Nokian Tyres plc Interim Report January–September 2022, November 1, 2022 at 2:00 p.m.

Nokian Tyres plc Interim Report January–September 2022: Building the new Nokian Tyres started: greenfield factory to Romania, agreement for the sale of the Russian operations

July–September 2022

- Net sales were EUR 466.2 million (443.5 in July−September 2021) and grew by 5.1%. With comparable currencies, net sales decreased by 6.4% driven by lower passenger car tire supply volumes. Tire imports from Russia to Europe and North America ended in July.
- Segments operating profit was EUR 54.9 million (96.9), with positive currency impact of approximately EUR 17 million. The decline was driven by lower passenger car tire supply volumes and changed factory mix due to lower production in Russia. Operating profit was EUR 40.7 million (89.1). EUR -14.2 million (-7.8) was booked as non-IFRS exclusions.
- Segments earnings per share were EUR 0.26 (0.54). Earnings per share were EUR 0.18 (0.50).
- Cash flow from operating activities was EUR -99.2 million (-81.0).

January–September 2022

- Net sales were EUR 1,364.7 million (1,201.5 in January−September 2021) and grew by 13.6%. With comparable currencies, net sales increased by 6.4%. The year began with good demand in all markets. The war in Ukraine started to impact on the operating environment in late February. Tire imports from Russia to Europe and North America ended in July.
- Segments operating profit was EUR 207.6 million (236.8), with positive currency impact of approximately EUR 30 million. The decline was driven by lower passenger car tire supply volumes and changed factory mix due to lower production in Russia. Operating profit was EUR -102.7 million (215.2). EUR -310.4 million (-21.6) was booked as non-IFRS exclusions.
- In June, the Board of Directors decided to initiate a controlled exit from Russia. As part of the process, impairments and write-downs of EUR 300.7 million were recorded in the second quarter. After the review period in October, an agreement for the sale of the Russian operations was signed.
- Segments earnings per share were EUR 1.19 (1.35). Earnings per share were EUR -1.16 (1.22).
- Cash flow from operating activities was EUR -322.9 million (-96.1).

Guidance for 2022 (updated on October 28, 2022)

The war in Ukraine and resulting sanctions have a significant negative impact on Nokian Tyres' supply capacity and performance. In 2022, Nokian Tyres' net sales is expected to be at previous year's level or increase, and segments operating profit is expected to decrease significantly compared to 2021.

Jukka Moisio, President and CEO:

"In the third quarter of 2022, our focus was on planning and taking the first steps to build the new Nokian Tyres without Russia. Today, we are pleased to announce that we will invest approximately EUR 650 million in a new greenfield tire factory in Romania – the first zero CO2 emission factory in the tire industry. The investment is a vital element in getting additional capacity and enabling our future growth, and we expect the commercial production to start in 2025. At the same time, we have continued to increase capacity at our factories in Finland and in the US.

In June, the Board of Directors decided to initiate a controlled exit from Russia as it is no longer feasible nor sustainable for Nokian Tyres plc to continue operations in Russia. In October, an agreement for the sale of our Russian operations was signed with Tatneft PJSC. Upon the closing of the transaction, all our operations in Russia will end.

In July-September, our net sales with comparable currencies decreased, reflecting changes in our passenger car tire supply as tire imports from Russia to Europe and North America ended in July. Heavy Tyres' net sales declined slightly due to supply constraints. Vianor delivered a solid sales performance. Segments operating profit declined due to lower passenger car tire supply volumes and changed factory mix. However, we have succeeded in implementing price increases in a high-inflationary environment.

I want to thank all Nokian Tyres' employees for their hard work and dedication as we move forward. Despite of the challenging times, we have been able to start building the new Nokian Tyres, increase production in Finland and in the US, and develop and launch high performing new products within our core segments."

Key figures

EUR million	7–9/22	7–9/21	Change	CC* Change	1–9/22	1–9/21	Change	CC* Change	2021
Net sales	**466.2**	443.5	5.1%	-6.4%	**1,364.7**	1,201.5	13.6%	6.4%	1,714.1
Operating profit	**40.7**	89.1			**-102.7**	215.2			268.2
Operating profit %	**8.7%**	20.1%			**-7.5%**	17.9%			15.6%
Result before tax	**33.8**	85.0			**-107.9**	208.3			258.2
Result for the period	**24.3**	69.1			**-159.8**	169.1			206.2
EPS, EUR	**0.18**	0.50			**-1.16**	1.22			1.49
Segments operating profit	**54.9**	96.9			**207.6**	236.8			324.8
Segments operating profit %	**11.8%**	21.8%			**15.2%**	19.7%			19.0%
Segments EPS, EUR	**0.26**	0.54			**1.19**	1.35			1.84
Segments ROCE, %**					**12.8%**	14.4%			15.8%
Equity ratio, %					**64.0%**	65.7%			68.4%
Cash flow from operating activities	**-99.2**	-81.0			**-322.9**	-96.1			396.5
Gearing, %					**22.2%**	15.9%			-6.1%
Interest-bearing net debt					**373.6**	251.0			-98.7
Capital expenditure	**26.9**	20.3			**59.6**	59.6			119.6

* Comparable currencies
** Rolling 12 months

The definitions of alternative performance measures (non-IFRS figures) are presented in the report by the Board of Directors in Nokian Tyres Financial Review 2021.

