a new minced meat package increased sales in retail.</li> </ul>
	<b>Daily operational efficiency</b>	<ul style="list-style-type: none"> <li>In Denmark, a new strategy was built for the retail and Food Service sectors.</li> <li>In Denmark, there was a strong focus on sales management.</li> </ul>
	<b>Supply chain efficiency</b>	<ul style="list-style-type: none"> <li>Continuous production development yielded results.</li> <li>In Denmark the Operational Efficiency programme began.</li> </ul>
	<b>Resource optimisation</b>	<ul style="list-style-type: none"> <li>Our work to improve sustainability continued, focusing particularly on reducing the environmental burden and carbon footprint of production.</li> </ul>
	<b>Atria Way of Leading</b>	<ul style="list-style-type: none"> <li>The Atria Way of Leading and Atria Way to Work training for salaried employees was completed.</li> </ul>

## 4 TRENDS

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

### Responsibility

- We started the corporate responsibility strategy process.
- The carbon footprint of production decreased.
- The use of plastic in packaging decreased and the use of recycled packaging materials increased.

### Decrease in meat consumption and flexitarianism

- We launched new meat-vegetable hybrid products.
- We expanded the white meat product range.
- The development of new plant-based products began.

### Convenience and wellness

- We launched new easy-to-use cold cuts.
- We offer a wide range of snack options for various consumer segments.
- We developed on-the-go product lines.
- We offer a wide range of high-quality organic products.

### Responsible food production

- We invested heavily in Danish raw materials in the 3-Stjernet and Aalbæk brands.
- We invest in the high level of domestic production and labour, as well as short transport distances.
- The Aalbæk brand focused on organic products.

\*) Increasing the consumption of vegetables in a diet.

# Atria Russia

Atria Russia markets its meat products and convenience foods mainly in the St Petersburg and Moscow regions. Its industrial operations are centralised in two production plants in St Petersburg. In addition to its own brands, Atria's market position is strengthened by the Sibylla concept and contract manufacturing. In 2020, Atria Russia's net sales were EUR 66.7 million, and the company had around 790 employees. Atria purchases its meat raw material from the international meat markets and from Russia.



## Net sales

**4%**

of the Group's net sales

## Personnel

**18%**

of the Group's personnel

## Customers

- Grocery trade
- Food Service customers
- Sibylla concept customers

## Core product categories

- Meat products, particularly sausages
- Cold cuts
- Convenience food
- Fresh meat

## Brands

Atria Russia's main brands are Pit-Product and CampoMos. Atria Russia has business operations based on the Sibylla concept in Russia, Belarus and Kazakhstan. The company collaborates with the Spanish Casademont Brands.





## Growth in retail sales

Atria Russia has three sales channels for its product categories: the retail sector, Sibylla customers and Food Service customers. Of these three, only the retail sector remained open almost as usual throughout the pandemic year.

Atria's sales to the retail trade developed well both in terms of sales volume and value in local currency. The growth was driven above all by the premium Casademont

brand. The sales of its product categories increased throughout the year. In contrast, the sales of the low-price Pit-Product brand fell. Price competition in the Pit product categories was fierce. Our cooperation with the leading Russian retail chains X5, Lenta and Okey became more diverse and Atria was also able to expand its offering geographically.

The development of the Sibylla concept was varied. Orders fell sharply when the pandemic started in the spring, but started to recover in the summer and eventually increased from the previous year. The number of Sibylla sales outlets in Russia increased by about 200 to a total of about 4,300.

Orders and deliveries through Atria's third channel, Food Service customers, fell considerably. The operating conditions for the whole industry deteriorated dramatically: the number of bankruptcies was high and restaurant sales fell by about 40% from the previous year.

Although Atria's production and commercial operations developed favourably in the demanding circumstances, the profitability of the operations remained poor. The weak performance was partly due to higher raw material prices. Depending on the type of meat, prices rose by 10–15%.

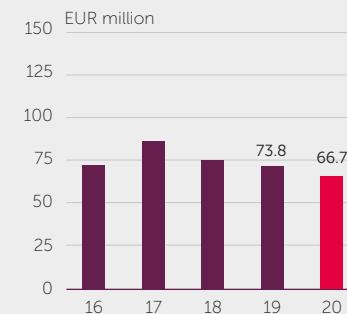
**Ilari Hyrynen**  
Executive Vice President, Atria Russia

# 66.7

(EUR 73.8 million in 2019)

### Net sales (EUR million)

Atria Russia's net sales decreased by EUR 7.1 million year-on-year and were EUR 66.7 million. In local currency, net sales grew by 3%. Sales improved especially towards the end of the year.

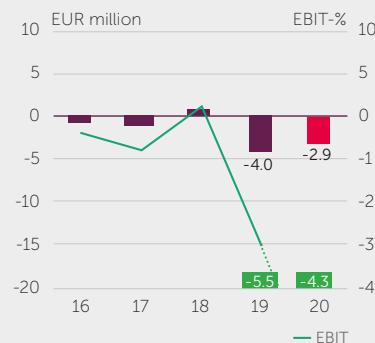


# -2.9

(EUR -4.0 million in 2019)

### EBIT (EUR million)

Atria Russia's operating loss fell slightly from the previous year and was EUR -2.9 million. Profitability began to improve in the second half of the year as sales strengthened.



## Atria concluded the sale of Pit-Product

After the review period, Atria concluded the sale of its Russian subsidiary Pit-Product to Limited Liability Company Agricultural Complex Mikhailovskiy, which belongs to the Cherkizovo Group. Cherkizovo is Russia's leading meat products manufacturer and a listed company on the Moscow Stock Exchange since 2006. The sale transaction does not include Atria Russia's subsidiary Sibylla Rus LLC, which conducts fast food business in Russia.

More information about the sale is provided in the Report by the Board of Directors (page 49)

## MARKET FOR ATRIA'S MAIN PRODUCT CATEGORIES

# 670 MEUR

(600 MEUR in 2019)

Value of the meat and meat product market in the area of St. Petersburg

# 1.7%

(7.0% in 2019)

The value-denominated development of retail sales in 2020

# 4.8%

(4.8% in 2019)

Market share for Atria's product categories in St. Petersburg's retail trade sector

# -4.1%

(13.4% in 2019)

Atria's development in the Food Service sector in 2020

# 4,300

(4,100 in 2019)

Number of Sibylla sales outlets

## 3 TRENDS

The following consumer trends in the food industry affect Atria's operations and product offering in Russia.

### Easy and efficient buying

- Development of fast-food and convenience food selections.
- Sales digitization in response to the increasing use of the Internet in all age groups.
- Development of sales skills required by the multi-channel purchasing behaviour of consumers.

### Secure solutions from trusted suppliers

- Expansion of the meat product selection under the Casademont brand.
- Safety promotion and trust building for Pit brand customers.

### Health and wellness

Development of health-promoting, low-fat and meat-free niche products.

## HEALTHY GROWTH AT ATRIA RUSSIA

Strategy enablers	Strategic priorities	Implementation of priorities in 2020
<b>1. Sufficient scale</b> Enables supply for growing and increasingly diverse demand. Atria is the most significant foreign operator in the Russian food market.	<b>Market insight</b>	<ul style="list-style-type: none"> <li>• The acquisition of information was enhanced to support decision-making and planning, as well as sales, marketing and product category management.</li> </ul>
<b>2. Strong competitive position</b> Atria is one of the best-known players in some retail product categories in St Petersburg in particular. Sibylla is strong in the fast food segment across Russia. In the Food Service sector, Atria is regarded as the most reliable operator in its product categories.	<b>Category and brand management</b>	<ul style="list-style-type: none"> <li>• Casademont packaging was redesigned to secure the brand's leading position and to strengthen its high-quality image.</li> <li>• The re-launch of the Pit Product brand and product innovations were supported with campaigns.</li> <li>• New cooperation models were developed with Food Service customers to promote local projects.</li> <li>• The Campomos range was optimised in the low-cost product segment.</li> </ul>
<b>3. Well-known and highly valued brands</b> The continuous development of strong brands and product selections enables Atria to maintain its market position and enter new markets.	<b>Commercial excellence</b>	<ul style="list-style-type: none"> <li>• The number of Sibylla sales outlets increased by around 200 to about 4,300.</li> <li>• The retail product range was expanded together with selected customers.</li> </ul>
<b>4. Efficiency</b> Efficient production and accurately targeted resources in all operations improve productivity.	<b>Daily operational efficiency</b>  <b>Resource optimisation</b>	<ul style="list-style-type: none"> <li>• Organisational streamlining continued for the purpose of achieving strategic goals.</li> <li>• Resource efficiency was improved by harmonising the material efficiency of packaging and by optimising raw materials and fine-tuning logistics.</li> </ul>
	<b>Atria Way of Leading</b>	<ul style="list-style-type: none"> <li>• The continuation of Atria's Way of Leading and Atria's Way to Work trainings was reflected positively in the job satisfaction experienced by employees.</li> </ul>

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## RESEARCH & DEVELOPMENT

Comprehensive and proactive market and consumer insight is very important in Atria's field of business. Consumers' food choices are guided by many factors, and the industry is characterised by fragmented consumer behaviour. Atria's investments in research and development totalled around EUR 15.0 million in 2020.

# Consistent investments in product development

Atria's investments in research and development were at the previous year's level and totalled EUR 15 million. 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 both Atria's new and existing products. 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 operations, Atria participates in applied research in product and packaging technology and nutrition, among other fields.

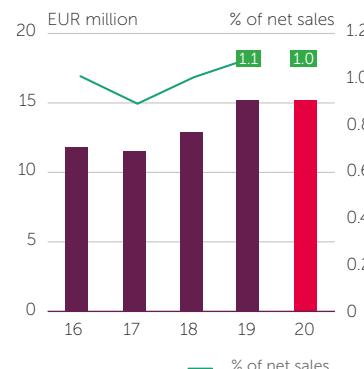
The redesigning of the Atria brand and packaging in 2020 is an example of product development which is based on extensive design work and research information, as well as strong integration with strategy work and commercial processes.



## Research and product development

# EUR 15.0 million

Atria's research and product development expenses were at the previous year's level



## Number of new products

# 312

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

## New products 2020 (year 2019)

Business area	Qty	% of net sales
Atria Finland	81 (118)	5.6
Atria Sweden	126 (148)	3.4
Atria Denmark & Estonia	62 (68)	7.3
Atria Russia	43 (46)	5.1

Atria's research and product development operations are discussed in the Board of Directors' report (page 50).

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## RESEARCH & DEVELOPMENT | NEW PRODUCTS



Atria Finland's new Murea & Nopea and Atria Artesaani ready-to-eat meals made from high-quality ingredients met the changes in market demand well.

Atria Sweden continued to invest in Lönneberga, its strongest consumer brand. The most successful new products were Lönneberga poultry products.



Atria Russia introduced successful new premium product categories under the Casademont consumer brand. The new products include a "Sobrasada" sausage and high-quality "Bocaditos" snacks.



Atria Denmark's most successful new product was Aalbæk Specialiteter's sliced beef salami. Atria Estonia's most significant product was a new, more environmentally-friendly minced meat package. It reduced the amount of packaging material by 53 tonnes and increased sales by 43%.

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## INVITATION TO THE ANNUAL GENERAL MEETING

### Annual General Meeting on 29 April 2021

Due to the coronavirus pandemic, the General Meeting will be held without shareholders' and their proxy representatives' presence at the venue of the meeting.

Atria Plc invites its shareholders to the Annual General Meeting to be held on Wednesday, 29 April 2021 in the Company's Helsinki Office at Läkkisepäntie 23. The shareholders and their proxy representatives can only participate in the meeting and exercise the shareholder's rights by voting in advance as well as by submitting counterproposals and asking questions in advance. See [www.atria.com/agm](http://www.atria.com/agm) for further information.

The Chairman of the Board of Directors, the members of the Board of Directors, the CEO and other management of the company and the Auditor will not attend the General Meeting. Furthermore, no webcast will be provided.

The agenda includes matters that are to be discussed by the Annual General Meeting in accordance with Article 14 of the Articles of Association.

The AGM documents are available on the company website at [www.atria.com/agm](http://www.atria.com/agm).

#### In 2021, Atria Plc will publish financial results as follows:

Financial Statement Release 2020 .....	16 February 2021
Annual Report 2020.....	In week 12/2021
Interim Report Q1 (3 months) .....	29 April 2021
Half Year Financial Report (6 months).....	20 July 2021
Interim Report Q3 (9 months).....	21 October 2021

Atria's financial information will be published in real time on the company website at [www.atria.com](http://www.atria.com).

## Atria's management of challenges during exceptional circumstances good – in terms of growth and results, 2020 was a strong year for Atria

The year 2020 will be marked in Atria's history as an exceptional one. As of March, the operating environment changed into something entirely different than anticipated due to the COVID-19 pandemic. Atria's organisation and people demonstrated an excellent ability to adjust to changes and a desire to stick to the set goals and targets. From the very start of the pandemic, Atria set itself two goals: continuing deliveries to customers without disruption and ensuring that its personnel stays healthy. In terms of these goals, 2020 was a successful year.

In terms of growth and the result, Atria's year was strong. The implementation of the strategy proceeded successfully. Atria Group's net sales increased by nearly EUR 53 million year-on-year. EBIT improved by around EUR 9 million. One corporate acquisition was carried out in 2020: Atria acquired the entire share capital of Domretor Oy, a contract manufacturer in the food industry. Domretor Oy has been an associated company of Atria since 2013, when Atria acquired a 24.9% of Domretor's shares.

Atria's balance sheet and financial position were good during the review period. Free cash flow was EUR 59.0 million (EUR 51.0 million).



### THE HEALTHY GROWTH STRATEGY PERIOD 2016–2020

Atria's Healthy Growth strategy period concluded at the end of 2020. Its key objectives were to improve profitability, accelerate growth and increase shareholder value systematically over the long term. Atria's goal was to grow mainly organically, by developing and expanding its existing business operations. The company sought to drive growth by developing new product segments and expanding into new market areas.

Alongside organic growth, Atria actively identified opportunities for acquisitions and other arrangements generating healthy growth.

The Healthy Growth strategy was led through three main themes:

1. Commercial excellence
2. Efficiency
3. Atria's Way of Work

The most important successes by theme during the 2016–2020 strategy period were as follows:

1. Commercial excellence
  - Product and packaging innovations, including entirely new type of packaging for minced meat.
  - The first pork exports to China and the increase of exporting.
2. Efficiency
  - The commissioning of the new pig-cutting plant representing world-class technology in 2017. The new investment has improved the pig-cutting plant's productivity and the entire pork production chain's competitiveness.
  - Significant investments in the development of Atria Sweden's poultry business.
  - Investments in the development of the company's own feed production.
  - Initiation of the planning and implementation of Atria Finland's new poultry plant investment.
3. Atria's Way of Work
  - Placing responsibility at the core of the business strategy and initiating the Responsible Atria programme with the aim of achieving a carbon-neutral food chain by 2035.
  - Building Finland's biggest solar power park next to Atria's Nurmo plant.
  - The launch of the Safely Home from Atria occupational safety and health programme and a significant reduction in the number of occupational accidents.
4. Conclusion of corporate acquisitions
  - The acquisition of Lagerberg i Norjeby AB, Well-Beef Ltd. and Domretor Oy.

The strategy revision project was launched in late 2019, and the new strategy was published in the autumn of 2020.



### New strategy: The Winning Northern European Food Company

The new strategy was completed in the autumn of 2020 and its communication was launched in October 2020.

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
- 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 food service channel and private labels is also increasing. The uncertainty in the markets over the past year has had an impact of the food industry's outlook.

## REPORT BY THE BOARD OF DIRECTORS 1 JANUARY–31 DECEMBER 2020



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 pig in poultry
- expand in convenience foods
- strengthen in Food Service, including fast food
- grow profitably in Sweden
- optimize red meat
- drive next level in supply chain efficiency.

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

- EBIT ..... 5%
- Equity ratio: ..... 40%
- Return on equity: ..... 10%
- Capital distribution: ..... 50% of the profit for the period
- Growth above market

### Financial review 2020

Atria Group's full-year net sales amounted to EUR 1504.0 million (EUR 1451.3 million). EBIT was EUR 40.5 million (EUR 31.1 million). Atria Group's net sales increased due to good retail sector sales and exports. Sales to Food Service customers declined by roughly 20%

compared to the previous year. The Group's EBIT improved as a result of the growth in net sales, the good development of exports and lower costs..

The exceptional circumstances brought about by the coronavirus pandemic impacted Atria's operating environment as of the end of the first quarter. The national restrictions and recommendations related to restaurant activities and public food services had an impact on Atria's business. The opening hours and customer numbers of restaurants have been restricted, and the reduced travel and mobility of people has also decreased food sales in fast food restaurants and service stations.

The popularity of everyday meals sold to retail stores grew suddenly as people began preparing for the exceptional situation in late March. Sales volumes to fast food and Food Service customers declined considerably in April–May. Food Service sales began to increase alongside the gradual easing of the coronavirus restrictions and the market began to recover towards the end of the second quarter. Even so, it did not rebound to the level preceding the pandemic by the end of September. During the last quarter of the year, the restrictions were again tightened, which reduced sales to Food Service customers. Sales to the retail sector have been significantly higher than in the year before.

The shift to exceptional circumstances in Atria's operations was carried out rapidly so that the company was able to remain operational. The uninterrupted continuance of operations and ensuring the delivery reliability of products were Atria's primary tasks, in addition to ensuring the personnel's health and working capacity. The production plants adopted new practices aiming to prevent the spread of a possible viral infection. The special arrangements are still in use and have incurred extra costs. On the other hand, the shift to remote working and the end of business travel have accumulated savings. Atria has been successful in its objective of ensuring the personnel's health and working capacity and maintaining the delivery reliability of products.

Atria Finland's full-year net sales were EUR 1,066.3 million (EUR 1,033.8 million). The increase in net sales was attributable to increased sales to the retail sector and export customers. The sales of Food Service products declined by 20% compared to the year before due to coronavirus restrictions. The company's EBIT increased to EUR 43.1 million (EUR 40.0 million). The increase in EBIT was attributable to increased net sales, the good development of exports and improved productivity. The coronavirus pandemic has resulted in extra costs, but their negative impact on the result was mitigated by a reduction in the statutory pension insurance contribution. In October, Atria confirmed the decision to build a new poultry plant in Nurmo. The investment is the largest in Atria's history and extremely important to the company. The value of the investment is approximately EUR 155 million, and it will increase Atria Finland's poultry production capacity by approximately 40%.

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Atria Sweden's net sales were EUR 300.8 million (EUR 289.4 million). Net sales grew by 3.1% in local currency compared to the corresponding period the year before. The coronavirus restrictions had a negative impact on the Food Service and fast food business. On the other hand, sales to the retail sector grew considerably. This had a positive effect on the full-year net sales. The good sales of poultry products strengthened net sales. EBIT was EUR -2.0 million (EUR -6.1 million). EBIT was burdened by decreased sales to fast food and Food Service customers. In addition, the coronavirus pandemic resulted in extra costs. Their impact on the result was mitigated by the compensation for sick leaves paid by the state. Improved efficiency, lower costs and the strengthening of the Swedish krona improved profitability. EBIT for the comparative period includes EUR 1.4 million of costs related to personnel arrangements.

Atria Denmark & Estonia's full-year net sales were EUR 106.8 million (EUR 96.6 million). EBIT was EUR 5.3 million (EUR 4.4 million). The growth in net sales was attributable to a strong increase in sales to the retail sector in both Estonia and Denmark. The price increases implemented during the first half of the year improved net sales.