In this Interim Report January–September, the following exchange rates for the Russian ruble have been used: 85.3 at the end of 2021, 98.0 average in January–March 2022, 84.5 average in January–June 2022, 76.3 average in January–September 2022 and 58.1 at the end of September 2022 (source: Refinitiv).

FINANCIAL RESULTS IN JULY–SEPTEMBER 2022

Net sales in July−September 2022 increased by 5.1% and amounted to EUR 466.2 million (July−September 2021: 443.5). With comparable currencies, net sales decreased by 6.4% driven by lower passenger car tire supply volumes as tire imports from Russia to Europe and North America ended in July. In April, the EU imposed sanctions banning tire imports from Russia to the EU, including a transition period until July 10. Lower tire supply impacted net sales negatively, specifically in Central Europe. In Russia, significant price increases were implemented. Currency exchange rates affected net sales positively by EUR 50.8 million.

Net sales by geographical area

EUR million	7−9/2022	7−9/2021	Change	CC* Change	2021
Nordics	**178.3**	159.8	11.5%	11.8%	684.9
Other Europe	**58.0**	148.2	-60.9%	-61.7%	464.8
Russia and Asia	**136.7**	70.0	95.4%	41.0%	335.6
Americas	**93.2**	65.5	42.2%	23.9%	228.9
Total	**466.2**	443.5	5.1%	-6.4%	1,714.1

* Comparable currencies

Net sales by business unit

EUR million	7−9/2022	7−9/2021	Change	CC* Change	2021
Passenger Car Tyres	**348.2**	330.6	5.3%	-9.5%	1,199.2
Heavy Tyres	**68.3**	69.0	-0.9%	-3.3%	254.0
Vianor	**76.5**	70.1	9.0%	9.3%	342.9
Other operations and eliminations	**-26.8**	-26.2	-2.3%		-81.9
Total	**466.2**	443.5	5.1%	-6.4%	1,714.1

* Comparable currencies

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, increased by 50% year-over-year, containing negative currency impact. Raw material unit costs increased by 6% from the second quarter of 2022. Outbound logistics costs increased significantly due to extraordinary measures to secure tire supply and due to cost inflation.

Operating profit was EUR 40.7 million (89.1). The non-IFRS exclusions were EUR -14.2 million (-7.8), including EUR -7.3 million (-8.1) related to the US factory ramp-up and EUR -6.9 million (0.0) related to the company restructuring.

Segments operating profit amounted to EUR 54.9 million (96.9), with positive currency impact of approximately EUR 17 million. The decline was driven by lower passenger car tire supply volumes and changed factory mix due to lower production in Russia.

Segments operating profit by business unit

EUR million	7–9/2022	7–9/2021	2021
Passenger Car Tyres	**54.7**	97.7	298.7
Heavy Tyres	**9.1**	11.9	40.3
Vianor	**-5.1**	-4.5	4.1
Other operations and eliminations	**-3.8**	-8.2	-18.3
Segments operating profit total	**54.9**	96.9	324.8

Non-IFRS exclusions	**-14.2**	-7.8	-56.7

Financial items and taxes

Net financial expenses were EUR 6.9 million (4.2), including net interest expenses of EUR 2.3 million (1.7). Net financial expenses include an expense of EUR 4.6 million (2.5) due to exchange rate differences. Segments profit before tax was EUR 48.0 million (92.7). Profit before tax was EUR 33.8 million (85.0) and taxes were EUR -9.5 million (-15.8). Segments profit for the period amounted to EUR 35.3 million (75.3). Profit for the period amounted to EUR 24.3 million (69.1). Segments earnings per share were EUR 0.26 (0.54), and earnings per share were EUR 0.18 (0.50).

Cash flow

In July−September 2022, cash flow from operating activities was EUR -99.2 million (-81.0). Working capital increased by EUR 150.5 million (increased by 202.9). Inventories decreased by EUR 4.7 million (increased by 30.2) and receivables increased by EUR 151.3 million (increased by 206.7). Payables decreased by EUR 4.0 million (increased by 30.4).

Investments

Investments in July−September 2022 amounted to EUR 26.9 million (20.3). Depreciations and amortizations totaled EUR 40.7 million (36.0).

FINANCIAL RESULTS IN JANUARY–SEPTEMBER 2022

Net sales in January−September 2022 increased by 13.6% and amounted to EUR 1,364.7 million (January−September 2021: 1,201.5). With comparable currencies, net sales increased by 6.4%. Currency exchange rates affected net sales positively by EUR 86.4 million. The year began with good tire demand in all markets. The war in Ukraine started to impact on the operating environment in late February.

On June 28, Nokian Tyres' Board of Directors decided to initiate a controlled exit from Russia. Due to the war and the subsequent, tightening sanctions it is no longer feasible nor sustainable for Nokian Tyres plc to continue operations in Russia. An agreement for the sale of the Russian operations was signed after the review period on October 28. Tire imports from Russia to Europe and North America ended in July. In April, the EU imposed sanctions banning tire imports from Russia to the EU, including a transition period until July 10.

In January−September 2022, lower tire supply impacted net sales negatively, specifically in Central Europe. In Russia, significant price increases were implemented.

Net sales by geographical area

EUR million	1−9/2022	1−9/2021	Change	CC* Change	2021
Nordics	**488.7**	456.6	7.0%	7.3%	684.9
Other Europe	**250.0**	335.0	-25.4%	-27.2%	464.8
Russia and Asia	**383.5**	242.7	58.0%	34.5%	335.6
Americas	**242.6**	167.2	45.1%	30.5%	228.9
Total	**1,364.7**	1,201.5	13.6%	6.4%	1,714.1

* Comparable currencies

Net sales by business unit

EUR million	1−9/2022	1−9/2021	Change	CC* Change	2021
Passenger Car Tyres	**997.8**	856.4	16.5%	6.9%	1,199.2
Heavy Tyres	**208.7**	188.7	10.6%	8.7%	254.0
Vianor	**232.7**	219.7	5.9%	6.1%	342.9
Other operations and eliminations	**-74.4**	-63.3	-17.6%		-81.9
Total	**1,364.7**	1,201.5	13.6%	6.4%	1,714.1

* Comparable currencies

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, increased by 44% year-over-year, containing negative currency impact. Outbound logistics costs increased significantly due to extraordinary measures to secure tire supply and due to cost inflation.

Operating profit was EUR -102.7 million (215.2). The non-IFRS exclusions were EUR -310.4 million (-21.6), including impairments of EUR -280.7 million related to the Russian assets that were recorded as part of the Russia exit process in the second quarter. Furthermore, the non-IFRS exclusions include EUR -20.6 million (-22.0) related to the US factory ramp-up and EUR -9.1 million (0.0) related to the company restructuring.

Segments operating profit amounted to EUR 207.6 million (236.8), with positive currency impact of approximately EUR 30 million. The decline was driven by lower passenger car tire supply volumes and changed factory mix due to lower production in Russia.

Segments operating profit by business unit

EUR million	1–9/2022	1–9/2021	2021
Passenger Car Tyres	**192.7**	221.1	298.7
Heavy Tyres	**37.4**	36.2	40.3
Vianor	**-7.7**	-4.3	4.1
Other operations and eliminations	**-14.8**	-16.2	-18.3
Segments operating profit total	**207.6**	236.8	324.8
Non-IFRS exclusions	**-310.4**	-21.6	-56.7

Financial items and taxes

Net financial expenses were EUR 5.1 million (6.9), including net interest expenses of EUR 7.2 million (5.5). Net financial expenses include an income of EUR 2.1 million (expense of 1.4) due to exchange rate differences. Segments profit before tax was EUR 202.5 million (229.9). Result before tax was EUR -107.9 million (208.3) and taxes were EUR -52.0 million (-39.1), including write-downs in the deferred tax assets of EUR -20.0 million in Russia. Segments profit for the period amounted to EUR 164.2 million (186.2). Result for the period amounted to EUR -159.8 million (169.1). Segments earnings per share were EUR 1.19 (1.35), and earnings per share were EUR -1.16 (1.22).

Cash flow

In January−September 2022, cash flow from operating activities was EUR -322.9 million (-96.1). Working capital increased by EUR 551.2 million (increased by 379.1). Inventories increased by EUR 139.8 million (increased by 77.4) and receivables increased by EUR 351.9 million (increased by 363.9). Payables decreased by EUR 59.4 million (increased by 62.2).

Investments

Investments in January−September 2022 amounted to EUR 59.6 million (59.6). Depreciations and amortizations totaled EUR 114.9 million (104.1). Impairments of EUR 280.7 million (0.0) related to the Russian assets were recorded as part of the Russia exit process.

In June, Nokian Tyres acquired three hectares of land and, after the review period in October, an industrial property in Nokia, Finland to secure future development opportunities at the Nokia factory.