Atria Russia's net sales were EUR 66.7 million (EUR 73.8 million). Net sales grew by 3.0% in local currency. EBIT was EUR -2.9 million (EUR -4.0 million). Sales to the retail sector were significantly higher than in the year before. Sales of the Casademont products grew strongly throughout the review period. Sales of Food Service products declined due to the coronavirus restrictions, but recovered during the fourth quarter. The growth in EBIT was the result of increased net sales and a better sales structure.

### Events after the period under review

After the review period, Atria concluded the sale of its Russian subsidiary Pit-Product to Limited Liability Company Agricultural Complex Mikhailovskiy, which belongs to the Cherkizovo Group. Cherkizovo is Russia's leading meat products manufacturer and a listed company on the Moscow Stock Exchange since 2006. OOO Pit-Product is a wholly owned subsidiary. Atria has owned the company since 2005. At the end of 2020, the company had approximately 700 employees. The company produces food products for the retail and Food Service channels and owns the Gorelovo and Sinyavino plants. The sale transaction does not include Atria Russia's subsidiary Sibylla Rus LLC, which conducts fast food business in Russia. The transaction is expected to close during the first half of 2021. The transaction is subject to the approval of the Russian Competition Authority. The impact of the divested business on Atria Group's net sales is approximately EUR 35 million. The business has been loss-making.

The amount of accumulated translation differences related to Pit-Product on December 31, 2020 was EUR -45 million. The translation difference has arisen from exchange rate changes during Pit-Product's ownership. Atria acquired Pit-Product in 2005. At that time, the exchange rate of the Ruble against the euro was about 34 and at the end of 2020 about 92. Upon divestment of a foreign subsidiary, the accumulated translation differences

related to that subsidiary, presented already earlier in equity, are recognized in profit or loss. As the accumulated translation differences already reduce the Group's equity, this entry will not have an effect on the Group's equity nor cash flow. Translation differences are not recognized until the final completion of the transaction. The final purchase price will be determined at the closing of the transaction and the divestment is not expected to have any other significant effect on the consolidated result.

After the review period, Atria announced the launch of an investment plan to reorganise Atria Sweden's production lines and to increase productivity. The investment is estimated to total around EUR 30 million. The investment plan will thoroughly investigate the reorganisation of production lines, potential transfers and investment needs related to the construction of new production lines. The project will involve assessing the option of moving production from the Malmö plant to the Sköllersta plant. After the planning phase, the implementation of the investment will be decided on. If implemented, the project is expected to be fully completed during 2023.

### Key performance indicators

EUR million	2020	2019	2018
Net sales	1,504.0	1,451.3	1,438.5
EBIT	40.5	31.1	28.2
EBIT, %	2.7	2.1	2.0
Earnings per share, EUR	0.81	0.54	0.58
Dividend/share, EUR	0.50	0.42	0.40
Dividend/profit, %	61.4	78.4	68.8
Return on equity, %	5.7	3.9	4.1
Equity ratio, %	46.8	46.9	47.7
Net gearing, %	43.6	51.6	52.1

### Financing and liquidity

Interest rates for the euro and the Swedish krona – Atria's key currencies – remained on a low level throughout 2020. Euro-denominated short-term Euribors and 1–7-year long-term interest rates were negative throughout the review period. Sweden's short-term Stibor rates fluctuated on both sides of zero over the year, but the longer-term SEK rates fluctuated between 0–1%. The coronavirus pandemic resulted in significant changes in the financial markets. Liquidity in short-term commercial paper markets declined significantly and the availability of financing became more uncertain as many companies wanted to increase their cash funds at the same time as investors became more cautious and some investors pulled out of the market altogether for a certain period of time. Atria nevertheless managed to refinance its maturing commercial papers with new ones. The pandemic also had an

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effect on longer-term loan markets. Banks shortened the maturities of the loans granted and increased margins due to the increased risks attributable to the pandemic.

In September, Atria refinanced a EUR 30 million loan, which would have matured in June 2022, with a new EUR 30 million seven-year bullet loan. 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 actively for short-term financing. The Group's net interest rate expenses continued to decrease and were EUR 4.5 million (31 December 2019: 5.6 million).

At the end of the financial period, fixed-interest debts represented 16.7% (31 December 2019: 16.0%) of the Group's entire debt portfolio.

### Research and product development

Atria's main product groups are fresh and consumer-packed meat, poultry products, convenience foods and meat products, such as sausages and cold cuts. 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 connective qualitative data.

Atria Finland has a high level of market intelligence and the company aims to improve the usability of this intelligence continuously for the processes of product development, sales and marketing. From the perspective of the entire Finnish food industry, one could say that the level and structure of the food service market intelligence lags considerably behind the retail sector intelligence. During 2020, Atria developed studies aiming for a better understanding of particularly the food service market. Atria's chef barometer (Kokkibarometri), completed in late 2020, sheds an entirely new light on the perceptions and experiences of restaurant professionals in the food service market.

Atria Finland launched more than 80 new products in 2020. New products represented 5.6% of total product sales in 2020. The seasoning packets, brought to the market in time for summer, made meat easier to marinate and also reduced the carbon footprint of the packaging. In the autumn, the Artesaani ready-to-eat meals, composed of high-quality ingredients, the one-pan chicken requiring 15 minutes of cooking and the strips of the Murea & Nopea product family made busy everyday life slightly easier. Atria Finland was the first meat processing company to furnish the consumer packaging of its poultry products

with a label on each product's carbon footprint. The first products to carry a carbon-footprint label were poultry products from the Alatalo farm, and they were brought to stores in December 2020. Atria Finland's consumer packaging will also begin to carry, in phases, easy-to-read recycling instructions which will help consumers sort and recycle product packaging in the correct way.

Atria Sweden brought 126 new brand products to the market in 2020. These products represented 3.4% of net sales. All new products, including private label products, accounted for 4.0% of total sales. The most successful new products in 2020 were the Lönneberga poultry products. The adjustment of the food service 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 62 new products.. Atria holds an approximately 17% market share in the product category of cold cuts in Denmark. In 2020, Atria introduced 11 new brand products in Denmark's retail sector. Atria Denmark's most successful new product in 2020 was Aalbæk Specialiteter's sliced beef salami. In Denmark, new products represented 6.0% of total product sales.

In 2020, Atria brought 51 new products to the Estonian market. This represents 7.3% of total sales. The most significant investment in product innovations was the replacement of the traditional minced meat packaging with new environmentally friendly packaging. Thanks to the new minced meat packaging, the amount of packaging material reduced by around 53 tonnes and increased minced meat sales by 43%. In terms of product development, the main focus was on expanding the product categories for healthy food and convenience food. The product range was complemented with poultry products and deep-fried ready-to-eat products, for example.

Atria Russia launched 43 new products in 2020. Most of the new products were food service products. The product range aimed at retail sector customers was expanded primarily with the Casademont products. The soft Sobrasada sausage and the quality snack product Bocaditos are examples of an entirely new type of product in Russia's meat product market. The Sibylla brand was also expanded with new products, including tortillas, ready-to-eat hot dogs and helix-shaped grill sausages. The sales of new products accounted for 5.1% of total sales in 2020.

Percentage of net sales spent on research and product development in Atria Group in 2018–2020:

	2020	2019	2018
Research and product development	15.0	15.3	13.7
% of net sales	1.0%	1.1%	1.0%

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### Business risks during the review period and short-term risks

The coronavirus (COVID-19) pandemic was Atria's most significant risk in 2020. The social, market economy and public health impact of the pandemic has been visible in Atria's operations since March 2020. The risk's significance has varied both in terms of business areas and seasons. The news concerning the vaccines received during the fourth quarter did not yet have the chance to reduce the risk. Instead, the virus's capacity for mutation resulted in increased coronavirus restrictions and protective measures in some countries.

Throughout the pandemic, Atria has invested in ensuring its employees' health and working capacity as well as in maintaining production reliability. Atria's different units have adjusted their operations according to the changed circumstances and product demand.

Although Atria has incurred some extra costs due to hygiene requirements and the adjustment of operations, the impact on the result and cash flow has been moderate. The company's financial position has also remained good.

Governments have stimulated the economy with support measures and stimulus packages during the pandemic. In Finland, Atria's operations were supported by a 2.6% reduction in the employer's pension insurance contributions during the period between 1 May – 31 December 2020. In Sweden, the state compensated companies for sick leaves. The vaccination programmes in different countries got underway in early 2021. The duration of these programmes, the efficacy of various vaccines and the virus's capacity for rapid mutation nevertheless mean that forecasting the pandemic's effects on Atria's 2021 result, balance sheet and cash flow is still difficult.

Atria's normal food production risks pertain to the quality, availability, safety and price of its raw materials and products. The African swine fever occurring in a number of European countries as well as in China and Russia has had an impact on the price as well as the demand and supply of pork around the world. Given that there is a risk of the African swine fever spreading to Finland, Atria has implemented measures aiming to prevent its spread in its own production plants and contract production farms. The cases of avian influenza found in Europe in late 2020, on the other hand, resulted in uncertainty in poultry markets.

Information security issues became the subject of increasing public debate during the second half of 2020. Atria's operations could also become the target of spoofing, hacking or data leakages. The company aims to prevent and protect itself against these risks by systematic monitoring and measures aiming to improve information security.

Atria's personnel is a vitally important resource for the company. Personnel risks are managed with the help of training and preventive measures investing in the safety of work and the personnel's healthcare. These measures aim to ensure the personnel's well-being and competence as well as the implementation of Atria's strategy and the achievement of its goals.

### 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.

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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, 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.	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.
The quality of raw materials and products and safety in the entire production chain are of primary importance to Atria.	<p>Atria ensures the safety of its production processes every day and checks that various microbiological, chemical and physical risk factors are eliminated.</p> <p>Product safety is ensured in accordance with operating methods required by food safety management and quality certifications.</p> <p>The chickens and pigs on Atria Family Farms are raised without antibiotics. The name of the Family Farm – that is, the origin of the meat – is indicated on the product packaging.</p>
<p>Food consumption and production has an environmental impact.</p> <p>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.</p> <p>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.</p>	<p>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</p> <p>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 industry operators. In addition, Atria requires its partners to operate in an environmentally responsible manner.</p> <p>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.</p> <p>In addition to ensuring that its operations meet the statutory requirements, Atria promotes the development and adoption of new technologies.</p>
<p>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.</p> <p>Animal diseases may also result in export and import restrictions imposed on meat products.</p>	<p>Atria ensures animal welfare with quality requirements pertaining to production and purchasing contracts.</p> <p>Atria's multi-stage self-monitoring aims to detect potential hazards related to animal health and welfare as early as possible.</p> <p>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.</p>

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### 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 change in the operations of an individual customer may have a bigger impact on Atria's operations.	In risk management, Atria makes use of its good customer cooperation, 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 animal diseases 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, 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 invests in employee development and training through a wide range of training opportunities. 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.

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### 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.

### Liability risks

Risk description	Risk management
Unforeseeable liability risks at Atria's production plants in Finland, Sweden, Denmark, Estonia or Russia 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. Note 29 to the financial statements contains more detailed information on Atria's management of financial risks.

Atria's risk management has mapped risks related to human rights, corruption and bribery. None of these risks have been detected or materialised in Atria's operations. To prevent risks of this kind in the future as well, Atria maintains partnership principles and a purchasing policy. The implementation of these principles and the policy are monitored with the help of assessments and audits. The personnel is also trained to identify and report such risks.

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### 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	Member	Term ends in
• Juho Anttiloski	2022	• Risto Lahti	2023
• Mika Asummaa	2022	• Ari Lajunen	2021
• Lassi-Antti Haarala	2021	• Vesa Lapatto	2023
• Jyrki Halonen	2022	• Juha Nikkola	2022
• Jussi Hantula	2021	• Mika Niku	2021
• Veli Hyttinen	2023	• Heikki Panula	2022
• Pasi Ingalsuo	2023	• Ari Pöyhönen	2022
• Jussi Joki-Erkkilä	2021	• Risto Sairanen	2023
• Marja-Liisa Juuse	2021	• Ola Sandberg	2021
• Juha Kiviniemi	2023	• Timo Tuhkasaari	2023
Total of 20 members			

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

The AGM decided that the Board of Directors would consist of eight (8) members. Seppo Paavola and Jukka Moisio, whose terms were due to expire, were re-elected as members of the Board of Directors. Jukka Kaikkonen was elected to join the Board of Directors as new member. The AGM acknowledged that Nella Ginman-Tjeder, Pasi Korhonen, Kjell-Göran Paxal, Ahti Ritola and Harri Sivula will continue as members of the Board of Directors. When the 2021 Annual General Meeting comes to an end, the terms of Board members Kjell-Göran Paxal, Ahti Ritola and Harri Sivula are due to expire, and the terms of Board members Nella Ginman-Tjeder and Pasi Korhonen are due to expire at the close of the 2022 AGM. Pasi Korhonen was elected Deputy Chair of the Board of Directors.

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
• Jukka Moisio	2023
• Seppo Paavola	2023
• Kjell-Göran Paxal	2021
• Ahti Ritola	2021
• Harri Sivula	2021

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 Hyrynen, Executive Vice President, Atria Russia business area
- 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 separate Corporate Governance Statement.

### Composition of the nomination committee

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

- Jyrki Halonen, Farmer, representative of Lihakunta
- Ahti Ritola, Farmer, representative of Itikka Co-operative
- Ola Sandberg, Farmer, representative of Pohjanmaan Liha
- Timo Sallinen, Head of Equity Investments (listed investments), representative of Varma Mutual Pension Insurance
- Seppo Paavola, Agrologist, Expert Member, Chair of Atria Plc's Board of Directors.

The Nomination Committee elected Jyrki Halonen as Chair from among its members.

### Personnel, on average

FTE	2020	2019	2018
Atria Finland	2,398	2,333	2,321
Atria Sweden	814	840	847
Atria Denmark & Estonia	439	435	423
Atria Russia	793	846	869
Group total	4,444	4,454	4,460

Salaries and benefits for the period, Group total (EUR million)	199.1	194.6	191.5
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### Incentive schemes for management and key personnel

#### Long-term share-based incentive scheme 2018–2020

In 2017, Atria Plc's Board of Directors decided on the long-term incentive scheme for key personnel for 2018–2020. The share-based incentive scheme aimed 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, based on a shares and a cash bonus, is divided into three one-year periods. The third earning period began on 1 January 2020 and ended on 31 December 2020. The possible bonus in the scheme is based on the company's earnings per share (70%) and organic growth (30%). The bonuses for the 2020 earning period are paid in three equal instalments in 2021, 2022 and 2023, partly as company 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. 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 bonuses to be paid for the 2020 earning period are estimated at EUR 0.9 million.

#### The concluded long-term incentive scheme

Payments for the 2015–2017 earning period were based on the Group's earnings per share (EPS), excluding extraordinary items. The cash bonuses payable under the scheme for the 2015–2017 earning period were capped at EUR 4.5 million. The scheme ended on 31 December 2017, and it covered a maximum of 45 people, including the CEO, the Group's Management Team and the management teams of the business areas. The bonuses accrued for the 2015–2017 earning period totalled EUR 2.1 million. The final bonus instalment was paid in March 2020 and it amounted to EUR 0.2 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.

#### New long-term incentive scheme for 2021–2023

Atria Plc's Board of Directors has decided on a long-term incentive scheme for key personnel for 2021–2023. The scheme is basically identical to the scheme for 2018–2020. The new scheme, based on a shares and a cash bonus, is divided into three one-year periods, with the first earning period beginning on 1 January 2021 and ending 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. 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 new incentive scheme aims to encourage Atria's management to acquire company shares and to enhance the company's long-term increase in value by their decisions and activities.

#### Outlook for 2021

Atria Group's adjusted EBIT in 2021 is expected to be EUR 37–43 million (EUR 40.5 million). The adjusted EBIT is determined by adjusting the EBIT recognised in the income statement for items materially affecting 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. If materialised, the translation difference recognised as a result of the disposal of OOO Pit-Product would be such an item with an effect on the result. The translation differences related to Pit-Product accumulated by 31 December 2020 were approximately EUR -45 million. The recognised translation differences depend on the development of the exchange rate of the Russian rouble and they will be recognised when the deal is closed.

Atria operates mainly in retail and food service markets in Finland and Sweden. Significant and sudden changes in the global meat market are having an increasingly strong impact on the company's development, in addition to reducing predictability.

The consumption of poultry is expected to further increase, while the consumption red meat is expected to decrease slightly. Atria has increased its export of meat, and pork exports to China, for example, are expected to continue to grow in 2021.

The coronavirus pandemic which emerged in 2020 and was still present at the beginning of 2021 has resulted in strong and rapid changes in the food industry's operating environment. This has made forecasting of the company's development more difficult. Direct impacts on Atria's business include the national restrictions imposed on restaurant activities and public food services, which reduce sales to Food Service customers. The importance of everyday meals has grown during the pandemic. Any possible deterioration in consumers' purchasing power would also have an impact on grocery purchases and could prove unfavourable in terms of the sales of Atria's products.

## REPORT BY THE BOARD OF DIRECTORS 1 JANUARY–31 DECEMBER 2020

### Flagging notifications

Atria Plc did not receive any flagging notifications in 2020.

### Atria Plc's share capital

The parent company's share capital is distributed as follows:

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

Series A 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 2020, the company held a total of 105,311 treasury shares, representing 0.4% 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 3,429.

Information about shareholding distribution, shareholders and management holdings are provided under "Shares and shareholders" on pages 61–62.

### 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 26 April 2019 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 2021, whichever is first.

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

The Board is also authorised to decide on all terms and conditions of the share issue and the granting of special rights in accordance with chapter 10, section 1 of the Limited Liability Companies Act. The authorisation thus also includes the right to issue shares in a proportion other than that currently held by the shareholders under the conditions provided by law, the right to issue shares against or without payment and the right to decide on a share issue to the company itself without payment – subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company. The authorisation supersedes the share issue authorisation granted by the AGM on 26 April 2019 to the Board of Directors, and it is valid until the closing of the next AGM or until 30 June 2021, 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 2020 comprises the invested unrestricted equity fund of EUR 248,689,011.85, the treasury share fund of EUR -1,206,047.82 and profits of EUR 20,277,705.52, of which profit for the period totals EUR 12,666,206.60. The parent company's result for the period includes EUR 27,000,000.00 in impairment recognised for subsidiary shares (Atria-Invest Oy).

## REPORT BY THE BOARD OF DIRECTORS 1 JANUARY–31 DECEMBER 2020

The Board of Directors will propose to the Annual General Meeting that the distributable funds be used as follows:

• a dividend of EUR 0.50 per share be paid, totalling EUR	14,087,771.50
• to be retained as equity, EUR	253,672,898.05
	267,760,669.55

## 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 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 leader 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 sustainable business operations

Compliance with healthy and sustainable business practices lays the foundation for Atria's operations. The Atria Code of Conduct is a set of ethical principles concerning business operations, stakeholder relations and environmental responsibility, approved by Atria Plc's Board of Directors. The Code of Conduct is supported by internal 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 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

## REPORT BY THE BOARD OF DIRECTORS 1 JANUARY–31 DECEMBER 2020

- 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 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 during 2020.