Financial position on September 30, 2022

EUR million	Sept 30, 2022	Sept 30, 2021	Dec 31, 2021
Cash and cash equivalents	**119.7**	89.8	385.9
Interest-bearing liabilities	**493.3**	340.8	287.2
of which current interest-bearing liabilities	**255.9**	98.5	40.3
Interest-bearing net debt	**373.6**	251.0	-98.7
Unused credit limits*	**743.6**	751.2	811.7
of which committed	**255.4**	305.5	305.5
Gearing ratio, %	**22.2%**	15.9%	-6.1%
Equity ratio, %	**64.0%**	65.7%	68.4%

* The current credit limits including the EUR 500 million commercial paper program are used to finance inventories, trade receivables, and subsidiaries in distribution chains, thereby controlling the typical seasonality in the Group's cash flow. The interest-bearing liabilities were increased by EUR 150 million with two bilateral facilities in May. EUR 25 million of unused credit limits was withdrawn in August and EUR 25 million in September.

Personnel

	1–9/2022	1–9/2021	2021
Group employees			
on average	**4,974**	4,862	4,941
at the end of the review period	**4,774**	5,080	4,915
in Finland, at the end of the review period	**1,861**	1,904	1,782
in Russia, at the end of the review period	**1,248**	1,615	1,612
in North America, at the end of the review period	**436**	366	391
Vianor (own) employees, at the end of the review period*	**1,594**	1,606	1,395

* Included in Group employee figures

BUSINESS UNIT REVIEWS

Passenger Car Tyres

EUR million	7–9/22	7–9/21	Change	CC* Change	1–9/22	1–9/21	Change	CC* Change	2021
Net sales	**348.2**	330.6	5.3%	-9.5%	**997.8**	856.4	16.5%	6.9%	1,199.2
Operating profit	**40.5**	89.6			**-117.5**	198.8			263.4
Operating profit, %	**11.6%**	27.1%			**-11.8%**	23.2%			22.0%
Segment operating profit	**54.7**	97.7			**192.7**	221.1			298.7
Segment operating profit, %	**15.7%**	29.6%			**19.3%**	25.8%			24.9%

* Comparable currencies

July−September 2022

In July−September 2022, net sales of Passenger Car Tyres totaled EUR 348.2 million (330.6). With comparable currencies, net sales decreased by 9.5%. The decrease was driven by lower supply volumes as tire imports from Russia to Europe and North America ended in July. In April, the EU imposed sanctions banning tire imports from Russia to the EU, including a transition period until July 10. Lower tire supply impacted net sales negatively, specifically in Central Europe. Average Sales Price with comparable currencies increased strongly, especially in Russia.

Segment operating profit was EUR 54.7 million (97.7). The decline was driven by lower supply volumes and changed factory mix due to lower production in Russia. Price increases offset raw material and other cost inflation.

Operating profit was EUR 40.5 million (89.6).

January−September 2022

In January−September 2022, net sales of Passenger Car Tyres totaled EUR 997.8 million (856.4). With comparable currencies, net sales grew by 6.9%. The year began with good tire demand in all markets. The war in Ukraine started to impact on the operating environment in late February. In April, the EU imposed sanctions banning tire imports from Russia to the EU, including a transition period until July 10. Tire imports from Russia to Europe and North America ended in July. Lower tire supply impacted net sales negatively, specifically in Central Europe. Average Sales Price with comparable currencies increased strongly, especially in Russia.

The share of sales volume of winter tires was 55% (61%), the share of summer tires was 27% (24%), and the share of all-season tires was 18% (15%).

Segment operating profit was EUR 192.7 million (221.1), with positive currency impact of approximately EUR 29 million. The decline was driven by lower supply volumes and changed factory mix due to lower production in Russia. Price increases offset raw material and other cost inflation.

Operating profit was EUR -117.5 million (198.8). Impairments of EUR -280.7 million related to the Russian assets were recorded as part of the Russia exit process in the second quarter.

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, increased by 44% year-over-year, containing negative currency impact. Outbound logistics costs increased significantly due to extraordinary measures to secure tire supply and due to cost inflation.

Production output (pcs) decreased by 11% year-over-year. In January−September 2022, 69% (82%) of passenger car tires (pcs) were manufactured in Russia. Preparations for a controlled exit from Russia started in late June. An agreement for the sale of the Russian operations was signed after the review period on October 28. To diversify manufacturing capacity, the company continued its actions to increase capacity at the factories in Finland and the US, and announced its investment plans in new production capacity in Europe. After the review period on November 1, the Board of Directors made a decision to invest approximately EUR 650 million in a greenfield passenger car tire factory in Romania.

In the review period, the company's Hakkapeliitta winter tire range was extended with the Nordic non-studded Nokian Tyres Hakkapeliitta R5 for passenger cars and SUVs as well as the Nordic studded Nokian Tyres Hakkapeliitta C4 and Hakkapeliitta CR4 for vans and delivery vehicles.