### 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.

### Energy

Sustainable, efficient energy use reduces carbon dioxide emissions, which facilitate climate change. Atria Group's energy consumption in 2020 was 514,976 MWh. Consumption decreased by 1.3%, and consumption per kilo produced decreased by 2.8% year-on-year. The decrease in energy consumption was the result of a growth in the share of biofuels at Atria's plant in Nurmo, Finland, and a general decrease in consumption achieved through energy efficiency measures, particularly in terms of heating energy. Atria Group's carbon dioxide emissions have decreased by 27% from the 2016 level. The decrease in carbon dioxide emissions was due to the increased use of renewable energy sources, such as increasing the share of bio-based fuels in heat production.

### 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 2020 was 3,020,256 m<sup>3</sup>. Consumption decreased by 1%, and consumption per kilo produced decreased by 2% compared to 2019. 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 2020, 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 leaks were reported, no warnings were issued by the authorities, and no coercive measures were imposed in the reporting period.

## REPORT BY THE BOARD OF DIRECTORS 1 JANUARY–31 DECEMBER 2020

### PRODUCT

#### Origin

Atria's food is ethically produced, pure and safe. The production chain is open and transparent. Atria is aiming for a fully transparent food chain, where consumers and other parties can be provided with information about the origin of all the raw materials, ingredients and packaging materials that we use.

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

Environmental considerations related to food production are continuously subject to public debate. Atria wants to lead the way in proving that meat can still be an ethically sustainable choice for consumers as part of well-balanced diets. In the development of sustainable primary production, Atria invests in animal welfare, animal disease management and the development of feeding solutions in cooperation with meat producers, industry experts and research institutions, for example.

The good treatment of production animals and animal welfare are key operating principles for Atria. In its operations, Atria complies with the laws related to the treatment and slaughter of animals. More detailed information about this is provided in Atria's Corporate Responsibility Report. Tuoretie Oy is responsible for Atria Finland's animal transport operations and compliance with the related laws. These aspects are also reported in more detail in the Corporate Responsibility Report.

#### Safety

If materialised, a product safety risk could have fatal consequences for people's 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 2020, no serious shortcomings in operating methods were detected that could compromise food safety and result in fines or coercive measures imposed by the authorities. In 2020, Atria had to carry out five product recalls. Two in Finland, two in Sweden and one in Estonia. No recalls were necessary in Denmark and Russia.

More detailed information about Atria's principles and results concerning the origin and safe production of food is provided in the Corporate Responsibility Report, starting from page 27

### 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 42.

#### 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 2020, Atria Group continued to implement the Safely Home from Atria occupational safety programme. Employees' well-being improved in 2020, confirmed by sickness absence levels and accident frequency rates.

Further information about Atria's responsibility for people is provided in the Corporate Responsibility Report, starting from page 29.

## ATRIA PLC'S SHAREHOLDERS AND SHARES

## BREAKDOWN OF SHAREHOLDINGS

Shareholders by number of shares held on 31 Dec 2020

Number of shares	Shareholders	Shares	
	Number of	% 1,000 shares	%
1–100	6,679	45.74	317
101–1,000	6,694	45.84	2,413
1,001–10,000	1,150	7.88	2,785
10,001–100,000	67	0.46	1,557
100,001–500,000	6	0.04	873
500,001–1,000,000	4	0.03	2,996
1,000,001–	3	0.02	17,328
Total	14,603	100.00	28,268
			100.00

Shareholders by sector on 31 Dec 2020

Shareholder type	Shareholders	Shares	
	Number of	% 1,000 shares	%
Companies	422	2.89	18,054
Financial and insurance institutions	24	0.16	1,479
Public corporations	6	0.04	657
Non-profit organisations	88	0.60	329
Households	14,024	96.04	5,725
Foreign owners	39	0.27	11
Total	14,603	100.00	26,255
Nominee-registered, total		2,013	7.12

## INFORMATION ABOUT SHAREHOLDERS

Major shareholders on 31 Dec 2020

	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
Nordea Bank Abp <sup>*)</sup>		1,007,795	1,007,795	3.57
Mandatum Life Insurance Company Limited		902,578	902,578	3.19
Skandinaviska Enskilda Banken AB <sup>*)</sup>		818,998	818,998	2.90
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Varma Mutual Pension Insurance Company		524,640	524,640	1.86
Oy Etra Invest Ab		300,000	300,000	1.06
The estate of Sofia Margareta von Julin		135,000	135,000	0.48
Elo Mutual Pension Insurance Company		126,289	126,289	0.45

\*) Nominee registered

Major shareholders by voting rights on 31 Dec 2020

	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
Nordea Bank Abp <sup>*)</sup>		1,007,795	1,007,795	0.91
Mandatum Life Insurance Company Limited		902,578	902,578	0.81
Skandinaviska Enskilda Banken AB <sup>*)</sup>		818,998	818,998	0.74
Varma Mutual Pension Insurance Company		524,640	524,640	0.47
Oy Etra Invest Ab		300,000	300,000	0.27
The estate of Sofia Margareta von Julin		135,000	135,000	0.12
Elo Mutual Pension Insurance Company		126,289	126,289	0.11

\*) Nominee registered

## ATRIA PLC'S SHAREHOLDERS AND SHARES

### MANAGEMENT'S SHAREHOLDING

On 31 December 2020, 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 80,739 series A shares, or 0.29% of the shares and 0.07% of the voting rights conferred by shares.

### MONTHLY TRADING VOLUME OF SERIES A SHARES IN 2020

Month	Trading, EUR	Trading, shares	Monthly lowest	Monthly highest
January	5,928,252	583,807	9.60	10.86
February	4,865,610	518,213	8.20	10.14
March	6,351,985	791,486	7.13	8.86
April	4,840,546	520,405	8.16	10.40
May	2,401,271	271,444	8.41	9.39
June	2,313,879	266,194	8.40	8.95
July	2,150,295	243,777	8.50	9.20
August	1,335,221	156,375	8.47	8.79
September	1,993,290	233,823	8.42	8.67
October	4,010,556	431,774	8.62	10.00
November	3,276,358	348,533	8.82	10.08
December	2,290,058	233,447	9.56	10.04
Total	41,757,321	4,599,278		

### CHANGES IN THE SERIES A SHARE PRICE 2016–2020 (AVERAGE PRICE)



## REPORT BY THE BOARD OF DIRECTORS 1 JANUARY–31 DECEMBER 2020

## FINANCIAL INDICATORS

EUR million	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Net sales	1,504.0	1,451.3	1,438.5	1,436.2	1,351.8
EBIT	40.5	31.1	28.2	40.9	31.8
% of net sales	2.7	2.1	2.0	2.8	2.3
Financial income and expenses	-4.5	-5.6	-6.2	-7.3	-6.3
% of net sales	-0.3	-0.4	-0.4	-0.5	-0.5
Profit before taxes	37.3	26.2	22.3	35.5	26.1
% of net sales	2.5	1.8	1.6	2.5	1.9
Return on equity (ROE), %	5.7	3.9	4.1	6.7	4.7
Return on investment (ROI), %	7.2	5.3	5.0	7.3	5.9
Equity ratio, %	46.8	46.9	47.7	47.5	46.5
Interest-bearing liabilities	218.1	228.3	227.2	214.3	217.8
Gearing, %	49.7	52.6	53.1	49.8	51.6
Net gearing, %	43.6	51.6	52.1	49.0	50.5
Gross investments	45.6	40.1	44.5	53.9	82.9
% of net sales	3.0	2.8	3.1	3.8	6.1
Average number of personnel	4,444	4,454	4,460	4,449	4,315
Research and development costs	15.0	15.3	13.7	12.9	13.1
% of net sales <sup>*)</sup>	1.0	1.1	1.0	0.9	1.0
Order stock <sup>**)</sup>	-	-	-	-	-

<sup>\*)</sup> Recognised in total as expenditure for the financial year.

<sup>\*\*)</sup>  Not a significant indicator as orders are generally delivered on the day following the placement of the order.

## SHARE ISSUE-ADJUSTED INDICATORS PER SHARE

EUR million	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Earnings per share (EPS), EUR	0.81	0.54	0.58	0.92	0.65
Shareholders' equity/share, EUR	14.96	14.85	14.69	14.81	14.49
Dividend/share, EUR <sup>*)</sup>	0.50	0.42	0.40	0.50	0.46
Dividend/profit, % <sup>*)</sup>	61.4	78.4	68.8	54.4	71.2
Effective dividend yield, % <sup>*)</sup>	5.1	4.2	6.1	4.1	4.0
Price/earnings (P/E)	12.1	18.7	11.3	13.2	17.8
Market capitalisation	278.4	283.8	186.0	342.3	324.8
Market capitalisation A series	187.8	191.4	125.4	230.9	219.0
Share turnover/1,000 shares A series	4,599	3,831	5,696	3,381	3,313
Share turnover %, series A	24.1	20.1	29.9	17.7	17.4
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

<sup>\*)</sup> Board of Directors' proposal for 2020 to be submitted to the Annual General Meeting on 29 April 2021

## Share price development, series A (EUR)

Lowest of the period	7.13	6.61	6.42	10.11	7.61
Highest of the period	10.83	10.04	13.48	12.96	12.22
At the end of the period	9.85	10.04	6.58	12.11	11.49
Average rate during the period	9.08	8.28	9.58	11.47	9.49

## GROUP'S FINANCIAL INDICATORS

## 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

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

## Gross investments

- = Investments in tangible and intangible assets, including acquired businesses

## Free cash flow

- = Cash flow from operating activities - Cash flow from investments

## FTE

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

## Return on equity (%)

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

## Return on investment %

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

## Equity ratio (%)

$$= \frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{advance payments received}} * 100$$

## Interest-bearing liabilities

- = Loans + lease liabilities

## Gearing (%)

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

## Net interest-bearing liabilities

- = Interest-bearing liabilities - cash and cash equivalents

## Net gearing (%)

$$= \frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents}}{\text{Shareholders' equity}} * 100$$

## Earnings per share (basic)

$$= \frac{\text{Profit for the period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$$

## 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 (%)

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

## Effective dividend yield (%)

$$= \frac{\text{Dividend/share}}{\text{Closing price at the end of the accounting period}} * 100$$

## Price/earnings (P/E)

$$= \frac{\text{Closing price at the end of the accounting period}}{\text{Earnings per share}}$$

## Average price

$$= \frac{\text{Overall share turnover in euro}}{\text{Undiluted average number of shares traded during the financial period}}$$

## Market capitalisation

$$= \frac{\text{Number of shares at the end of the financial period}}{\text{* closing price on 31 Dec}}$$

## Share turnover (%)

$$= \frac{\text{Number of shares traded during the accounting period}}{\text{Undiluted average number of shares}} * 100$$

## IFRS FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

	EUR 1,000	Note	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
Net sales		1, 2	1,504,036	1,451,273
Costs of goods sold		7, 8	-1,337,715	-1,288,547
<b>Gross profit</b>			<b>166,321</b>	<b>162,726</b>
Sales and marketing expenses		3, 7, 8	-77,708	-84,309
Administrative expenses		4, 7, 8	-45,702	-44,006
Impairment losses from financial assets and contractual assets		20	-456	-1,196
Other operating income		5	3,226	3,247
Other operating expenses		6, 8	-5,140	-5,349
<b>EBIT</b>		1	<b>40,540</b>	<b>31,113</b>
Financial income		9, 29	16,682	11,277
Financial expenses		9, 25, 29	-21,157	-16,832
Net financial items			<b>-4,475</b>	<b>-5,555</b>
Income from investments accounted for using the equity method		16	1,193	625
<b>Profit/loss before taxes</b>			<b>37,257</b>	<b>26,183</b>
Income taxes		10, 18	-12,589	-9,223
<b>Profit for the period</b>			<b>24,668</b>	<b>16,960</b>
<b>Profit attributable to:</b>				
Owners of the parent			22,915	15,086
Non-controlling interests			1,753	1,874
<b>Total</b>			<b>24,668</b>	<b>16,960</b>
Basic earnings per share, EUR		11	0.81	0.54
Earnings per share adjusted by the dilution effect, earnings per share, EUR		11	0.81	0.54

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	EUR 1,000	Note	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
<b>Profit for the period</b>			<b>24,668</b>	<b>16,960</b>
<b>Other items of comprehensive income after tax:</b>				
Items not reclassified to profit or loss				
Actuarial gains/losses from benefit-based pension obligations		10, 26	-144	-531
Items reclassified to profit or loss when specific conditions are met				
Changes in the fair value of debt instruments recognised at fair value through other comprehensive income				
Cash flow hedges		9, 10, 29	-1,477	-3,570
Translation differences		9, 10, 29	-6,822	4,576
<b>Total comprehensive income for the period</b>			<b>16,225</b>	<b>17,435</b>
<b>Comprehensive income distribution for the financial period:</b>				
Owners of the parent			14,472	15,561
Non-controlling interests			1,753	1,874
<b>Total</b>			<b>16,225</b>	<b>17,435</b>

The notes on pages 69–102 are an integral part of the consolidated financial statements.

## IFRS FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS, EUR 1,000	Note	31 Dec 2020	31 Dec 2019
<b>Non-current assets</b>			
Property, plant and equipment	12	395,493	398,081
Biological assets	13	610	694
Right-of-use assets	14	33,697	33,303
Goodwill	15	164,829	160,779
Other intangible assets	15	83,932	84,677
Investments in joint ventures and associates	16, 31, 34	14,479	15,036
Other financial assets	17, 29	1,201	1,198
Trade receivables, loans and other receivables	20, 29	4,638	5,216
Deferred tax assets	10, 18	1,481	4,048
<b>Total</b>	<b>32</b>	<b>700,360</b>	<b>703,032</b>
<b>Current assets</b>			
Inventories	19	102,893	110,192
Biological assets	13	3,639	4,099
Trade and other receivables	20, 29, 32	104,682	104,558
Current tax assets		1,386	2,418
Cash and cash equivalents	21, 29	26,576	4,395
<b>Total</b>	<b>32</b>	<b>239,176</b>	<b>225,662</b>
<b>Total assets</b>	<b>1</b>	<b>939,535</b>	<b>928,694</b>

EQUITY AND LIABILITIES, EUR 1,000	Notes	31 Dec 2020	31 Dec 2019
<b>Equity attributable to the shareholders of the parent company</b>			
Share capital		48,055	48,055
Treasury shares		-1,206	-1,246
Other funds		-1,310	170
Invested unrestricted equity fund		249,544	249,239
Translation differences		-62,668	-55,848
Retained earnings		190,407	179,506
<b>Total</b>	<b>10, 11, 18, 22, 23, 29</b>	<b>422,822</b>	<b>419,876</b>
<b>Non-controlling interests</b>		16,062	14,420
<b>Equity total</b>		<b>438,885</b>	<b>434,296</b>
<b>Non-current liabilities</b>			
Loans	24, 29	138,838	140,868
Lease liabilities	25	24,553	24,996
Deferred tax liabilities	10, 18	39,250	40,674
Pension obligations	26	7,185	6,817
Other liabilities	27, 29	1,799	7,028
Provisions	27	290	687
<b>Total</b>	<b>32</b>	<b>211,914</b>	<b>221,070</b>
<b>Current liabilities</b>			
Loans	24, 29	45,130	53,854
Lease liabilities	25	9,613	8,612
Trade and other payables	28, 31	233,914	210,182
Current tax liabilities		79	680
<b>Total</b>	<b>32</b>	<b>288,736</b>	<b>273,328</b>
<b>Total liabilities</b>	<b>1</b>	<b>500,651</b>	<b>494,398</b>
<b>Total equity and liabilities</b>		<b>939,535</b>	<b>928,694</b>

The notes on pages 69–102 are an integral part of the consolidated financial statements.

## IFRS FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

									Non-controlling interests	Equity total	
EUR 1,000	Note	Share capital	Treasury shares	Other funds	Invested unrestricted equity fund	Currency translation differences fund	Retained earnings	Total			
Equity on 1 Jan 2019		48,055	-1,277	3,740	249,211	-60,424	176,016	415,321	12,864	428,185	
Total comprehensive income for the period											
Profit for the period								15,086	15,086	1,874	16,960
Other comprehensive income											
Cash flow hedges	29				-3,570				-3,570		-3,570
Actuarial losses from pension liabilities	26							-531	-531		-531
Currency translation differences	9, 10					4,576		4,576			4,576
Transactions with owners											
Share of non-controlling interest related to acquisition of subsidiary	27						198	198			198
Share incentives	23		31		28			59			59
Distribution of dividend	22					-11,263	-11,263	-318	-318	-11,581	
Equity on 31 Dec 2019		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		-1,477
Actuarial losses from pension liabilities	26						-144	-144		-144	
Currency translation differences	9, 10				-2	-6,820		-6,822	-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	-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	

The notes on pages 69–102 are an integral part of the consolidated financial statements.

## IFRS FINANCIAL STATEMENTS

## CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	Note	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
<b>Cash flow from operating activities</b>			
Payments received from sales		1,500,417	1,450,391
Payments received from other operating income		3,019	3,154
Payments on operating expenses		-1,388,237	-1,350,639
Interest paid and payments on other operational financial expenses	9, 25	-18,799	-14,417
Interest payments received and other financial income	9	16,666	10,146
Direct taxes paid	10	-10,844	-10,146
<b>Cash flow from operating activities</b>		<b>102,221</b>	<b>88,489</b>
<b>Cash flow from investments</b>			
Investments in tangible and intangible assets		-40,840	-39,418
Acquired operations	32	-3,436	0
Increase (-)/decrease (+) in long-term loan receivables		673	2,317
Change in other investments		-149	-51
Dividends received		510	59
<b>Cash flow from investments</b>		<b>-43,242</b>	<b>-37,093</b>
<b>Cash flow from financing activities</b>			
Drawdown of long-term loans	24	37,000	581
Repayment of long-term loans	24	-41,717	-3,672
Increase (+)/decrease (-) in short-term loans	24	-8,311	-28,356
Share of capital in lease liabilities	25	-9,412	-8,500
Dividends paid	22	-11,938	-11,581
<b>Cash flow from financing activities</b>	10, 18	<b>-34,378</b>	<b>-51,528</b>

## CONSOLIDATED CASH FLOW STATEMENT

1 000 EUR	Note	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
<b>Change in cash and cash equivalents</b>			
Change in cash and cash equivalents		24,601	-132
Cash and cash equivalents at the beginning of the financial period		4,395	3,982
Effect of exchange rate changes on cash flows		-2,420	545
<b>Cash and cash equivalents at end of the financial period</b>	21	<b>26,576</b>	<b>4,395</b>

The notes on pages 69–102 are an integral part of the consolidated financial statements.

## 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](http://www.atria.com) and at the parent company's head office at Itikanmäenkatu 3, Seinäjoki, Finland; postal address: PO 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, European Russia and the Baltic countries. Atria's subsidiaries are also located in this area. Atria Group's reporting segments are Atria Finland, Atria Sweden, Atria Denmark & Estonia and Atria Russia.

The financial statements were approved for publication by the Board of Directors on 18 March 2021. According to the Finnish Limited Liability Companies Act, the shareholders are entitled to approve or reject the financial statements at the Annual General Meeting (AGM) to be held after the publication of the financial statements. The AGM can also decide to revise the financial statements.

## Accounting policies

### BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. The IAS and IFRS standards valid on 31 December 2020 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. The actual accounting policies are presented later in the "Consolidated Accounting policies" section.

#### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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 2021 has been taken into account 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 and, despite the exceptional circumstances, Atria has managed to refinance its maturing commercial papers with new ones. Cash and cash equivalents increased by approximately EUR 30 million during the first quarter, but were reduced to levels closer to normal during the second and third quarters.

### **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, employers were given a discount of 2.6% on their TyEL contributions during the period from 1 May to 31 December 2020. In Sweden, the state

reimbursed some of the salary costs and social security contributions for sick leaves caused by the coronavirus from 1 March to 31 December 2020. No grants or subsidies related to the COVID-19 pandemic were received in Atria's other business areas.

### **Acquired operations:**

During the review period, Atria Finland acquired the entire share capital of Domretor Oy. Because the assets and liabilities acquired in business combinations are measured at fair value at the time of acquisition, Atria's management has assessed 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. Deferred tax assets have been written down in Russia, because the Company did not foresee convincing evidence of future opportunities to offset tax losses. As a result of COVID-19 subsidies, it is not possible to use a group subsidy in Sweden to equalise the taxable results of the companies. This will slightly increase the income taxes paid by our Swedish companies.

## **CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

### **a) New and amended standards, effective for financial periods beginning on or after 1 January 2020**

#### **Definition of 'material' – amendments to IAS 1 and IAS 8**

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

Atria takes into account the changed definition of materiality in its consolidated financial statements and for publication in the data.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

### b) Significant new standards and interpretations that have been issued, but will not become effective until after 1 January 2020

#### Classification of liabilities into current or non-current items - Amendments to IAS 1

The narrow-scope 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. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

Atria is currently assessing the impact of these amendments.

## 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. 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 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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, Atria Estonia and Atria Russia. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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 value through 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:*

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 through 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

### LEASE LIABILITIES

The Group has leased properties, machinery and equipment. When a contract is established, 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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.

### REVENUErecognition

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

**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 four recognisable geographical segments that differ essentially from one another in terms of the functioning of the markets. Atria Finland, Atria Sweden, Atria Denmark & Estonia and Atria Russia. In addition, Group costs are now reported separately in unallocated items. Group costs consist of personnel and administration costs as well as other 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.

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 Russia.

Operating segments	Atria Finland	Atria Sweden	Atria Denmark & Estonia	Atria Russia	Unallocated	Eliminations	Group
Financial period that ended on 31 Dec 2020							
<b>Net sales</b>							
Revenue from consumer products	807,479	283,327	101,386	66,663			1,258,854
Revenue from primary production	243,063		2,119				245,182
Revenue from Group companies	15,747	17,474	3,331			-36,552	0
<b>Total net sales</b>	<b>1,066,289</b>	<b>300,801</b>	<b>106,835</b>	<b>66,663</b>	<b>0</b>	<b>-36,552</b>	<b>1,504,036</b>
<b>EBIT</b>							
	43,142	-2,043	5,287	-2,877	-2,969		40,540
Financial income and expenses							
Income from joint ventures and associates							1,193
Income taxes							-12,589
<b>Profit for the period</b>							<b>24,668</b>
<b>Assets</b>							
Assets	523,178	273,468	103,015	73,720		-33,846	939,535
Liabilities	295,076	165,685	40,591	33,145		-33,846	500,651
<b>Investments</b>							
Investments	30,635	10,355	3,386	1,202			45,577
Depreciation and impairment	35,778	11,422	4,632	4,863			56,695

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

**1. SEGMENT INFORMATION, EUR 1,000**

Operating segments	Atria Finland	Atria Sweden	Atria Denmark & Estonia	Atria Russia	Unallocated	Eliminations	Group
Financial period that ended on 31 Dec 2019							
<b>Net sales</b>							
Revenue from consumer products							
Revenue from consumer products	774,266	271,891	90,876	73,829			1,210,862
Revenue from primary production	238,188		2,223				240,411
Revenue from Group companies	21,364	17,481	3,480			-42,325	0
<b>Total net sales</b>	<b>1,033,818</b>	<b>289,372</b>	<b>96,579</b>	<b>73,829</b>	<b>0</b>	<b>-42,325</b>	<b>1,451,273</b>
<b>EBIT</b>							
EBIT	40,006	-6,142	4,353	-4,049	-3,055		31,113
Financial income and expenses							
Income from joint ventures and associates							-5,555
Income taxes							625
<b>Profit for the period</b>							-9,223
							16,960
<b>Assets</b>							
Assets	502,528	264,569	106,906	68,456		-13,765	928,694
Liabilities	255,281	167,416	47,596	37,870		-13,765	494,398
<b>Investments</b>							
Investments	21,752	13,281	2,915	2,161			40,109
Depreciation and impairment	33,899	11,360	4,282	4,719			54,260

**2. NET SALES, EUR 1,000**

2020

2019

Sale of goods	1,496,457	1,443,662
Services, rents and other sales	7,579	7,611
<b>Total</b>	<b>1,504,036</b>	<b>1,451,273</b>

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.

**3. RESEARCH AND DEVELOPMENT EXPENSES, EUR 1,000**

2020

2019

Research and development costs recognised as expenditure	15,002	15,261
% of net sales	1.0	1.1

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

**4. REMUNERATIONS PAID TO AUDITORS, EUR 1,000**

	2020	2019
Firm of authorised public accountants:		
Auditing fees	322	328
Reports and statements	5	7
Other services	8	
Total	327	343

**5. OTHER OPERATING INCOME, EUR 1,000**

	2020	2019
Proceeds from sales of fixed assets		
	207	93
Grants received	180	
Other	3,019	2,974
Total	3,226	3,247

**6. OTHER OPERATING EXPENSES, EUR 1,000**

	2020	2019
Depreciation and impairment <sup>*)</sup>		
	4,346	3,553
Other <sup>**) </sup>	794	1,796
Total	5,140	5,349

<sup>\*)</sup> In 2020, Atria Russia recognised a EUR 0.8 million impairment on a brand.

<sup>\*\*)</sup> The figure for 2019 includes EUR 1.4 million in costs arising from efficiency measures at Atria Sweden.

**7. PERSONNEL EXPENSES, EUR 1,000**

	2020	2019
Expenses from employee benefits:		
Salaries	199,148	194,600
Pension costs - defined-contribution plans	25,294	27,911
Pension costs - defined-benefit plans	194	195
Other staff-related expenses	23,294	22,488
Total	247,931	245,194

Due to the COVID-19 pandemic, employers were given a discount of 2.6% on their TyEL contributions during the period from 1 May to 31 December 2020. The discount's impact on the financial period was around EUR 2.4 million. 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	193,971	192,266
Sales and marketing expenses	29,485	30,492
Administrative expenses	24,475	22,436
Total	247,931	245,194

**Group personnel on average by business area (FTE):**

Finland	2,398	2,333
Sweden	814	840
Denmark & Estonia	439	435
Russia	793	846
Total	4,444	4,454

**8. DEPRECIATION AND IMPAIRMENT, EUR 1,000**

	2020	2019
Depreciation and write-offs by function:		
Costs of goods sold	44,136	42,579
Sales and marketing expenses	2,994	2,835
Administrative expenses	5,219	5,293
Other operating expenses (Note 6) <sup>*)</sup>	4,346	3,553
Total	56,695	54,260

<sup>\*)</sup> Includes EUR 0.8 million impairment on a brand.

**9. FINANCIAL INCOME AND EXPENSES, EUR 1,000**

	2020	2019
Financial income:		
Interest income from financial assets measured at amortised cost	1,542	1,790
Exchange rate gains from financial liabilities and loan receivables measured at amortised cost	7,168	5,152
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments - not in hedge accounting	7,957	4,335
Other financial income	15	
Total	16,682	11,277

**Financial expenses:**

Interest expenses from financial liabilities measured at amortised cost	-4,116	-4,394
Interest expenses from lease liabilities (Notes 14, 25)	-642	-666
Exchange rate losses from financial liabilities and loan receivables measured at amortised cost	-5,335	-4,727

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Changes in the value of interest rate swaps for cash flow hedges - transfer from other comprehensive income items	-361	-351
Other financial expenses	-1,381	-1,283
Impairment from loan receivables measured at amortised cost (Note 20)	-39	-373
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments – not in hedge	-9,282	-5,038
Total	-21,157	-16,832
 Total financial income and expenses	 -4,475	 -5,555
 Items related to financial instruments and recognised in other items of total comprehensive income before taxes:	 	 
Cash flow hedges	-1,846	-4,465
Translation differences	-7,399	4,576
Total	-9,245	111
 <b>10. INCOME TAXES, EUR 1,000</b>	 2020	 2019
 Taxes in the income statement:		
Tax based on the taxable profit for the period	9,504	8,663
Retained taxes	2,120	-25
Deferred tax	965	585
Total	12,589	9,223
 Balancing of taxes in income statement and profit before taxes:		
Profit before taxes	37,257	26,183
 Taxes calculated with the parent company's 20.0% tax rate		
Effect of foreign subsidiaries' deviating tax rates	-462	-286
Adjustments to taxes for previous periods:		
Change in tax treatment of the loss from dissolution*)	2,140	
Other	-305	-53
Effect of income from joint ventures/associates	-134	-125
Effect of tax-free income	0	-158
Effect of costs that are non-deductible in taxation	751	756
Unrecognised deferred tax assets	1,068	2,028
Changes in tax rate	34	263
Write-down of deferred tax assets (Note 18)	2,000	1,400
Other changes	46	161
Total	12,589	9,223

\*) Atria deducted a loss from the dissolution of its subsidiary UAB Vilnius 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.

Taxes recognised in other items of total comprehensive income	Before tax	Tax effects	After tax
<b>2020:</b>			
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
<b>2019:</b>			
Cash flow hedges	-4 465	895	-3,570
Actuarial losses from pension obligations	-676	145	-531
Translation differences	4 576		4,576
Total	-565	1,040	475

<b>11. EARNINGS PER SHARE, EUR 1,000</b>	2020	2019
Profit (+)/loss (-) for the financial period attributable to the owners of the parent company	22,915	15,086
Weighted average of shares for the period (1,000 shares)	28,162	28,158
Basic earnings per share	0.81	0.54
Earnings per share adjusted by the dilution effect	0.81	0.54

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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

	2020	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisitions in progress	Total
<b>Strategy 2021–2025</b>							
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
<b>Strategy 2016–2020</b>							
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
<b>Operating environment</b>							
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
	2019	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisitions in progress	Total
<b>Research and Development</b>							
Acquisition cost 1 Jan		8,802	477,256	675,837	13,132	11,958	1,186,985
Increases			4,101	31,710	3,409	19,165	58,385
Decreases		-18	-40	-21,031	-272	-22,094	-43,455
Exchange differences		367	3,247	-180	1,171	306	4,911
Acquisition cost 31 Dec		9,151	484,564	686,336	17,440	9,335	1,206,826
<b>Financial Statements and Corporate Governance</b>							
Cumulative depreciation and impairment 1 Jan		0	-243,599	-534,643	-8,173	-26	-786,441
Decreases				20,531	-1,512		19,019
Depreciation			-11,381	-25,661	-1,933		-38,975
Impairment			-35	-268	-11		-314
Exchange differences			-687	-525	-822		-2,034
Cumulative depreciation and impairment 31 Dec		0	-255,702	-540,566	-12,451	-26	-808,745
<b>Auditor's report</b>							
Balance sheet value 1 Jan 2019		8,802	233,657	141,194	4,959	11,932	400,544
Balance sheet value 31 Dec 2019		9,151	228,862	145,770	4,989	9,309	398,081

The tangible assets used as loan collateral amount to EUR 6.8 million (7.2 million).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

**13. BIOLOGICAL ASSETS, EUR 1,000**

2020      2019

**Biological assets:**

Productive	610	694
Consumable	3,639	4,099
At the end of the period	4,249	4,793

**Amounts of biological assets at the end of the period:**

Boars, sows, gilts / qty	3,842	3,746
Pigs for fattening / qty	29,982	28,887
Chicken eggs and chicks / 1,000 qty	3,304	3,198

**Production of agricultural products during the period:**

Pork / 1,000 kg	5,336	5,187
Chicks / 1,000 qty	44,975	43,312

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 market.

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

		Machinery and equipment	Total
Right-of-use assets acquired through leases in 2020	Real estate		
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 2020	26,056	7,641	33,697

	Machinery and equipment	Total	
Right-of-use assets acquired through leases in 2019	Real estate		
Adoption of the standard, opening balance 1 Jan	30,377	9,612	39,989
Increases	452	1,600	2,052
Depreciation	-5,834	-2,904	-8,738
Balance sheet value 31 Dec 2019	24,995	8,308	33,303

In 2020, outgoing cash flow arising from leases was EUR 10.0 million (9.2 million), of which EUR 0.6 million (0.7 million) is recognised in cash flow from operating activities and EUR 9.4 million (8.5 million) is recognised in cash flow from financing activities.

Liabilities related to leases are presented in Note 25.

	2020	2019
Other variable payments related to leases	627	790

**Rents recognised as costs during the financial period:**

From short-term leases	1,183	1,221
From low-value leases	831	1,048

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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

2020	Goodwill	Trademarks	Customer relationships	Other intangible 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
2019	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Acquisition cost 1 Jan	177,834	74,206	18,933	39,675	310,648
Increases				4,615	4,615
Decreases				-48	-48
Exchange differences	-1,861	-482	-78	99	-2,322
Acquisition cost 31 Dec	175,973	73,724	18,855	44,341	312,893
Cumulative depreciation and impairment 1 Jan	-15,244	-7,656	-9,496	-28,915	-61,311
Depreciation		-1,005	-2,139	-3,088	-6,232
Exchange differences	50	136	19	-99	106
Cumulative depreciation 31 Dec	-15,194	-8,525	-11,616	-32,102	-67,437
Balance sheet value 1 Jan 2019	162,590	66,550	9,437	10,760	249,337
Balance sheet value 31 Dec 2019	160,779	65,199	7,239	12,239	245,456

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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

Strategy 2021–2025	Goodwill		Trademarks	
	2020	2019	2020	2019
Atria Finland	28,436	28,438	2,500	2,500
Atria Sweden	100,542	96,637	35,080	33,695
Atria Denmark	35,851	35,704	13,332	13,277
Atria Estonia			2,857	2,857
Atria Russia			1,686	3,062
Total	164,829	160,779	55,455	55,391

## Impairment testing:

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% <sup>*)</sup>
Key assumptions for 2019	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	4.3%	4.9%	3.7%	3.9%	12.7% <sup>*)</sup>

\*) 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 EBIT margin. 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. Russia's higher growth projection is due to its higher inflation and the relatively high growth projection for meat consumption. 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 19% of the assumed level. The same applies to Atria Denmark, if the long-term level remains below 32%. Discount rates would give rise to impairment losses (all cash flow forecasts being equal) if they increased by 0.9 percentage points in Sweden and by 1.2 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.

A separate test was conducted on a brand with an indefinite useful life for Atria Russia. The brand's sales have declined and expectations with regard to the recovery of sales are cautious. An impairment of EUR 0.8 million was recognised on the brand. At the end of the financial period, the brand's value was EUR 1.7 million. Any deterioration in sales expectations or an increase in the discount rate would result in new impairments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

**16. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES, EUR 1,000**

	2020	2019
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## Effect on the Group's earnings

Associates	28	154
Joint ventures	1,165	471
Total	1,193	625

## Balance sheet values in the consolidated statement of financial position

Associates	2,836	4,175
Joint ventures	11,643	10,861
Total	14,479	15,036

## Material investment in a joint venture:

	2020	2019
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Honkajoki Oy is a recycling facility for animal-based raw materials in Honkajoki, Finland. The company has four subsidiaries: Findest Protein Oy, GMM Finland Oy, Honkaleather 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	42,332	40,312
EBIT	3,279	1,374
Profit before taxes	3,036	1,152
Profit for the period	2,427	880

## Summary of Honkajoki Group's balance sheet:

<b>Assets</b>		
Non-current assets	26,667	27,101
Current assets	14,381	9,057
Total assets	41,048	36,157
 <b>Liabilities</b>		
Non-current liabilities	10,885	7,683
Current liabilities	7,490	7,326
Total liabilities	18,376	15,009
 Net assets	22,672	21,148

## Reconciliation of the summary of financial information for Honkajoki Group:

Profit for the period	2,427	880
share of non-controlling interest	-8	-3
Income from joint venture (50%)	1,209	438

Net assets 1 Jan	21,148	20,270
Profit for the period	2,427	880
Other changes	-138	-2
Dividend distribution	-765	
Net assets 1 Jan	22,672	21,148
share of non-controlling interest	230	222
Share of joint venture (50%)	11,221	10,463

Non-material investments in joint ventures:	2020	2019
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Balance sheet value in the consolidated statement of financial position	422	398
Effect on earnings in the consolidated income statement	-44	33

The joint ventures and associates are listed in Note 34.

**17. OTHER FINANCIAL ASSETS, EUR 1,000**

	2020	2019
Other financial assets 1 Jan	1,198	1,198
Increases	3	0
Other financial assets 1 Dec	1,201	1,198

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**

	2020	2019
Deferred tax assets:		
Tax asset to be realised in more than 12 months	1,311	3,913
Tax asset to be realised within 12 months	170	135
Total	1,481	4,048

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Deferred tax liabilities:			
Tax liability to be realised in more than 12 months	39,220	40,595	
Tax liability to be realised within 12 months	30	79	
Total	39,250	40,674	
Deferred tax assets by balance sheet item:			
Intangible and tangible assets	133	63	
Inventories	133	160	
Trade and other receivables	550	629	
Interest-bearing and non-interest-bearing liabilities	665	1,033	
Recognised losses	0	2,163	
Total	1,481	4,048	
Deferred tax liabilities by balance sheet item:			
Intangible and tangible assets	39,067	40,403	
Inventories	149	172	
Trade and other receivables	1	1	
Interest-bearing and non-interest-bearing liabilities	33	98	
Total	39,250	40,674	
Change in deferred taxes:			
Recognised in the income statement	-965	-585	
Recognised in other items of total comprehensive income	986	1,040	
From acquired operations	-395		
Exchange differences	-768	540	
Total	-1,143	995	

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. Deferred tax assets unrecognised for the period were EUR 1.1 million (2.0 million).

In 2020, Atria Russia's deferred tax assets were written down in the amount of EUR 2.0 million (1.4 million).

The gradual decrease in the corporation tax rate in Sweden in 2019, 2020 and 2021 has been taken into account in deferred taxes.

## 19. INVENTORIES, EUR 1,000

	2020	2019
Materials and supplies	44,106	46,269
Unfinished products	4,928	4,903
Finished products	51,031	55,842
Other inventories	2,828	3,178
Total	102,893	110,192

During the accounting period, EUR 2.0 million (EUR 1.9 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

	2020	2019
Non-current:		
Trade receivables from primary production customers	2,753	2,623
Loan receivables from primary production customers	920	1,632
Other receivables	514	463
Derivative instruments - in hedge accounting	452	498
Total	4,638	5,216
Current:		
Trade receivables from consumer goods customers	63,241	58,390
Trade receivables from primary production customers	20,409	23,364
Loan receivables from primary production customers	2,860	3,145
Other loan receivables	551	476
Other receivables	10,422	10,717
Derivative instruments – in hedge accounting	282	839
Derivative financial instruments – not in hedge accounting	125	212
Accrued credits and deferred charges	6,791	7,415
Total	104,682	104,558
Current and non-current total	109,320	109,774

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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 class are presented in Note 29.