Heavy Tyres

EUR million	7–9/22	7–9/21	Change	CC* Change	1–9/22	1–9/21	Change	CC* Change	2021
Net sales	**68.3**	69.0	-0.9%	-3.3%	**208.7**	188.7	10.6%	8.7%	254.0
Operating profit	**9.1**	11.9			**37.4**	36.2			39.1
Operating profit, %	**13.3%**	17.3%			**17.9%**	19.2%			15.4%
Segment operating profit	**9.1**	11.9			**37.4**	36.2			40.3
Segment operating profit, %	**13.3%**	17.3%			**17.9%**	19.2%			15.9%

* Comparable currencies

July−September 2022

In July−September 2022, net sales of Heavy Tyres totaled EUR 68.3 million (69.0). With comparable currencies, net sales decreased by 3.3% due to supply constraints.

Segment operating profit was EUR 9.1 million (11.9). The decline was due to lower sales volumes. Price increases offset raw material and other cost inflation.

January−September 2022

In January−September 2022, net sales of Heavy Tyres totaled EUR 208.7 million (188.7). With comparable currencies, net sales grew by 8.7% driven by strong demand in most product segments and higher sales prices. Sales and distribution of heavy tires to Russia were discontinued in the first quarter due to the war in Ukraine.

Segment operating profit was EUR 37.4 million (36.2). Price increases offset raw material and other cost inflation.

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, increased by 44% year-over-year, containing negative currency impact.

In the review period, Heavy Tyres launched several new tire sizes for wheeled excavators, backhoe loaders, trucks and busses. In May, the company released a new all-season, all-weather bus tire, Nokian Tyres Hakka Truck Coach.

Vianor, own operations

EUR million	7–9/22	7–9/21	Change	CC* Change	1–9/22	1–9/21	Change	CC* Change	2021
Net sales	**76.5**	70.1	9.0%	9.3%	**232.7**	219.7	5.9%	6.1%	342.9
Operating profit	**-5.1**	-4.2			**-7.9**	-3.6			-15.0
Operating profit, %	**-6.7%**	-6.0%			**-3.4%**	-1.6%			-4.4%
Segment operating profit	**-5.1**	-4.5			**-7.7**	-4.3			4.1
Segment operating profit, %	**-6.7%**	-6.4%			**-3.3%**	-1.9%			1.2%
Number of own service centers at period end	**174**	175							175

* Comparable currencies

July−September 2022

In July−September 2022, net sales of Vianor totaled EUR 76.5 million (70.1). With comparable currencies, net sales increased by 9.3% driven by price increases to mitigate higher cost.

Segment operating profit was EUR -5.1 million (-4.5). The third quarter is seasonally low in Vianor, therefore negative in profitability. The winter tire season starts in the fourth quarter.

January−September 2022

In January−September 2022, net sales of Vianor totaled EUR 232.7 million (219.7). With comparable currencies, net sales increased by 6.1%.

Segment operating profit was EUR -7.7 million (-4.3). Profit was impacted by increased costs due to inflation. Cost inflation was partially offset by price increases.

At the end of the review period, Vianor had 174 (175) own service centers in Finland, Sweden and Norway.

Segments Total to Nokian Tyres Total reconciliation

7–9/2022	Net sales	Cost of sales	SGA	Other operating income/ expenses	Operating profit	Financial income/ expenses	Taxes	Result for the period
Segments Total	**466.2**	**-349.3**	**-60.2**	**-1.8**	**54.9**	**-6.9**	**-12.7**	**35.3**
US factory ramp-up		-6.5	-0.8		-7.3		1.4	-5.9
Impairments and write-downs of tangible and intangible assets, and certain other items		-0.4			-0.4		0.2	-0.2
Non-operative items and others			-6.5		-6.5		1.6	-4.9
Total non-IFRS exclusion		-6.9	-7.3		-14.2		3.2	-11.1
Nokian Tyres Total	**466.2**	**-356.1**	**-67.5**	**-1.8**	**40.7**	**-6.9**	**-9.5**	**24.3**

Nokian Tyres reports non-IFRS figures in addition to its IFRS-reported results. The Segments Total figures exclude costs related to the US factory ramp-up, goodwill impairment charges, restructuring and certain other items, which are not indicative of Nokian Tyres' underlying business performance.

1–9/2022	Net sales	Cost of sales	SGA	Other operating income/ expenses	Operating profit	Financial income/ expenses	Taxes	Result for the period
Segments Total	**1,364.7**	**-966.2**	**-188.7**	**-2.2**	**207.6**	**-5.1**	**-38.4**	**164.2**
US factory ramp-up		-18.9	-1.7		-20.6		4.2	-16.4
Impairments and write-downs of tangible and intangible assets, and certain other items		-281.3			-281.3		-19.8	-301.1
Non-operative items and others		-2.0	-6.6		-8.6		2.0	-6.6
Total non-IFRS exclusion		-302.1	-8.3	0.0	-310.4	0.0	-13.6	-324.0
Nokian Tyres Total	**1,364.7**	**-1,268.3**	**-197.0**	**-2.2**	**-102.7**	**-5.1**	**-52.0**	**-159.8**

Nokian Tyres reports non-IFRS figures in addition to its IFRS-reported results. The Segments Total figures exclude costs related to the US factory ramp-up, goodwill impairment charges, restructuring and certain other items, which are not indicative of Nokian Tyres' underlying business performance.