Current and non-current receivables are divided between currencies as follows:

	2020	2019
EUR	71,518	69,054
SEK	17,260	17,741
RUB	9,701	11,557
DKK	6,139	6,737
USD	3,279	2,716
Other	1,424	1,969
Total	109,320	109,774

Receivables from consumer goods:

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 2020	1,292
Provision increase	225
Realised credit losses	-544
Cancelled provisions	-22
Exchange differences	-185
Total on 31 Dec 2020	766

Breakdown of trade receivables by age and expected credit losses in 2019	Trade receivables before provisions	Change in credit loss provision	Net trade receivables	Expected credit losses, %
Not due	50,618	0	50,618	0.0%
Overdue				
Less than 30 days	3,882	0	3,882	0.0%
30–60 days	1,066	-18	1,048	1.7%
61–90 days	116	0	116	0.0%
More than 90 days	3,739	-1,013	2,726	27.1%
Total	59,421	-1,031	58,390	1.7%

Provision for credit risk from trade receivables on 1 Jan 2019	436
Provision increase*)	1,031
Realised credit losses	-179
Cancelled provisions	-20
Exchange differences	24
Total 31 Dec 2019	1,292

\*) The credit loss provision was increased by EUR 0.8 million due to the financial difficulties of an individual customer.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Receivables from primary production		Trade receivables before provisions	Change in credit loss provision	Net trade receivables	Expected credit losses, %
Breakdown of trade receivables by age and expected credit losses in 2020					
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	0	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 2020	2,416				
Provision increase	261				
Realised credit losses*	-510				
Total on 31 Dec 2020	2,167				

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

Breakdown of trade receivables by age and expected credit losses in 2019		Trade receivables before provisions	Change in credit loss provision	Net trade receivables	Expected credit losses, %
Not due					
Overdue					
Less than 30 days	2,067	0	2,067	0,0%	
30–60 days	256	0	256	0,0%	
61–90 days	218	0	218	0,0%	
More than 90 days	2,656	82	2,738	-3,1%	
Total	26,181	-194	25,987	0,7%	

Provision for credit risk from trade receivables on 1 Jan 2019	2,372
Provision increase	194
Realised credit losses	-150
Total 31 Dec 2019	2,416

## Loan receivables:

At the end of the financial period, loan receivables from primary production customers were EUR 3.8 million (4.8 million). An impairment of EUR 0.4 million (0.4 million) was recognised for loan receivables during 2020.

## Advances received:

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

## 21. CASH AND CASH EQUIVALENTS, EUR 1,000

	2020	2019
Cash in hand and at banks	26,576	4,395

## 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 2019	18,952	9,204	28,156
Share incentives	3		3
31 Dec 2019	18,955	9,204	28,159
Share incentives	3		3
31 Dec 2020	18,958	9,204	28,162

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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 2020 was 3,429 (2,572 shares). At the end of the year, the parent company held a total of 105,311 treasury shares (108,740).

Other funds	2020	2019
Hedging fund		
Effective portion of currency and commodity derivatives.	-1,000	1,088
Effective portion of interest rate derivatives	-638	-878
Deferred tax	329	-40
Total	-1,310	170

The Other funds item 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 on the basis of 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.

Parent company's distributable shareholders' equity	2020	2019
Invested unrestricted equity fund	248,689	248,730
Retained earnings	7,611	17,206
Treasury shares	-1,206	-1,246
Profit for the period	12,666	2,233
Total	267,761	266,923

Dividend per share paid for the period	2020	2019
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Dividend/share, EUR	0.42	0.40
Dividend distributed by the parent company	11,828	11,263

The Board of Directors proposes to the Annual General Meeting to be held on 29 April 2021 that a dividend of EUR 0.50 per share be distributed, totalling EUR 14,087,771.50.

## 23. SHARE-BASED PAYMENTS, EUR 1,000

Atria Plc has a long-term incentive scheme for key persons 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 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. 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 bonuses to be paid for the 2020 earning period are estimated at EUR 0.9 million.

Earning period:	2020	2019
Grant date	12 Feb 2020	12 Feb 2019
Earning period begins	1 Jan 2020	1 Jan 2019
Earning period ends	31 Dec 2020	31 Dec 2019
Maximum number of shares granted as remuneration	43,400	45,000
Earnings criteria:		
- EPS	70.0%	70.0%
- Organic growth	30.0%	30.0%
Achievement of earnings criteria, %	67.5%	5.7%
Share incentives earned	29,273	2,565
Share price listed on grant date, EUR	10.06	8.16
Share price listed on balance sheet date, EUR	9.85	10.04

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

**24. LOANS, EUR 1,000**

	2020	2019
	Balance sheet value	Balance sheet value
<b>Non-current:</b>		
Loans from financial institutions		
	136,838	136,868
Pension fund loans	2,000	4,000
<b>Total</b>	<b>138,838</b>	<b>140,868</b>
<b>Current:</b>		
Loans from financial institutions	78	1,401
Commercial papers	35,000	40,000
Pension fund loans	2,000	2,000
Other loans	8,052	10,453
<b>Total</b>	<b>45,130</b>	<b>53,854</b>
<b>Loans total</b>	<b>183,968</b>	<b>194,722</b>
The fair values of loans do not deviate significantly from the balance sheet values.		
Financial liabilities by class are presented in Note 29.		
With fixed interest rates	16.7%	16.0%
With variable interest rates	83.3%	84.0%
Average interest rate	1.28%	1.52%
Long-term loans mature as follows:		
2021	2,092	
2022	2,092	32,092
2023	81,092	81,092
2024	92	25,092
2025	25,092	
Later	30,470	500
<b>Total</b>	<b>138,838</b>	<b>140,868</b>
Short-term and long-term loans by currency:		
EUR	75,247	89,966
SEK	88,035	82,953
DKK	12,790	14,506
RUB	7,355	7,255
Other	541	42
<b>Total</b>	<b>183,968</b>	<b>194,722</b>

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

**Reconciliation of loans**

<b>Loans 1 Jan</b>	194,722
Proceeds from long-term borrowings	37,000
Repayment of long-term loans	-41,717
Changes in short-term borrowings	-8,311
Acquired subsidiaries	2,319
Translation differences	-45
<b>Loans 31 Dec</b>	<b>183,968</b>

**25. LEASE LIABILITIES, EUR 1,000**

	2020	2019
<b>Lease liabilities</b>		
Long-term		
	24,553	24,996
Short-term	9,613	8,612
<b>Total</b>	<b>34,166</b>	<b>33,608</b>

The interest expenses from lease liabilities recognised during the period were EUR 0.6 million (0.7 million). A maturity analysis of payments related to lease liabilities is presented in Note 29.

**26. PENSION OBLIGATIONS, EUR 1,000**

	2020	2019
<b>The defined benefit pension obligation on the balance sheet is determined as follows:</b>		
Present value of funded obligations		
	7,185	6,817
Deficit(+) / Surplus(-)	7,185	6,817
<b>Pension obligation in the balance sheet</b>		
	7,185	6,817
Benefits paid	-194	-196
Interest expenses	102	142
<b>Pension costs in the profit and loss account</b>	<b>-92</b>	<b>-53</b>
Items recognised in other items of total comprehensive income due to reassessment		
	184	676
<b>Pension costs in total comprehensive income</b>	<b>184</b>	<b>676</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

## Changes to liabilities in the balance sheet:

Liability of the ITP2 pension arrangement at the beginning of the financial period	6,817	6,313
Pension costs in the income statement and total comprehensive income	91	622
Exchange differences	277	-119
At the end of the period	7,185	6,817
<b>Actuarial assumptions used (%):</b>		
Discount rate	1.00	1.50
Inflation rate	1.50	1.80

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**

	2020	2019
Other liabilities *)	294	5,986
Derivative instruments - in hedge accounting	1,429	972
Accruals and deferred income	77	70
Total	1,799	7,028

\*) Other liabilities in 2019 include the current value, EUR 5.7 million, of the call option related to the minority share in the subsidiary Well-Beef Kaunismaa Ltd, acquired in 2016 (see Note 28), which was classified as short-term in 2020.

Other non-current liabilities are mainly in euros.

Financial liabilities by class are presented in Note 29.

Provisions	2020
Provisions 1 Jan	687
The cost of Atria Sweden's efficiency measures	
- Other operating expenses, decreases	-397
Provisions 31 Dec	290

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

	2020	2019
Trade payables	120,251	111,246
Advances received (Note 20)	1,941	1,859
Other liabilities*)	54,206	46,919
Derivative instruments - in hedge accounting	945	182
Derivative financial instruments - not in hedge accounting	3,640	1,783
Accruals and deferred income	52,931	48,193
<b>Total</b>	<b>233,914</b>	<b>210,182</b>

\*) Other liabilities include the current value, EUR 5.8 million, of the call option related to the minority share in the subsidiary Well-Beef Ltd., acquired in 2016 (Note 27).

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

Financial liabilities by class are presented in Note 29.

## Current liabilities consist of the following currencies:

EUR	164,738	142,808
SEK	54,487	49,576
RUB	4,919	9,928
DKK	8,498	6,245
PLN	732	1,057
USD	453	425
Other	87	143
<b>Total</b>	<b>233,914</b>	<b>210,182</b>

**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 for interest rate risk management. The Group links interest rate risk management to the interest

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

margin indicator 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 218.1 million (228.3 million). The interest-bearing debt includes EUR 184.0 million (194.7 million) in loans and EUR 34.2 million (33.6 million) in lease liabilities. Fixed-rate loans accounted for EUR 30.7 million (31.1 million), or 16.7% (16.0%), of the loans. The ratio of debt with fixed and floating interest rates is at the level defined by the Group's treasury policy.

The interest rate risk is mainly related to the Group's interest-bearing liabilities, because the amount of money market investments is low, as is the related interest rate risk. The Group's cash flows from operating activities are to a large extent independent of fluctuations in interest rates. On the balance sheet date, Atria Plc had one interest rate swap subject to hedge accounting.

1. An interest rate swap amounting to EUR 30 million, where Atria pays a fixed interest rate of 0.897% and receives the 6-month Euribor rate. The company will use the interest rate swap to hedge a EUR 30 million loan with a floating interest rate which matures on 25 September 2027 and is included in the fixed-rate interest-bearing debt.

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, variable-rate net liabilities that are expected to remain the same over the financial period. The interest rate swap is taken into account in the calculation. In simulations, the same change in interest rate is used for all currencies. On 31 December 2020, net variable-rate liabilities excluding lease liabilities amounted to EUR 126.7 million (159.3 million). At the end of 2020, a +/-1% increase in interest rates corresponded to a change of EUR +/-1.3 million in the Group's annual interest rate expenses (+/-1.6 million). The effect on equity would be EUR 0.3 million (0.8 million) with an increase of 1% and EUR -0.3 million (-0.8 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, the euro-denominated meat raw material imports of Atria's companies in Sweden, as well as from Atria Russia's USD-denominated meat raw material imports and euro-denominated purchases of goods other than meat. In Atria's Finnish operations, currency flows and risks are relatively low and are mainly related to USD-denominated exports. 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 through currency loans and forward exchange agreements.

During the financial year, translation differences recognised in the consolidated statement of comprehensive income amounted to EUR -6.8 million (+4.6 million). At the end of the year, the value of net investments exposed to fluctuations of the rouble was EUR 36.7 million (47.9 million).

If, at the end of the financial year, the euro had been 10% weaker/stronger than the Swedish krona (all other factors being equal), profit before taxes would have been EUR 0.8 million higher/lower due to the Swedish subsidiaries' unhedged euro-denominated net position of accounts receivable and accounts payable (0.6 million). The effect on equity would have been EUR 0.8 million (0.7 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 capital. 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 165.0 million of the EUR 200 million commercial paper programme had not been used at the end of the financial year (160.0 million). The average maturity of the Group's loans and committed credit facilities was 3 years 2 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 implementation of covenants is reported to financiers 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 capital levies and revenue of derivative liabilities and assets are related to forward exchange agreements, and interest payments are related to interest rate swaps.

		Maturity, 31 Dec 2020			
EUR 1,000		< 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 liabilities	Instalments	9,613	22,103	2,450	34,166
Derivative financial instruments <sup>*)</sup>	Electricity derivatives	766	790		1,557
	Interest rate swaps	430	215		645
	Currency derivatives <sup>**)†</sup>				
	- 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			120,251
Accruals and deferred income	Payments	52,931	77		53,008
Total	Total payments	382,345	137,263	33,767	553,376
	Total income	-144,736	0	0	-144,736
	Net payments	237,608	137,263	33,767	408,639

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

		Maturity, 31 Dec 2019			
EUR 1,000		< 1 year	1–5 years	> 5 years	Total
Loans	Instalments	53,854	140,459	409	194,722
	Interest payments	2,346	5,540	24	7,910
Lease liabilities	Instalments	9,416	23,710	2,272	35,398
	Electricity derivatives	77	94		172
Derivative financial instruments <sup>*)</sup>	Interest rate swaps	366	547		913
	Currency derivatives <sup>**) </sup>				
	- Capital payments	171,797			171,797
	- Capital income	-173,697			-173,697
Other liabilities	Instalments	3,574	5,986		9,560
Trade payables	Payments	111,246			111,246
Accruals and deferred income	Payments	47,835	70		47,905
Total	Total payments	400,512	176,406	2,705	579,623
	Total income	-173,697	0	0	-173,697
	Net payments	226,815	176,406	2,705	405,926

<sup>\*)</sup> 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 (-1.4 million).

<sup>\*\*)</sup>  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. The valuation differences, EUR -0.9 million (-4.5 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 2020, the effect on equity would be EUR +/-1.2 million (+/-1.5 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 46.8% (31 December 2019: 46.9%).

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Values of financial assets and liabilities by category:

EUR 1,000 2020 Balance sheet item	Recognised at amortised cost	Recognised at fair value through profit or loss	Recognised at fair value through total comprehensive income	Derivatives in hedge accounting	Balance sheet value in total
<b>Non-current assets</b>					
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
<b>Current assets</b>					
Trade receivables	83,169		482		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
<b>Total financial assets</b>	<b>121,482</b>	<b>125</b>	<b>1,683</b>	<b>734</b>	<b>124,024</b>
<b>Non-current liabilities</b>					
Loans	138,838				138,838
Lease liabilities	24,553				24,553
Other liabilities **)	294				294
Derivative financial instruments				1,429	1,429
<b>Current liabilities</b>					
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
<b>Total financial liabilities</b>	<b>349,170</b>	<b>3,640</b>	<b>0</b>	<b>2,373</b>	<b>355,184</b>

\*) Do not include VAT or income tax assets

\*\*) Do not include VAT or income tax liabilities

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Values of financial assets and liabilities by category:

EUR 1,000 2019 Balance sheet item	Recognised at amortised cost	Recognised at fair value through profit or loss	Recognised at fair value through total comprehensive income	Derivatives in hedge accounting	Balance sheet value in total
<b>Non-current assets</b>					
Trade receivables	2,623				2,623
Other financial assets			1,198		1,198
Loan receivables	1,632				1,632
Other receivables *)	436				436
Derivative financial instruments				498	498
<b>Current assets</b>					
Trade receivables	79,648		2,106		81,754
Loan receivables	3,621				3,621
Other receivables *)	4,410				4,410
Derivative financial instruments		212			839
Cash and cash equivalents	4,395				4,395
<b>Total financial assets</b>	<b>96,765</b>	<b>212</b>	<b>3,304</b>	<b>1,337</b>	<b>101,618</b>
<b>Non-current liabilities</b>					
Loans	140,868				140,868
Lease liabilities	24,996				24,996
Other liabilities **)	5,986				5,986
Derivative financial instruments				972	972
<b>Current liabilities</b>					
Loans	53,101				53,101
Lease liabilities	8,612				8,612
Trade payables	111,246				111,246
Other liabilities **)	4,327				4,327
Derivative financial instruments		1,783			182
<b>Total financial liabilities</b>	<b>349,136</b>	<b>1,783</b>	<b>0</b>	<b>1,154</b>	<b>352,073</b>

\*) Do not include VAT or income tax assets

\*\*) Do not include VAT or income tax liabilities

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

## Fair value hierarchy:

EUR 1,000	31 Dec 2020	Level 1	Level 2	Level 3
<b>Balance sheet item</b>				
<b>Non-current assets</b>				
Financial assets at fair value through other comprehensive income				
– Unlisted shares	1,201			1,201
Derivative financial instruments	452		452	
<b>Current assets</b>				
Derivative financial instruments	407		407	
<b>Total</b>	2,060	0	859	1,201
<b>Non-current liabilities</b>				
Derivative financial instruments	1,429		1,429	
<b>Current liabilities</b>				
Derivative financial instruments	4,585		4,585	
<b>Total</b>	6,014	0	6,014	0
<b>Balance sheet item</b>				
<b>Non-current assets</b>				
Financial assets at fair value through other comprehensive income				
– Unlisted shares	1,198			1,198
Derivative financial instruments	498		498	
<b>Current assets</b>				
Derivative financial instruments	1,051		1,051	
<b>Total</b>	2,747	0	1,549	1,198
<b>Non-current liabilities</b>				
Derivative financial instruments	972		972	
<b>Current liabilities</b>				
Derivative financial instruments	1,965		1,965	
<b>Total</b>	2,937	0	2,937	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	2020	2019
Opening balance 1 Jan	1,198	1,198
Increases	3	
Decreases		
Closing balance 31 Dec	1,201	1,198

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

## Derivative financial instruments:

Fair values of derivative instruments EUR 1,000	Derivative assets 31 Dec 2020	Derivative liabilities 31 Dec 2020	Net fair value 31 Dec 2020	Net fair value 31 Dec 2019
<b>Forward exchange agreements</b>				
Cash flow hedges under hedge accounting	140	178	-38	-73
Other hedges	125	3,640	-3,515	-1,626
<b>Interest rate swaps, due in more than one year</b>				
Cash flow hedges under hedge accounting		638	-638	-878
<b>Electricity derivatives</b>				
Cash flow hedges under hedge accounting	594	1,557	-963	1,162
Other hedges			0	27
<b>Total</b>	<b>859</b>	<b>6,014</b>	<b>-5,155</b>	<b>-1,388</b>
 Nominal values of derivative financial instruments EUR 1,000				
		31 Dec 2020	31 Dec 2019	
<b>Forward exchange agreements</b>				
Cash flow hedges under hedge accounting		12,182	6,090	
Other hedges		130,792	104,620	
<b>Interest rate swaps</b>				
Cash flow hedges under hedge accounting		30,000	30,000	
<b>Electricity derivatives</b>				
Cash flow hedges under hedge accounting		12,718	11,993	
Other hedges			62	
<b>Total</b>		<b>185,692</b>	<b>152,765</b>	

**30. CONTINGENT LIABILITIES, EUR 1,000**

2020

2019

## Debts with mortgages or other collateral given as security

Loans from financial institutions	1,291	1,388
Pension fund loans	4,387	4,213
<b>Total</b>	<b>5,678</b>	<b>5,601</b>

## Mortgages and other securities given as comprehensive security

Real estate mortgages	1,291	1,388
Corporate mortgages		
<b>Total</b>	<b>1,291</b>	<b>1,388</b>

## Contingent liabilities not included in the balance sheet

Guarantees	88	84
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**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 34.