SHARES AND SHAREHOLDERS

At the end of September 2022, the number of shares was 138,921,750.

Number of shares (million units)*	30.9.22	30.9.21
at the end of period	**138,25**	138,22
in average	**138,24**	138,22
in average, diluted	**138,24**	138,22

* Excluding treasury shares

Authorizations

In April 2022, the Annual General Meeting authorized the Board of Directors to resolve to repurchase a maximum of 13,800,000 shares in the company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds to approximately 9.9% of all shares in the company. The authorization will be effective until the next AGM, however at most until June 30, 2023, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on March 30, 2021.

In April 2022, the Annual General Meeting authorized the Board of Directors to resolve to offer no more than 13,800,000 shares through a share issue, or by granting special rights under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act that entitle to shares (including convertible bonds), on one or more occasions. The Board may decide to issue new shares or shares held by the company. The maximum number of shares included in the proposed authorization accounts for approximately 9.9% of all shares in the company. The authorization will be effective until the next AGM, however at most until June 30, 2023, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on March 30, 2021.

In April 2022, the Annual General Meeting authorized the Board of Directors to resolve on donations in the aggregate maximum amount of EUR 250,000 to be made to universities, institutions of higher education or to other non-profit or similar purposes during 2022 and 2023. The donations can be made in one or more instalments. The Board of Directors may decide on the donation recipients, purposes of use and other terms of the donations.

In March 2021, the Annual General Meeting authorized the Board of Directors to resolve to repurchase a maximum of 13,800,000 shares in the company by using funds in the unrestricted shareholders' equity. The number of shares corresponded to approximately 9.9% of all shares in the company. The authorization was effective until the Annual General Meeting of 2022.

In March 2021, the Annual General Meeting authorized the Board of Directors to resolve to offer no more than 13,800,000 shares through a share issue, or by granting special rights under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act that entitle to shares (including convertible bonds), on one or more occasions. The maximum number of shares included in the proposed authorization accounted for approximately 9.9% of all shares in the company. The authorization was effective until the Annual General Meeting of 2022.

The Board did not utilize the authorizations in January−September 2022.

Own shares

No share repurchases were made during the review period, and the company did not possess any own shares on September 30, 2022.

Nokian Tyres has an agreement with a third-party service provider concerning the share-based incentive program for key personnel. The third party owns Nokian Tyres' shares related to the incentive program until the shares are given to the participants of the program. On September 30, 2022, the number of these shares was 670,426, reported as treasury shares (September 30, 2021: 697,400). This number of shares corresponded to 0.48% (0.50%) of the total shares and voting rights in the company.

Trading in shares

A total of 232,108,261 (81,951,638) Nokian Tyres' shares were traded in Nasdaq Helsinki in January−September 2022, representing 167% (42%) of the company's overall share capital. The average daily volume in January−September 2022 was 1,221,622 shares (433,607). Nokian Tyres' shares are also traded on alternative exchanges.

Nokian Tyres' share price was EUR 9.90 (31.01) at the end of September 2022. The volume weighted average share price in January−September 2022 was EUR 15.19 (31.70), the highest was EUR 34,90 (36.70) and the lowest was EUR 9.62 (27.98). The company's market capitalization at the end of September 2022 was EUR 1.4 billion (4.3 billion).

At the end of September 2022, the company had 73,591 (56,562) registered shareholders. The percentage of Finnish shareholders was 43.5% (43.7%), and 56.5% (56.3%) were non-Finnish holders and foreign shareholders registered in the nominee register. Public sector entities owned 15.8% (15.2%), financial and insurance corporations 3.3% (7.3%), households 18.6% (14.0%), non-profit institutions 2.4% (3.5%), and private companies 3.5% (3.7%).

Changes in ownership

Transaction date	Shareholder	Threshold	% of shares and voting rights	% of shares and voting rights through financial instruments	Total, %
February 9, 2022	BlackRock, Inc	Above 5%	4.85%	0.15%	5.00%
February 10, 2022	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
February 11, 2022	BlackRock, Inc	Above 5%	4.93%	0.09%	5.03%
February 15, 2022	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
February 24, 2022	BlackRock, Inc	Above 5%	4.87%	0.13%	5.00%
February 25, 2022	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
March 8, 2022	BlackRock, Inc	Above 5%	4.98%	0.16%	5.15%
March 9, 2022	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
March 14, 2022	BlackRock, Inc	Above 5%	5.36%	0.12%	5.49%
March 15, 2022	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
March 18, 2022	BlackRock, Inc	Above 5%	8.04%	0.07%	8.12%
April 13, 2022	Amundi Asset Management	Above 5%	5.17%		5.17%
April 14, 2022	Amundi Asset Management	Below 5%	4.30 %		4.30%
April 14, 2022	JPMorgan Chase & Co.	Above 5%	5.90%	0.50%	6.40%
April 29, 2022	JPMorgan Chase & Co.	Below 5%	0.04%	1.71%	1.75%
May 3, 2022	Société Générale SA	Above 5%	1.69%	3.42%	5.11%
May 3, 2022	JPMorgan Chase & Co.	Above 5%	5.00%	0.53%	5.53%
May 4, 2022	JPMorgan Chase & Co.	Below 5%	4.95%	0.55%	5.50%
May 6, 2022	Société Générale SA	Below 5%	1,29%	3.31%	4.60%
May 9, 2022	JPMorgan Chase & Co.	Above 5%	5.01%	0.61%	5.62%
May 9, 2022	Amundi Asset Management	Above 5%	5.08%		5.08%
May 10, 2022	JPMorgan Chase & Co.	Below 5%	4.96%	0.66%	5.62%
May 12, 2022	JPMorgan Chase & Co.	Above 5%	5.65%	0.66%	6.31%

May 31, 2022	JPMorgan Chase & Co.	Above 5%	5.10%	2.40%	7.50%
June 1, 2022	JPMorgan Chase & Co.	Below 5%	2.26%	0.80%	3.06%
June 9, 2022	Amundi Asset Management	Below 5%	4.92%		4.92%
June 10, 2022	Amundi Asset Management	Above 5%	5.84%		5.84%
June 16, 2022	Amundi Asset Management	Below 5%	4.51%		4.51%
June 20, 2022	Société Générale SA	Above 5%	1.98%	4.17%	6.15%
September 13, 2022	JPMorgan Chase & Co.	Above 5%	1.14%	3.89%	5.03%
September 14, 2022	JPMorgan Chase & Co.	Below 5%	Below 5%	Below 5%	Below 5%
September 21, 2022	BlackRock, Inc	Below 5%	4.96%	0.70%	5.67%
September 22, 2022	BlackRock, Inc	Above 5%	5.68%	0.70%	6.39%
September 26, 2022	BlackRock, Inc	Below 5%	4.77%	1.19%	5.96%

Detailed information on notifications of change in shareholding can be found at www.nokiantyres.com/company/investors/share/flagging-notifications/.

Managers’ transactions

Nokian Tyres announced managers’ transactions on February 9, 10 and 22, March 4, April 29 and May 2. Read more at www.nokiantyres.com/company/publications/releases/2022/managementTransactions/.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING 2022

On April 28, 2022, the Annual General Meeting (AGM) of Nokian Tyres adopted the financial statements for 2021, discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2021 and adopted the company’s Renumeration Report for governing bodies.

Dividend

The AGM decided that a dividend of EUR 0.55 per share should be paid for the financial year January 1–December 31, 2021. The dividend was paid on May 11, 2022 to shareholders who were registered in the Company’s shareholders’ register maintained by Euroclear Finland Oy on the dividend record date on May 2, 2022.

Remuneration for members of the Board of Directors

The AGM decided that the members of the Board of Directors be paid the following remuneration: to the Chairman of the Board of Directors EUR 110,000 per year; to the Deputy Chairman and to the Chairs of the Board Committees EUR 75,000 per year each, and to members EUR 52,500 per year each. 60 per cent of the annual fee will be paid in cash and 40 per cent in Company shares.

Furthermore, the General Meeting decided on a meeting fee of EUR 700 for each Board and Board Committee meeting. For Board members resident in Europe, the fee for each meeting in Europe outside a member’s home country is doubled, and for each meeting outside Europe the fee is tripled. For Board members resident outside Europe, the fee for each meeting outside a member’s home country is tripled. If a member participates in a meeting via telephone or video connection, the remuneration is EUR 700. Travel expenses will be compensated in accordance with the Company’s travel policy.

Members of the Board of Directors and Auditors

The AGM decided that the number of the members of the Board of Directors shall be nine. Jukka Hienonen, Heikki Allonen, Veronica Lindholm, Inka Mero, Christopher Ostrander, Jouko Pölönen, George Rietbergen and Pekka Vauramo were re-elected as members of the Board of Directors and

Susanne Hahn was elected as a new member of the Board of Directors for a term ending at the closing of the Annual General Meeting 2023. Jukka Hienonen was re-elected as the Chairman and Pekka Vauramo as Deputy Chairman of the Board of Directors.

Ernst & Young O, an authorized public accountant firm, was re-elected as the company's auditor for a term ending at the closing of the Annual General Meeting 2023.

Authorizations

The AGM authorized the Board of Directors to resolve to repurchase a maximum of 13,800,000 shares in the company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds to approximately 9.9% of all shares in the company. The authorization will be effective until the next AGM, however at most until June 30, 2023, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on March 30, 2021.