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 parties	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		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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

	31 Dec 2020			
Trade receivables	325	672	996	
Other receivables	1		1	
Interest-bearing liabilities		7,580	7,580	
Trade payables	1,192	-242	950	

Transactions with related parties and related-party assets and liabilities	Joint ventures and associates	Other related parties	Total
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1 Jan–31 Dec 2019			
Sale of goods	5,280	8,779	14,059
Sale of services	14	169	183
Rental income	4,696		4,696
Purchase of goods	16,588	12,968	29,556
Purchase of services	55,442	75	55,517
Rental costs	5,781	5,187	10,968

31 Dec 2019			
Trade receivables	302	732	1,034
Other receivables	115	323	438
Interest-bearing liabilities		10,024	10,024
Trade payables	4,994		4,994

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)	2020	2019
Short-term employee benefits	4,061	3,205
Post-employment benefits (group pension benefits)	348	334
<b>Total</b>	<b>4,410</b>	<b>3,539</b>

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 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 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. 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 bonuses to be paid for the 2020 earning period are estimated at EUR 0.9 million.

## The completed long-term incentive scheme:

Payments for the 2015–2017 earning period were based on the Group's earnings per share (EPS), excluding extraordinary items. The cash bonuses payable under the scheme for the 2015–2017 earning period were capped at EUR 4.5 million. The scheme ended on 31 December 2017, and it covered a maximum of 45 people, including the CEO, the Group's Management Team and the management teams of the business areas. The bonuses accrued for the 2015–2017 earning period totalled EUR 2.1 million. The final bonus instalment was paid in March 2020 and it amounted to EUR 0.2 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.

## A new long-term incentive scheme for 2021–2023

Atria Plc's Board of Directors has decided on a long-term incentive scheme for key personnel for the period 2021–2023. The scheme is practically identical to the scheme for 2018–2020. The new scheme, based on a shares and a cash bonus, is divided into three one-year periods, with the first earning period beginning on 1 January 2021 and ending 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. 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 new incentive scheme aims to encourage Atria's management to acquire company shares and to enhance the company's long-term increase in value by their decisions and activities.

The new incentive scheme has no impact on the figures for 2020.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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	Contributions to the supplementary pension scheme	Total
<b>Members of the Supervisory Board:</b>			
Jyrki Halonen, Chair since 29 April 2020	14		14
Jukka Kaikkonen, Chair until 29 April 2020	6		6
Juho Anttilakoski, Deputy Chair	12		12
Other members of the Supervisory Board	70		70
<b>Total</b>	<b>102</b>	<b>0</b>	<b>102</b>
<b>Members of the Board of Directors:</b>			
Seppo Paavola, Chair	68		68
Pasi Korhonen, Deputy Chair since 29 April 2020	38		38
Rantsi Jyrki, Deputy Chair until 29 April 2020	22		22
Ginmann-Tjeder Nella	31		31
Jukka Kaikkonen, member since 29 April 2020	23		23
Jukka Moisio	30		30
Kjell-Göran Paxal	43		43
Ahti Ritola	53		53
Harri Sivula	31		31
<b>Total</b>	<b>338</b>	<b>0</b>	<b>338</b>
<b>CEO:</b>			
Juha Gröhn	621	137	758
<b>Deputy CEO:</b>			
Tomas Back	349	78	427

**32. ACQUIRED OPERATIONS**

In October, 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 Food Service 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.

	EUR 1,000
Purchase price	3,510
Fair value of earlier 24.9% holding	1,164
Acquisition price	4,674
<b>Domretor Oy's assets and liabilities, fair values employed in the acquisition:</b>	
Property, plant and equipment	5,770
Intangible assets	613
Investments	2
Inventories	601
Current receivables	1,083
Cash and cash equivalents	75
<b>Total assets</b>	<b>8,145</b>
Deferred tax liabilities	395
Non-current liabilities	1,977
Current liabilities	1,098
<b>Total liabilities</b>	<b>3,471</b>
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

The calculation is preliminary.

### 33. EVENTS AFTER THE PERIOD UNDER REVIEW

After the review period, Atria made an agreement to sell Pit-Product to Limited Liability Company Agricultural Complex Mikhailovsky, part of Cherkizovo Group. Cherkizovo is Russia's biggest meat production company, and it was listed on the Moscow stock exchange in 2006.

OOO Pit-Product is a fully-owned subsidiary of Atria. Atria has owned the company since 2005. At the end of 2020, the company had approximately 700 employees. The company produces products for retail sector and Food Service customers and owns the Gorelovo and Sinyavino plants. The agreement does not include Atria's other Russian subsidiary, Sibylla Rus LLC, which operates in the fast food sector in Russia.

The deal is expected to be finalised during the first half of 2021. The closing of the deal is subject to the approval of the Russian competition authority. The divestment will have an approximately EUR 35 million impact on Atria Group's net sales. The company's business has been unprofitable.

The translation differences related to Pit-Product accumulated by 31 December 2020 were approximately EUR -45 million. The translation difference has accumulated from changes in exchange rates during the ownership of Pit-Product. Atria acquired Pit-Product in 2005. At the time, the exchange rate of the Russian rouble against the euro was 34 and at the end of 2020, it was roughly 92. When disposing of a foreign subsidiary, the translation differences related to the company in question and previously recognised in equity are recognised through profit or loss. Given that the accumulated translation differences already decrease the Group's equity, the recognition will not have an impact on its equity ratio or cash flow. The translation differences will be recognised once the deal has been finalised.

The final transaction price will be determined on the date of the transaction and the divestment is not expected to have any other material impact on the consolidated result.

After the review period, Atria announced the initiation of investment planning for the restructuring of Atria Sweden's production lines. This would increase their productivity. The investment is estimated to amount to EUR 30 million. The investment project will review the restructuring of the production lines, any relocations and the investment needs related to the construction of new production lines in detail. The project will investigate the possibility to relocate production from the Malmö plant to Sköllersta. The potential decision to invest will be made after the planning phase. If implemented, the project is expected to be completed during 2023.

### 34. 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, OOO Pit-Product 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	Holding, %	Share of votes, %
<b>Atria Finland:</b>			
Ab Botnia Food Oy*	Finland	100.0	100.0
A-Liha Jyväskylä Oy	Finland	100.0	100.0
A-Lihatukkuri 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, as of 1 Oct 2020	Finland	100.0	100.0
Kauhajoen Teurastamokiinteistöt Oy	Finland	100.0	100.0
Well-Beef Ltd	Finland	70.0	70.0
Kiinteistö Oy Tievalpolku 3	Finland	100.0	100.0
Liha ja Säilyke Oy	Finland	100.0	100.0
Mestari Forsman Oy*	Finland	100.0	100.0
Rokes Oy	Finland	100.0	100.0
Sahalahden Broiler Oy	Finland	100.0	100.0
Suomen Kalkkuna Oy	Finland	100.0	100.0

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Group companies by business area	Domicile	Holding, %	Share of votes, %
<b>Atria Sweden:</b>			
Atria Concept SP Z.o.o	Poland	100.0	100.0
Atria Concept UK Ltd	UK	100.0	100.0
Atria Korea LLC	Republic of Korea	100.0	100.0
Atria Sverige AB	Sweden	100.0	100.0
Atria Sweden AB	Sweden	100.0	100.0
Sibylla Sweden AB	Sweden	100.0	100.0
<b>Atria Denmark &amp; Estonia:</b>			
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 <sup>*)</sup>	Estonia	100.0	100.0
<b>Atria Russia:</b>			
Atria-Invest Oy	Finland	100.0	100.0
OOO Pit-Product	Russia	100.0	100.0
Sibylla Rus LCC	Russia	100.0	100.0

<sup>\*)</sup> Dormant company

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

Group companies by business area	Domicile	Holding, %	Share of votes, %
<b>Group joint ventures:</b>			
Honkajoki Oy <sup>*)</sup>	Finland	50.0	50.0
Länsi-Kalkkuna Oy	Finland	50.0	50.0
<b>Group associates:</b>			
Domretor Oy, until 30 Sept 2020	Finland	24.9	24.9
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

<sup>\*)</sup> Reported as a significant joint venture (Note 16).

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## PARENT COMPANY FINANCIAL STATEMENTS (FAS)

### INCOME STATEMENT, EUR 1,000

	Note	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
NET SALES	2.1	35,784	34,871
Other operating income	2.2	5,708	6,041
Personnel expenses	2.3	-4,272	-4,041
Depreciation and impairment	2.4		
Depreciation according to plan		-21,061	-20,200
Other operating expenses	2.5	-5,958	-7,267
EBIT		10,202	9,403
Financial income and expenses	2.6	-5,406	-21,110
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		4,796	-11,706
Appropriations	2.7	14,995	19,721
Income taxes	2.8	-7,124	-5,781
PROFIT/LOSS FOR THE PERIOD		12,666	2,233

### BALANCE SHEET, EUR 1,000

Assets	Note	31 Dec 2020	31 Dec 2019
FIXED ASSETS			
Intangible assets	3.1		
Intangible rights		12	15
Other long-term expenditure		7,912	7,783
Total intangible assets		7,924	7,798
Tangible assets	3.1	215,985	214,500
Investments	3.2		
Interests in Group companies		282,668	272,158
Interests in associates		3,520	3,520
Other shares and interests		1,061	1,061
Total investments		287,250	276,740
Non-current receivables	3.3	126,868	144,439
<b>TOTAL FIXED ASSETS</b>		638,027	643,477
CURRENT ASSETS			
Current receivables	3.3	144,444	142,348
Cash in hand and at bank		20,807	3,766
<b>TOTAL CURRENT ASSETS</b>		165,252	146,114
<b>Total assets</b>		803,279	789,591

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## PARENT COMPANY FINANCIAL STATEMENTS (FAS)

Liabilities	Note	31 Dec 2020	31 Dec 2019
EQUITY	3.4		
Share capital		48,055	48,055
Treasury shares		-1,206	-1,247
Invested unrestricted equity fund		248,689	248,730
Retained earnings		7,611	17,206
Profit/loss for the period		12,666	2,233
<b>TOTAL EQUITY</b>		<b>315,816</b>	<b>314,978</b>
ACCRUED APPROPRIATIONS	3.5		
Depreciation difference		80,436	80,431
LIABILITIES			
Non-current liabilities	3.6	137,638	139,878
Current liabilities	3.7	269,389	254,305
<b>TOTAL LIABILITIES</b>		<b>407,027</b>	<b>394,182</b>
<b>Total liabilities</b>		<b>803,279</b>	<b>789,591</b>

### CASH FLOW STATEMENT, EUR 1,000

	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Payments received from sales	35,144	34,180
Other business revenue	5,708	6,041
Payments on operating expenses	-9,624	-9,702
Cash flow from operating activities before financial items and taxes	31,228	30,518
Dividends received	21,999	7,407
Interest received and other financial income	14,556	11,356
Interest paid and financial expenses	-13,280	-11,316

	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
Tax paid	-7,930	-6,644
Cash flow from operating activities	46,572	31,322
<b>CASH FLOW FROM INVESTMENTS</b>		
Investments in tangible and intangible assets	-22,672	-16,671
Other investments	-37,510	-27,510
Change in Group receivables	11,225	31,352
Change in loan receivables	0	150
Cash flow from investments	-48,572	-12,678
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown of long-term loans	37,000	0
Repayment of long-term loans	-41,700	-2,000
Withdrawal of short-term loans	34,972	40,821
Repayment of short-term loans	-41,071	-64,892
Change in Group liabilities	22,283	2,162
Received or given Group contributions	19,770	17,120
Change in treasury shares	0	31
Dividends paid	-11,828	-11,263
Cash flow from financing activities	19,770	-18,020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>46,572</b>	<b>31,322</b>
<b>CASH FLOW FROM INVESTMENTS</b>	<b>-48,956</b>	<b>-12,678</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>19,426</b>	<b>-18,020</b>
<b>TOTAL</b>	<b>17,041</b>	<b>623</b>
Change in cash and cash equivalents		
Cash and cash equivalents 1 Jan	3,766	3,143
Cash and cash equivalents 31 Dec	20,807	3,766
Change	17,041	623

## PARENT COMPANY FINANCIAL STATEMENTS, FAS

### 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.

## PARENT COMPANY FINANCIAL STATEMENTS, FAS

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

	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
<b>2.1 NET SALES</b>	<b>35,784</b>	<b>34,871</b>
The company's rental income is presented as net sales because it corresponds with the present nature of the company's operations.		
<b>2.2 OTHER OPERATING INCOME</b>	<b>5,678</b>	<b>5,958</b>
Service charges from Group companies	5,678	5,958
Other	30	82
<b>Total</b>	<b>5,708</b>	<b>6,041</b>
<b>2.3 PERSONNEL EXPENSES</b>	<b>19</b>	<b>19</b>
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	1,273	1,228
Members of the Supervisory Board	52	75
Other salaries	2,029	1,708
<b>Total</b>	<b>3,354</b>	<b>3,011</b>
Pension costs	788	902
Other staff-related expenses	130	129
<b>Total</b>	<b>918</b>	<b>1,030</b>
<b>Total personnel expenses</b>	<b>4,272</b>	<b>4,041</b>

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).

	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
<b>2.4 DEPRECIATION AND IMPAIRMENT</b>	<b>Depreciations of tangible and intangible assets</b>	<b>21,061</b>
Depreciations of tangible and intangible assets	21,061	20,200
Depreciation specification per balance sheet item included in section 3.1.		
<b>2.5 OTHER OPERATING EXPENSES</b>	<b>Other operating expenses</b>	<b>7,675</b>
Including administration, marketing, energy, cleaning, operational and other costs as well as fees paid to auditors.		
Fees paid to auditors/PricewaterhouseCoopers Oy	161	174
Auditing fees	0	0
Other fees	161	174
<b>Total</b>	<b>161</b>	<b>174</b>
<b>2.6 FINANCIAL INCOME AND EXPENSES</b>	<b>Return on long-term investments</b>	<b>21,542</b>
From Group companies	457	56
From other companies	21,999	7,407
<b>Total</b>	<b>21,542</b>	<b>7,351</b>
Other interest and financial income	3,161	3,412
From Group companies	11,147	7,950
From other companies	14,308	11,362
<b>Total</b>	<b>11,147</b>	<b>11,362</b>
Interest expenses and other financial expenses	22	69
To Group companies	27,000	28,234
Impairment of investments in fixed assets *	14,691	11,576
To other companies	41,714	39,879
<b>Total</b>	<b>-5,406</b>	<b>-21,110</b>

## PARENT COMPANY FINANCIAL STATEMENTS, FAS

	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
Interest expenses and other financial expenses include exchange rate gains/losses (net)	46	15

\*) 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	-5	-49
Group contributions received	15,000	19,770
Total	14,995	19,721

## 2.8 INCOME TAXES

Income taxes for the accounting period	4,975	5,781
Taxes for previous financial periods <sup>a)</sup>	2,149	
Total	7,124	5,781

\*) Atria deducted a loss from the dissolution of its subsidiary UAB Vilnius 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.

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

3.1 INTANGIBLE AND TANGIBLE ASSETS	31 Dec 2020	31 Dec 2019
<b>Intangible assets:</b>		
Intangible rights		
Acquisition cost 1 Jan	1,483	1,483
Increases	0	0
Decreases	0	0
Acquisition cost 31 Dec	1,483	1,483
Cumulative depreciation 1 Jan	-1,467	-1,464

Depreciation on decreases	0	0
Depreciation for the period	-3	-4
Cumulative depreciation 31 Dec	-1,470	-1,467
Balance sheet value 31 Dec	12	15

Other long-term expenditure		
Acquisition cost 1 Jan	35,920	33,822
Increases	2,371	2,115
Decreases	0	-17
Acquisition cost 31 Dec	38,291	35,920
Cumulative depreciation 1 Jan	-28,137	-25,498
Depreciation on decreases	0	0
Depreciation for the period	-2,657	-2,639
Cumulative depreciation 31 Dec	-30,794	-28,137
Balance sheet value 31 Dec	7,496	7,783

Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	416	
Changes +/-		416
Acquisition cost 31 Dec	416	
Balance sheet value 31 Dec	416	
Total intangible assets	7,924	7,798

## Tangible assets:

Land and water		
Acquisition cost 1 Jan	1,179	1,197
Increases	0	0
Decreases	0	-17
Acquisition cost 31 Dec	1,179	1,179
Balance sheet value 31 Dec	1,179	1,179
Buildings and structures		
Acquisition cost 1 Jan	323,129	321,144
Increases	7,592	2,025
Decreases	0	-40

## PARENT COMPANY FINANCIAL STATEMENTS, FAS

Acquisition cost 31 Dec	330,720	323,129
Cumulative depreciation 1 Jan	-182,812	-176,153
Depreciation on decreases	0	0
Depreciation for the period	-6,751	-6,659
Cumulative depreciation 31 Dec	-189,563	-182,812
Balance sheet value 31 Dec	141,157	140,316
Machinery and equipment		
Acquisition cost 1 Jan	383,743	371,528
Increases	13,404	12,223
Decreases	-859	-8
Acquisition cost 31 Dec	396,288	383,743
Cumulative depreciation 1 Jan	-317,155	-306,407
Depreciation on decreases	0	0
Depreciation for the period	-11,540	-10,747
Cumulative depreciation 31 Dec	-328,695	-317,155
Balance sheet value 31 Dec	67,593	66,588
Other tangible assets		
Acquisition cost 1 Jan	3,794	3,754
Increases	0	40
Decreases	0	0
Acquisition cost 31 Dec	3,794	3,794
Cumulative depreciation 1 Jan	-2,260	-2,110
Depreciation on decreases	0	0
Depreciation for the period	-110	-150
Cumulative depreciation 31 Dec	-2,370	-2,260
Balance sheet value 31 Dec	1,424	1,534
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	4,882	4,531
Changes +/-	-251	350
Acquisition cost 31 Dec	4,630	4,882
Balance sheet value 31 Dec	4,630	4,882
Total tangible assets	215,985	214,500
Non-depreciated acquisition cost of machinery and equipment	67,593	66,588

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:

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 Tievalpolku 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

## 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

## PARENT COMPANY FINANCIAL STATEMENTS, FAS

3.3 RECEIVABLES	31 Dec 2020	31 Dec 2019
Non-current receivables:		
Loan receivables	5	5
Receivables from group companies:		
Loan receivables	126,863	144,434
Total non-current receivables	126,868	144,439
Current receivables:		
Trade receivables	3	67
Other receivables	-4	-4
Accrued credits and deferred charges	473	383
Receivables from group companies:		
Trade receivables	2,500	1,795
Other receivables	125,829	119,483
Accrued credits and deferred charges	15,643	20,623
Total current receivables	144,444	142,348
Material items included in accrued credits and deferred charges:		
– Group contributions	15,000	19,770
– amortised interest	646	857
– valuation of forward contracts	0	37
– other	470	343
Total	16,117	21,006

3.4 EQUITY	31 Dec 2020	31 Dec 2019
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	-1,247	-1,277
Share incentives	41	31
Treasury shares 31 Dec	-1,206	-1,247
Invested unrestricted equity fund 1 Jan	248,730	248,730
Change	-41	
Invested unrestricted equity fund 31 Dec	248,689	248,730
Retained earnings 1 Jan	19,440	28,469
Distribution of dividends	-11,828	-11,263
Retained earnings 31 Dec	7,611	17,206
Profit/loss for the period	12,666	2,233
Retained earnings 31 Dec	20,278	19,440
Total unrestricted equity	267,761	266,923
Total equity	315,816	314,978
At the end of the financial period on 31 December 2020, the company held a total of 105,311 treasury shares, representing 0.4% 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 3,429.		
Calculation of distributable funds:		
Invested unrestricted equity fund	248,689	248,730
Retained earnings	7,611	17,206
Profit/loss for the period	12,666	2,233
Treasury shares	-1,206	-1,247
Total	267,761	266,923

## PARENT COMPANY FINANCIAL STATEMENTS, FAS

The breakdown of the share capital is as follows:

	2020		2019	
	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 2020	31 Dec 2019
Depreciation difference		80,436		80,431

### 3.6 NON-CURRENT LIABILITIES

Loans from financial institutions	135,000	135,000
Pension fund loans	2,000	4,000
Accruals and deferred income	638	878
Total non-current liabilities	137,638	139,878

### 3.7 CURRENT LIABILITIES

Loans from financial institutions	41,972	50,771
Pension fund loans	2,000	2,000
Trade payables	4,149	3,757
Other payables	1,302	1,373
Accruals and deferred income	5,109	3,587
Liabilities to Group companies:		
Trade payables	345	587
Other payables	214,510	192,227
Accruals and deferred income	3	3

	31 Dec 2020	31 Dec 2019
Total current liabilities	269,389	254,305
Material items included in accruals and deferred income:		
– accruals of salaries and social security payments	1,054	790
– interest accruals	315	357
– valuation of forward contracts	3,479	1,764
– amortised taxes	0	582
– other	263	96
Total	5,112	3,590

## 4. OTHER NOTES, EUR 1,000

4.1 SECURITIES GIVEN, CONTINGENT LIABILITIES AND OTHER LIABILITIES	31 Dec 2020	31 Dec 2019
--	-------------	-------------

Contingent liabilities and other liabilities not included in the balance sheet

Guarantees		
On behalf of Group companies	46,646	48,480
Total	46,646	48,480
Other leases		
Minimum rents paid based on other leases		
Within one year	709	636
Within more than one year and a maximum of five years	1,448	691
After more than five years	2,305	2,374
Total	4,463	3,702

## PARENT COMPANY FINANCIAL STATEMENTS, FAS

## 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 2020.

	31 Dec 2020	31 Dec 2019
Year of completion of the investment	Remaining amount of verification liability	
2011	177	
2012	91	181
2013	174	260
2014	278	371
2015	838	1,047
2016	948	1,138
2017	671	783
2018	378	432
2019	577	650
2020	1,435	
Total	5,389	5,039

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

To be hedged:

A loan of EUR 30 million, 22 September 2020 – 25 September 2027, interest 6-month Euribor Hedging derivative:

Interest rate swap with a nominal value of EUR 30 million; the company receives a six-month Euribor rate and pays a fixed interest rate; the fair value of the agreement on the closing date is EUR -639,000. The cash flow from the interest rate swap is recognised in the income statement with the same periods as the interest flows from the hedged loan.

## 4.4 DERIVATIVE FINANCIAL INSTRUMENTS

Fair values of derivative instruments:	Derivative assets 31 Dec 2020	Derivative liabilities 31 Dec 2020	Net fair value 31 Dec 2020	Net fair value 31 Dec 2019
Forward exchange agreements (maturity less than a year)	0	-3,479	-3,479	-1,728
Interest rate swaps		-639	-639	-878
Total	0	-4,118	-4,118	-2,605
Nominal values of derivative financial instruments:			31 Dec 2020	31 Dec 2019
Forward exchange agreements			102,878	97,690
Interest rate swaps			30,000	30,000
Total			132,878	127,690

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.

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## PARENT COMPANY FINANCIAL STATEMENTS, FAS

Fair value hierarchy:

Balance sheet item	31 Dec 2020	Level 1	Level 2	Level 3
Current assets				
Derivative financial instruments	0		0	

Non-current liabilities				
Interest rate swaps	-639		-639	

Current liabilities				
Derivative financial instruments	-3,479		-3,479	

Balance sheet item	31 Dec 2019	Level 1	Level 2	Level 3
Current assets				
Derivative financial instruments	37		37	

Non-current liabilities				
Interest rate swaps	-878		-878	

Current liabilities				
Derivative financial instruments	-1,764		-1,764	

**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 2020, the company had EUR 1.1 million (1.1 million on 31 December 2019) in other financial assets, in addition to derivatives, consisting of unlisted shares. These belong to level 3.

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## SIGNATURES

# Signatures to the financial statements and annual report

Seinäjoki, 18 March 2021

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 statements

A report on the audit performed has been issued today.

Seinäjoki, 18 March 2021  
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 2020. 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: 2,600,000 euros.
- Audit scope: The audit scope included the parent company of the Group and subsidiaries in Finland, Sweden, Russia, Estonia and Denmark.

The following items have been recognised as key audit matters:

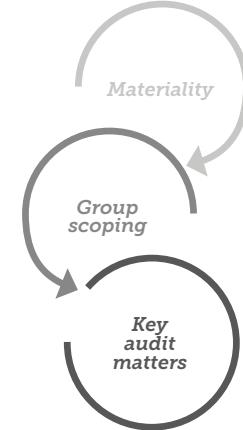
- Revenue recognition
- Valuation of goodwill and trademarks
- Valuation of inventory
- Valuation of subsidiary shares and loan receivables (applies only to the parent company)

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.



## PARENT COMPANY FINANCIAL STATEMENTS, FAS

Overall group materiality	2,600,000 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 four reportable segments during the financial year: Atria Finland, Atria Sweden, Atria Russia and Atria Denmark and Estonia. Our audit procedures addressed all four reportable segments. Our audit scope included the parent company and subsidiaries in Finland, Sweden, Russia, 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	<p>Refer to the Accounting policies for the consolidated financial statements and Notes 1 and 2</p> <p>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.</p> <p>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.</p>
Valuation of goodwill and trademarks	<p>Refer to Accounting policies for the consolidated financial statements and Note 15</p> <p>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 165 million euros and trademarks with indefinite useful lives to 55 million euros at 31 December 2020.</p> <p>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.</p> <p>The valuation of goodwill and trademarks 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.</p>

## PARENT COMPANY FINANCIAL STATEMENTS, FAS

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of inventories  <i>Refer to Accounting policies for the consolidated financial statements and Note 19</i>	<p>Our audit procedures included for example the following procedures:</p> <ul style="list-style-type: none"> <li>• We evaluated the internal key controls of inventories and the purchasing process.</li> <li>• We tested the appropriateness of the accounting principles relating to valuation of inventories.</li> <li>• We tested price variances of single inventory items on a sample basis.</li> <li>• We tested the appropriateness of key assumptions used in the valuation of inventory and the mathematic accuracy of the calculations.</li> </ul>
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.	
Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of subsidiary shares and loan receivables  <i>Refer to Notes to the parent company financial statements 3.2 and 3.3</i>	<p>Our audit procedures included for example the following procedures:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• We evaluated the reliability of estimates from previous years by comparing those to the actual results for the period.</li> </ul>
Value of shares in subsidiaries in the Atria Plc financial statements at 31 December 2020 totalled 283 million euros and loan receivables from group companies 127 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.	
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.

## PARENT COMPANY FINANCIAL STATEMENTS, FAS

- 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 18 March 2021

PricewaterhouseCoopers Oy  
Authorised Public Accountants

Samuli Perala  
Authorised Public Accountant

## CORPORATE GOVERNANCE STATEMENT

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## CORPORATE GOVERNANCE STATEMENT

### 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](http://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 Governance Statement is presented as a report separate from the Board of Directors' Report. The Corporate Governance Statement is available on the company's website at [www.atria.com](http://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](http://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; and the election an 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

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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.atriagroup.com](http://www.atriagroup.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 2020 was held in Helsinki on 29 April 2020 at Atria's office. The meeting was attended, either in person or by a representative, by a total of 79 holders of A shares, representing a total of 9,436 380 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](http://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 5 October 2020, the owners of Atria's KII shares and the largest owner of series A shares nominated the following members on the Nomination Board: Ahti Ritola (Itikka Co-operative), Jyrki Halonen (Lihakunta), Ola Sandberg (Pohjanmaan Liha Co-operative) and Timo Sallinen (Varma Mutual Pension Insurance Company). Jyrki Halonen 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 2021 Annual General Meeting, convened five times. The Nomination Board submitted its proposals for the Annual General Meeting to be held on 29 April 2021 to the Board of Directors on 7 January 2021. The proposals were published by means of a stock exchange release on 07/01/2021.

Name	Year of birth	Education	Main occupation	Attendance at meetings	Shareholding on 31 Dec 2020
Jyrki Halonen	1961	Agricultural technician	Farmer	5/5	660
Ahti Ritola	1964	B.Ba	Farmer and beef producer	5/5	400 (controlling interest company)
Ola Sandberg	1981	Agrologist	Farmer	5/5	50
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.

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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 2020, 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 2020	Independence of the company and its significant shareholders
Jyrki Halonen Chair	1961	2019	Agricultural technician	Farmer	4/4	660	Dependent of the company and independent of significant shareholder
Juho Anttiloski Deputy Chair	1970	2009		Farmer	4/4	4,000	Dependent of the company and independent of significant shareholder
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)
Jussi Hantula	1955	2012	Agrologist	Farmer	4/4	791	Dependent of the company and independent of significant shareholder
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 and independent of significant shareholder
Marja-Liisa Juuse	1963	2015		Farmer	4/4	250	Dependent of the company and independent of significant shareholder
Juha Kiviniemi	1972	2010	MSc (Agr)	Farmer	4/4	300	Dependent of the company and significant shareholder (Itikka Co-operative)
Risto Lahti	1990	2020	B.Sc. (Food Science)	CEO	3/3	57	Dependent of the company and significant shareholder (Itikka Co-operative and Lihakunta)
Ari Lajunen	1975	2013	MSc (Agr)	Farmer	4/4	0	Dependent of the company and significant shareholder (Lihakunta)
Vesa Lapatto	1968	2020	Agrologist	Dairy farmer	3/3	0	Dependent of the company and independent of significant shareholder
Juha Nikkola	1976	2018	MSc (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	MSc (Agr)	Farmer	4/4	500	Dependent of the company and independent of significant shareholder
Ari Pöyhönen	1970	2020	MSc (Agr)	Farmer	3/3	1,000	Dependent of the company and independent of significant shareholder
Risto Sairanen	1960	2013		Farmer	4/4	0	Dependent of the company and significant shareholder (Lihakunta)
Ola Sandberg	1981	2018	Agrologist	Farmer	4/4	50	Dependent of the company and independent of significant shareholder
Timo Tuhkasaari	1965	2002		Farmer	4/4	600	Dependent of the company and independent of significant shareholder

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.

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The company has a Supervisory Board, because shareholders of the company representing more than 50% of the voting rights vested in its shares have expressed their satisfaction with the current model of the Supervisory Board based on the Articles of Association, as it brings a far-reaching perspective on the company's operations and decision-making. 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 members of the Supervisory Board.

In 2020, 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 2020, the Board of Directors met 13 times. The average attendance of the members of the Board of Directors was 100%.

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.

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**5.3 On 31 December 2020, the members of the Board of Directors were the following:**



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	<ul style="list-style-type: none"><li>Agricultural entrepreneur 1996–present</li><li>Farm advisor, Rural Centre of Central Ostrobothnia 1991–1996</li></ul>	Farmer
Member of the Board since	2012	2016
Concurrent key positions of trust	<ul style="list-style-type: none"><li>Member of the Supervisory Board of Itikka Co-operative 2000–present, Deputy Chair of the Supervisory Board of Itikka Co-operative 2008–2011</li><li>Chair of the Supervisory Board of Itikka Co-operative 2012–present</li><li>Chair of the Board of Directors of Perhonjokilaakso Co-operative Bank (former Kaustinen Co-operative Bank) 2002–present</li><li>Member of the Board of Directors of Pellervo 2012–present</li></ul>	<ul style="list-style-type: none"><li>Chair of the Board of Directors of Lihakunta 2019–present</li><li>Member of the Board of Directors of Lihakunta 2013–present</li><li>Member of the Board of Directors of Kainuun maa- ja metsäsäätiö 2013–present</li></ul>
Past key positions of trust	<ul style="list-style-type: none"><li>Member of the Supervisory Board of Atria Plc 2006–2012</li><li>Deputy Chair of the Supervisory Board of Atria Plc 2009–2012</li><li>Member of the Co-operative Advisory Committee of Pellervo Confederation 2012–2017</li></ul>	<ul style="list-style-type: none"><li>Deputy Chair of the Board of Directors of Lihakunta 2016–2019</li><li>Councillor of the Sotkamo Municipal Council 2005–2017</li></ul>
Independence	Dependent of the company and independent on significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2020	4,400	0
Share-based rights in the company	None	None
Attendance in meetings	13/13	13/13

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Name	Nella Ginman-Tjeder	Jukka Kaikkonen
Year of birth	1959	1963
Education	M.Sc. (Econ.)	Agrologist
Main occupation	Eira Hospital, Managing Director	Farmer, beef producer
Relevant work experience	<ul style="list-style-type: none"><li>Ifolor Oy, Managing Director 2007–2014</li><li>American Express, Country Manager 2004–2007</li></ul>	<ul style="list-style-type: none"><li>Agricultural entrepreneur 1990–present</li><li>Salaojakeskus 1987–1990</li></ul>
Member of the Board since	2016	2020
Concurrent key positions of trust	<ul style="list-style-type: none"><li>Member of the Board of Directors of Viking Malt Oy 2014–present</li><li>Member of the Board of Directors of Oy Indmeas Ab 2008–present</li></ul>	<ul style="list-style-type: none"><li>Member of the Board of Directors of Lihakunta 2020–present</li></ul>
Past key positions of trust	<ul style="list-style-type: none"><li>Member of the Board of Directors of Stiftelsen Arcada 2010–2020</li><li>Member of the Board of Directors of Tulikivi Corporation 2013–2015</li></ul>	<ul style="list-style-type: none"><li>Deputy Chair and Member of the Supervisory Board of Lihakunta 2013–2020</li><li>Member of the Supervisory Board of Atria Plc 2013–2020 and Chair 2017–2020</li></ul>
Independence	Independent of the company and significant shareholders	Dependent of the company and significant shareholders
Shareholding on 31 December 2020	0	500
Share-based rights in the company	None	ei
Attendance in meetings	13/13	8/8

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Name	Jukka Moisio	Kjell-Göran Paxal
Year of birth	1961	1967
Education	M.Sc. (Econ.), MBA	Agrologist
Main occupation	CEO of Nokian Tyres 2020–present	Farmer, piglet and pork producer
Relevant work experience	<ul style="list-style-type: none"><li>CEO of Huhtamäki Oyj 2009–2019</li><li>Ahlstrom Oyj 1991–2008 (various duties)</li></ul>	<ul style="list-style-type: none"><li>Feed salesman, Oy Foremix Ab 1990–1997</li><li>Primary Production Manager, Pohjanmaan Liha Co-operative 1990–1997</li></ul>
Member of the Board since	2014	2012
Concurrent key positions of trust	<ul style="list-style-type: none"><li>Member of the Board of Directors of Paulig Ltd, 2019–present</li><li>Vice Chair of the Board of Directors of Paulig Ltd 2020–present</li><li>Member of the Board of Directors of Metsä Board Corporation 2020–present</li><li>Member and Chair of the Board of Directors of Neles Corporation 2020–present</li></ul>	<ul style="list-style-type: none"><li>Chair of the Board of Directors of Pohjanmaan Liha Co-operative 2010–present</li><li>Chair of the Board of Directors of Oy Foremix Ab 2010–present</li><li>Member of the Board of Directors of A-Rehu Oy 2010–present</li><li>Chair of the Board of Directors of Ab WestFarm Oy 2010–present</li><li>Member of the Board of Directors of Oy Foremix Ab 2004–present</li><li>Member of the Board of Directors of A-Farmers Ltd 2003–present</li><li>Member of the Board of Directors of Pohjanmaan Liha Co-operative 2002–present</li></ul> <ul style="list-style-type: none"><li>Vice Chair of the Board of Directors of Pohjanmaan Liha Co-operative 2002–2009</li><li>Deputy member of the Board of Directors of the Central Union of Swedish-Speaking Agricultural Producers in Finland 1999–2001</li></ul>
Past key positions of trust		
Independence	Independent of the company and significant shareholders	Dependent of the company and independent on significant shareholders
Shareholding on 31 December 2020	0	2,566
Share-based rights in the company	None	None
Attendance in meetings	13/13	13/13

## CORPORATE GOVERNANCE STATEMENT



Name	Ahti Ritola	Harri Sivula
Year of birth	1964	1962
Education	B.Ba. (Business Administration)	M.Sc. (Admin.)
Main occupation	Farmer and beef producer	Professional board member
Relevant work experience	Entrepreneur in agriculture, real estate and commerce since 1985	<ul style="list-style-type: none"><li>• Tokmanni Group Corporation, CEO 2017–2018</li><li>• GS1 Finland Oy, CEO 2015–2017</li><li>• Restel Ltd, Managing Director 2010–2014</li><li>• Onninen Oy, Managing Director 2006–2010</li><li>• Kesko Corporation, Deputy CEO Ruokakesko and Head of Division, Ruokakesko 1987–2006</li></ul>
Member of the Board since	2018	2009
Concurrent key positions of trust	<ul style="list-style-type: none"><li>• Chair of the Board of Directors of A-Rehu Oy 2019–present</li><li>• Chair of the Board of Directors of Itikka Co-operative 2018–present</li><li>• Member of the Board of Directors of Itikka Co-operative 2013–present</li></ul>	<ul style="list-style-type: none"><li>• Chair of the Board of Directors of Indoor Group Oy 2020–present</li><li>• Member of the Board of Directors of Dieta Oy 2016–present</li><li>• Member of the Board of Directors of Kamux Corporation 2016–present</li><li>• Member of the Board of Directors of Makua Foods Oy 2015–present</li><li>• Member of the Board of Directors of Leipurin Oy 2014–present</li><li>• Member of the Board of Directors of Tokmanni Oy 2011–present</li></ul>
Past key positions of trust	<ul style="list-style-type: none"><li>• Member of Itikka Co-operative's representative body 2001–2012</li><li>• Member of the Supervisory Board of Itikka Co-operative's 2012–2013</li><li>• Member of the Supervisory Board of Atria Plc 2013–2017</li><li>• Member of the representative body of South Ostrobothnia Co-operative Bank 2004–2017</li></ul>	<ul style="list-style-type: none"><li>• Member of the Board of Directors of GS1 Finland Oy 2016–2018</li><li>• Member of the Board of Directors of TylöHelo Group Oy 2017–2018</li><li>• Member of the Board of Directors of Norpe Oy 2010–2013</li><li>• Member of the Board of Directors of Leipurin Oyj 2010–2013</li><li>• Member of the Supervisory Board of Nets 2011–2013</li><li>• Member of the Board of Directors of Olvi Plc 2007–2011</li></ul>
Independence	Dependent of the company and significant shareholders	Independent of the company and significant shareholders
Shareholding on 31 December 2020	400 (company authority)	10,000
Share-based rights in the company	None	None
Attendance in meetings	13/13	13/13

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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. Based on an overall evaluation, the Board has deemed that Harri Sivula is independent of the company, even though he has served as a member of Atria's Board of Directors for more than ten years.

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 2020 financial year, one member of the Board of Directors was a woman, and the other members were men, meaning that the minority gender represented 12.5% of all Board members. During the 2020 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.

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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 decision-making, 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 Jyrki Rantsi (until 29 April) and, from 29 April, Pasi Korhonen and Nella Ginman-Tjeder. In 2020, the Nomination and Remuneration Committee met three times, and its members' average attendance was 100% as follows: Seppo Paavola 3/3, Pasi Korhonen 2/2 and Nella Ginman-Tjeder 3/3.

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 2020, the Management Team met ten times.

## CORPORATE GOVERNANCE STATEMENT

**On 31 December 2020, the members of the Atria Group's Management Team were the following:**



Name	Juha Gröhn, CEO	Tomas Back, CFO, deputy CEO, Executive Vice President, Atria Denmark	Mika Ala-Fossi, Executive Vice President, Atria Finland
Joined Atria in	1990	2007	2000
Year of birth	1963	1964	1971
Education	M.Sc. (Food Sc.)	MSc (Econ)	Meat industry technician
Relevant work experience	<ul style="list-style-type: none"><li>• CEO, Atria Plc since 2011–present</li><li>• Managing Director of Atria Scandinavia Ab; Vice President of Atria Plc 2010–2011</li><li>• Managing Director of Atria Finland Ltd; Vice Managing Director of Atria Plc 2006–2010</li><li>• Director for Meat Industry and Vice Managing Director, Atria Ltd 2004–2006</li><li>• Director for Steering and Vice Managing Director, Atria Ltd 2003–2004</li><li>• Director for Slaughterhouse Industry and Vice Managing Director, Atria Ltd 1999–2003</li><li>• Director, Meat Products and Convenience Food Industries, Atria Ltd 1993–1998</li><li>• R&amp;D Manager Itikka-Lihapolari 1991–1993</li><li>• Foreman Lihapolari 1990–1991</li></ul>	<ul style="list-style-type: none"><li>• CFO, Deputy CEO, Atria Plc, Executive Vice President, Atria Denmark 2018–present</li><li>• Executive Vice President, Atria Scandinavia 2011–2017</li><li>• Executive Vice President, Atria Baltic 2010–2011</li><li>• CFO, Atria Plc 2007–2011</li><li>• CFO, Huhtamäki Americas / Rigid Europe 2003–2007</li><li>• Financial Manager/CFO, Huhtamäki Oyj 1996–2002</li><li>• Financial Manager, Huhtamäki Finance Oy, Lausanne 1990–1995</li></ul>	<ul style="list-style-type: none"><li>• Executive Vice President, Atria Finland 2011–present</li><li>• Director, Convenience Food and Meat Product Production, Atria Finland 2007–2011</li><li>• Director, Poultry Business, Atria Finland 2006–2007</li><li>• Production Manager, Atria Ltd 2003–2006</li><li>• Unit Manager, Atria Ltd 2000–2003</li><li>• Foreman, Liha-Saarioinen Oy 1997–2000</li></ul>
Concurrent key positions of trust	<ul style="list-style-type: none"><li>• Member of the Board of Directors in East Office of Finnish Industries Ltd since 2011</li><li>• Member of the Board of Directors in Finnish Food and Drink Industries' Federation (ETL) since 2012–</li><li>• Member of the Board of Directors in Laihian Mallas since 2018–</li></ul>		<ul style="list-style-type: none"><li>• Member of the Board of Directors of Länsi-Kalkkuna Oy 2007–present</li><li>• Chair of the Board of Directors of Honkajoki Oy 2015–present and Member of the Board of Directors 2011–present</li></ul>
Past key positions of trust	<ul style="list-style-type: none"><li>• Chair of the Board of Directors in Finnish Food and Drink Industries' Federation (ETL) 2013–2015</li></ul>	<ul style="list-style-type: none"><li>• Member and Deputy Chair of the Board of Directors of Swedish Meat Industry Association 2012–2018</li><li>• Member of the Board of Directors of Swedish Food Federation 2012–2018</li><li>• Member of the Board of Directors of the Svensk Fågel Service Ab 2017–2018</li></ul>	
Shareholding on 31 December 2020	22,010	2,242	1,302

## CORPORATE GOVERNANCE STATEMENT



Name	Jarmo Lindholm, Executive Vice President, Atria Sweden	Olle Horm, Executive Vice President, Atria Estonia	Ilari Hyrynen, Executive Vice President, Atria Russia
Joined Atria in	2002	2012	2018
Year of birth	1973	1967	1965
Education	MSc (Econ)	Engineer	MBA
Relevant work experience	<ul style="list-style-type: none"><li>• Executive Vice President, Atria Sweden 2018–present</li><li>• Executive Vice President, Atria Russia 2011–2017</li><li>• Group Vice President, Product Leadership, Atria Plc 2010–2011</li><li>• Group Vice President, Product Group Management and Product Development, Atria Plc, Commercial Director, Atria Finland Ltd, 2005–2010</li><li>• Marketing Manager, Atria Ltd 2002–2005</li><li>• Account Manager, Marketing Manager, AC Nielsen 2000–2002</li><li>• Custom Service Manager &amp; e-Business, Unilever Finland 1998–2000</li></ul>	<ul style="list-style-type: none"><li>• Executive Vice President, Atria Estonia 2018–present</li><li>• Executive Vice President, Atria Baltic 2012–2017</li><li>• Chair of the Board, Maag Meat Industry 2009–2012</li><li>• Chair of the Board, Skanska EMV AS 2008–2009</li><li>• Chair of the Board, Rakvere Lihakombinaat AS 2000–2008</li><li>• Head of transportation and equipment department, EMV AS 1998–1999</li><li>• Management and development duties, EK AS 1992–1998</li></ul>	<ul style="list-style-type: none"><li>• Executive Vice President, Atria Russia 2018–present</li><li>• Country Director, Russia, Tikkurila Plc 2014–2018</li><li>• Managing Director, Tikkurila Polska S.A. 2012–2014</li><li>• Director BU North, Tikkurila Plc 2010–2012</li><li>• Tikkurila Ltd/ Plc, several positions 2003–2010</li><li>• Dynea Overlays Ltd, Sales Manager 2002–2003</li><li>• Akzo Nobel Coatings Ltd, Sales Manager 1998–2002</li><li>• Kausalan Tapetti ja Väri Ltd, Salesman 1988–1998</li></ul>
Concurrent key positions of trust	<ul style="list-style-type: none"><li>• Member of the Board of Directors of Swedish Food Federation since 2018–present</li><li>• Member of the Board of Directors of KCF (Svenska Kött &amp; Chark Företagen) 2020–present</li></ul>	<ul style="list-style-type: none"><li>• Member of the Board of Directors of the Estonian Food Industry Federation</li><li>• Member of the Board of Directors of the Estonian Pig Breeders' Association</li></ul>	<ul style="list-style-type: none"><li>• Member of the Board of Directors of the East Office of Finnish Industries Oy since 2018</li></ul>
Past key positions of trust	<ul style="list-style-type: none"><li>• Member of the Board of Directors of the East Office of Finnish Industries 2012–2018</li></ul>		
Shareholding on 31 December 2020	1,382	-	-

## CORPORATE GOVERNANCE STATEMENT



Name	Pasi Luostarinen, Executive Vice President, Marketing & Market Insight	Lars Ohlin, Executive Vice President, Human Resources	Merja Leino, Executive Vice President, Sustainability
Joined Atria in	2000	2007	1996
Year of birth	1966	1958	1960
Education	MSc (Econ)	BA (International Business Administration)	PhD (Food Chemistry)
Relevant work experience	<ul style="list-style-type: none"> <li>• Executive Vice President Marketing &amp; Marketing Insight, Atria Plc 2016–present</li> <li>• Senior Vice President Marketing &amp; Product Development, Atria Finland 2011–2016</li> <li>• Group Vice President Brand Management &amp; Cold Cuts / Senior Vice President Meat Products, Atria Plc and Atria Finland 2007–2011</li> <li>• Group Vice President Marketing &amp; Product Development, Atria Plc 2006–2007</li> <li>• Marketing Director, Atria Plc, Atria Finland and Atria Sweden 2000–2006</li> <li>• Marketing Director, Valio 1997–2000</li> <li>• Trade Development Manager, British American Tobacco Nordic 1996–1997</li> <li>• Key Account Manager/ Category Manager, Fazer Makeiset Oy 1993–1996</li> <li>• Product Manager, Mallasjuoma Oy 1991–1993</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Vice President Human Resources, Atria Plc 2016–present</li> <li>• Senior Vice President Human Resources, Atria Scandinavia 2014–2016</li> <li>• General Manager, Ridderheims &amp; Falbygdens (Atria Deli) 2010–2014</li> <li>• Business Development Director, Atria Scandinavia 2007–2010</li> <li>• Business Development Director, Sardus 2000–2007</li> <li>• Business Area Director, Nationalencyklopedin 1997–2000</li> <li>• Vice Managing Director, Forte 1995–1997</li> <li>• Market Development Director, Master Foods Finland and Baltics 1992–1995</li> <li>• Human Resource Director, Master Foods Sweden and Finland 1988–1992</li> <li>• Product Manager, Master Foods Sweden 1987–1988</li> <li>• Product Manager, Findus/Nestlé 1984–1987</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Vice President, Sustainability, Atria Plc 2019–present</li> <li>• Senior Vice President, Convenience Food Business, Quality, Food Safety and Sustainability, Atria Finland 2016–2019</li> <li>• Senior Vice President, Poultry Business, Quality, Food Safety and Sustainability, Atria Finland 2011–2016</li> <li>• Group Vice President, Quality, Product Safety and Food Business (poultry and convenience food), Atria Plc 2007–2011</li> <li>• Director, Poultry Business, Quality and Product Safety, Atria Finland 2000–2007</li> <li>• Director, Consumer Packed Meat, Quality Development and Product Safety, Atria Finland 1999–2000</li> <li>• Product Development Director, Atria Finland 1996–1999</li> <li>• National Coordinator, Elintarviketalouden Osamiskeskus 1995–1996</li> <li>• Packaging Developer / Packaging Manager, Unilever 1993–1995</li> <li>• Researcher, University of Turku 1991–1993</li> <li>• Product Developer, Huhtamäki, Jalostaja 1987–1991</li> </ul>
Concurrent key positions of trust			<ul style="list-style-type: none"> <li>• Chairman of the Board of Directors, Foodwest Oy 2005–present</li> <li>• Member of the Supervisory Board, Finnish 4H organization 2005–present</li> </ul>
Past key positions of trust	<ul style="list-style-type: none"> <li>• Member of the Board of Seinäjoen Tangomarkkinat Ltd 2019–2020, Chair of the Board 2019–2020</li> </ul>		
Shareholding on 31 December 2020	2,326	872	2,031

## CORPORATE GOVERNANCE STATEMENT

### 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](http://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 that Atria's operations are efficient and both external and internal reporting reliable. 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 have been communicated to all business areas, and they have been agreed on and 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 in each business area and at Group level.

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 and information. 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 the organisation's development 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.

## CORPORATE GOVERNANCE STATEMENT

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 2020, 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 Perää, 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 2020 financial year

In 2020, the Group paid EUR 322,000 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 project-specific 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.

## CORPORATE GOVERNANCE STATEMENT

### 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 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](http://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](http://www.atriagroup.com), under Investors, Disclosure Policy.

## Remuneration report 2020

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 2020. 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 2020 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 2020. No clawbacks of remuneration has been made.

## CORPORATE GOVERNANCE STATEMENT

### 2. Shortly about the remuneration in 2020

The Annual General Meeting 2020 raised the monthly fees for Board of Directors as follows:

- the monthly fee for Chairman of the Board was raised from EUR 4,700/month to EUR 4,800/month
- the monthly fee for Deputy Chairman of the Board was raised from EUR 2,500/month to EUR 2,600/month and
- the monthly fee for other members of the Board was raised from EUR 2,000 to EUR 2,200.

The Annual General Meeting also accepted the raise for meeting fees for the members of Supervisory Board so that the meeting compensation and the compensation for loss of working time both were raised from EUR 250 to EUR 300.

No major changes have been made in the CEO's or Deputy CEO's remuneration during 2020. Minor salary increases have been made in line with the market development. No changes have been made in the STI or LTI conditions.

In December 2020 the Board of Directors of Atria decided on a long-term incentive scheme for the company's key personnel for the period 2021–2023. The scheme is basically the same as the scheme used in 2018–2020.

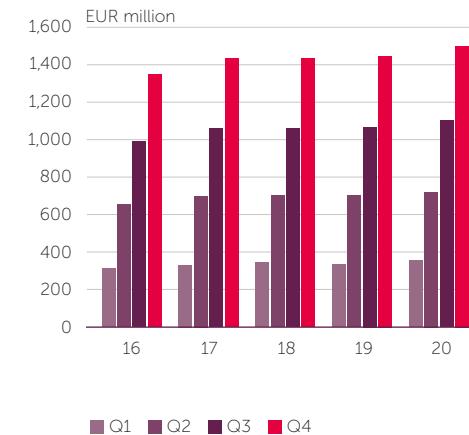
### 3. Development of Atria's financial performance and remuneration

Atria's financial development has been stable over the past five years. Annual sales have increased and profitability has improved for several years. In 2020, the global Covid-19 pandemic significantly changed the operating environment, but did not have a negative impact on Atria's earnings development.

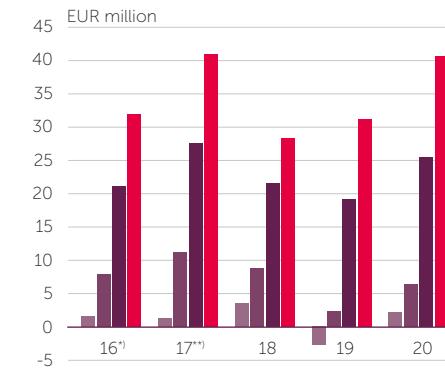
Remuneration for Atria's governing bodies and remuneration per FTE during past five years is described below.

Actually paid, EUR	2016	2017	2018	2019	2020
Supervisory board	92,600	92,050	102,600	111,300	101,800
Board of Directors	332,500	346,500	347,300	345,100	337,850
CEO	707,982	715,861	744,301	735,964	758,257
Deputy CEO	294,487	281,260	338,543	406,314	426,949
Remuneration per FTE	42,242	42,632	43,791	44,852	46,146

**Atria Group Net Sales cumulative, EUR million**



**Atria Group EBIT cumulative, EUR Million**



\*) Items affecting comparability EUR +0.4 million

\*\*) Items affecting comparability EUR +1.4 million

### 4. Remuneration of the members of the Supervisory Board

The Annual General Meeting 2020 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.

## CORPORATE GOVERNANCE STATEMENT

In 2020, the monthly and meeting fees paid to the members of the Supervisory Board (including fees for work performed in other companies within the same Group) were as follows:

The members of the Supervisory Board:	Atria Plc		A-Farmers Ltd		A-Rehu Oy		Total
	Monthly fee	Meeting fees	Monthly fee	Meeting fee	Monthly fee	Meeting fee	
Halonen Jyrki, chairman as of 29 April 2020	12,000	2,050					14,050
Anttikoski Juho, deputy chairman	9,000	2,550					11,550
Asunmaa Mika		1,150		5,400			6,550
Haarala Lassi-Antti		1,150					1,150
Hantula Jussi		1,150					1,150
Hyttinen Veli		1,150			7,800	3,600	12,550
Ingalsuo Pasi		1,150	7,800	5,700			14,650
Joki-Erkkilä Jussi		1,150					1,150
Juuse Marja-Liisa		1,150					1,150
Kaikkonen Jukka, chairman until 28 April 2020	6,000	250					6,250
Kiviniemi Juha		1,150					1,150
Lahti Risto, as of 29 April 2020		900					900
Lajunen Ari		1,150					1,150
Lapatto Vesa, as of 29 April 2020		900					900
Nikkola Juha		1,150					1,150
Niku Mika		1,150	10,400	5,700			17,250
Ojala Pekka, until 28 April 2020		250					250
Panula Heikki		1,150					1,150
Pöyhönen Ari, as of 29 April 2020		900					900
Sairanen Risto		1,150		3,300			4,450
Sandberg Ola		1,150		300			1,450
Tuhkasaari Timo		1,150					1,150

## 5. Remuneration of the members of the Board of Directors

The Annual General Meeting 2020 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.

## CORPORATE GOVERNANCE STATEMENT

In 2020 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:

Name	Atria Plc		A-Farmers Ltd		A-Rehu Oy		Total
	Monthly fee	Meeting fee	Monthly fee	Meeting fees	Monthly fee	Meeting fee	
Paavola Seppo, chairman	57,200	10,800					68,000
Korhonen Pasi, deputy chairman as of 29 April 2020	28,800	8,700					37,500
Ginman-Tjeder Nella	25,600	5,400					31,000
Kaikkonen Jukka, as of 29 April 2020	17,600	4,700					22,300
Moisio Jukka	25,600	4,800					30,400
Paxal Kjell-Göran	25,600	8,100		5,700		3,600	43,000
Rantsi Jyrki, deputy chairman until 28 April 2020	10,000	4,200	5,200	2,400			21,800
Ritola Ahti	25,600	7,800			15,600	3,600	52,600
Sivula Harri	25,600	5,400	,	,	,	,	31,000

## 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 2017, Atria Plc's Board of Directors decided on the long-term incentive program for management and key personnel for the period 2018–2020. The aim of the share incentive program is to encourage Atria's management to acquire shares in the company and to take action and make decisions that will increase the company's long-term value. The program based on share and cash incentives and was divided into three year-long earning periods. The bonuses payable under the program were based on the company's earnings per share (EPS) (70%) and organic growth (30%). The bonuses for each earning period are to be paid in three equal instalments in three following years of the earning period partly in the form of shares and partly in cash. There are no restrictions regarding the ownership of paid shares.

All payments from the earning period implemented in 2015–2017 were based on the Group's earnings per share (EPS) excluding non-recurring items. The plan expired on 31 December 2017, and the final bonus payments were paid in March 2020.

The total paid salary for CEO during 2020 was EUR 620,891 and for deputy CEO EUR 349,113. The proportion of variable remuneration actually earned in 2020 was 31% for the CEO and 23% for the Deputy CEO of the total remuneration.

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The remuneration of the CEO and the deputy CEO in 2020 was as follows:

Element	CEO	Deputy CEO
Base salary (including fringe benefits)	EUR 549,464	EUR 310,148
Pension	EUR 137,366	EUR 77,536
2020 paid short-term incentives	EUR 23,440 (paid in 2020)	EUR 18,204 (paid in 2020)
2020 earned short-term incentives	EUR 122,097 (earned in 2020)	EUR 71,372 (earned in 2020)
2020 paid long-term incentives	EUR 47,987 EUR 41,187 paid in cash 2020 + 850 shares at EUR 8.00 / 23 March 2020, cash and shares both earned based from earning periods 2017, 2018 and 2019.	EUR 20,761 EUR 19,129 paid in cash 2020 + 204 shares at EUR 8.00 /23 March 2020, cash and shares both earned based from earning periods 2017, 2018 and 2019.
Earned long-term incentives	EUR 191,681 Earned from earning periods 2018, 2019, 2020. Total value 19,460 shares (part of the shares is given as cash equivalent), with share value EUR 9.85 (share value per 31 December 2020), total value EUR 191,681. Shares/cash equivalent will be paid in 2021, 2022 and 2023.	EUR 46,049 Earned from earning periods 2018, 2019, 2020. Total value 4,675 shares (part of the shares is given as cash equivalent) with share value EUR 9.85 (share value 31 December 2020), total value EUR 46,049. Shares/cash equivalent will be paid in 2021, 2022 and 2023.
Other benefits	No other benefits during 2020	No other benefits during 2020

## Investor reporting

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](http://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.

### Stock exchange releases

Atria Plc published a total of 25 company announcements in 2020. The releases can be found on the Atria Group website [www.atria.com](http://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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# ATRIA

*Good food – better mood.*