The AGM authorized the Board of Directors to resolve to offer no more than 13,800,000 shares through a share issue, or by granting special rights under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act that entitle to shares (including convertible bonds), on one or more occasions. The Board may decide to issue new shares or shares held by the company. The maximum number of shares included in the proposed authorization accounts for approximately 9.9% of all shares in the company. The authorization will be effective until the next AGM, however at most until June 30, 2023, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on March 30, 2021.

The AGM authorized the Board of Directors to resolve on donations in the aggregate maximum amount of EUR 250,000 to be made to universities, institutions of higher education or to other non-profit or similar purposes during 2022 and 2023. The donations can be made in one or more instalments. The Board of Directors may decide on the donation recipients, purposes of use and other terms of the donations.

BOARD OF DIRECTORS' WORKING ARRANGEMENTS

In its organizing meeting on April 28, 2022, the Board of Directors elected Veronica Lindholm as the Chairman and Jukka Hienonen and Pekka Vauramo as members of the Personnel and Remuneration Committee. Further, the Board of Directors elected Jouko Pölönen as the Chairman and Heikki Allonen and Inka Mero as members of the Audit Committee.

SHAREHOLDERS' NOMINATION BOARD

In June 2022, the following members were appointed to Nokian Tyres' Shareholders' Nomination Board:

- Mr. Pauli Anttila (Investment Director, Solidium Oy), appointed by Solidium Oy
- Mr. Timo Sallinen (Senior Vice President, Investments, Varma Mutual Pension Insurance Company), appointed by Varma Mutual Pension Insurance Company
- Mr. Mikko Mursula (Deputy CEO, Investments, Ilmarinen Mutual Pension Insurance Company), appointed by Ilmarinen Mutual Pension Insurance Company
- Mr. Carl Pettersson (CEO, Elo Mutual Pension Insurance), appointed by Elo Mutual Pension Insurance
- Mr. Jukka Hienonen, Chairman of the Board, Nokian Tyres plc

CORPORATE SUSTAINABILITY

In January, Nokian Tyres introduced the Nokian Tyres Green Step concept tire that is a masterpiece of sustainable innovation: 93% of the materials used in the tire are either recycled or renewable. Innovations made during the process of designing the Green Step will be incorporated in the future tires, moving the company closer to its goal: by the year 2030, 50% of all raw materials used in the tires made by Nokian Tyres will be recycled or renewable.

In April, Nokian Tyres published its Corporate Sustainability Report 2021. The report is available on the company's website at www.nokiantyres.com/company/sustainability/.

Sustainability as part of Nokian Tyres management remuneration

In February, Nokian Tyres plc's Board of Directors decided to include a climate related goal as part of the short-term incentive targets of the Group Management Team. Nokian Tyres develops and manufactures premium tires for consumers and customers who value safety, sustainability and innovative products. Sustainability is at the heart of Nokian Tyres business and one of the five cornerstones of the company's strategy. According to the Company's Board of Directors, it is important that the Group Management Team targets include not only financial criteria, but also sustainability.

CHANGES IN MANAGEMENT AND GROUP STRUCTURE

In June, when Nokian Tyres initiated an exit from Russia, the company announced that Andrey Pantyukhov, who has been heading Nokian Tyres' business area Russia and Asia, would no longer be a member of Nokian Tyres' Management Team.

In August, Nokian Tyres announced that the company will reorganize the Group's organization and management structure to strengthen go-to-market execution. This is to improve operational efficiency and collaboration, and focus on building the new Nokian Tyres as the company is in the process of investing in new European capacity and exiting Russia. In the new operating model, Passenger Car Tyres' commercial operations are combined under one leadership, with increasing strategic and operational synergies across the geographical areas. Anna Hyvönen, EVP North America, Nordics and Vianor and a member of Nokian Tyres' Management Team, was appointed EVP Passenger Car Tyres and Vianor. Bahri Kurter, EVP Central Europe and a member of Nokian Tyres' Management Team, decided to leave the company to pursue other career opportunities.

Nokian Tyres' Management Team as of September 1, 2022

Jukka Moisio, President & CEO
Päivi Antola, Senior Vice President, Communications, Investor Relations and Brand
Anna Hyvönen, Executive Vice President, Passenger Car Tyres and Vianor
Adrian Kaczmarczyk, Senior Vice President, Supply Operations
Teemu Kangas-Kärki, CFO
Jukka Kasi, Senior Vice President, Products & Innovations
Päivi Leskinen, Senior Vice President, Human Resources
Manu Salmi, Executive Vice President, Heavy Tyres and Nokia Factory

SHARE-BASED LONG-TERM INCENTIVE SCHEME 2022–2024 FOR THE MANAGEMENT AND SELECTED KEY EMPLOYEES OF NOKIAN TYRES PLC

In February, Nokian Tyres announced that the Board of Directors of Nokian Tyres plc had decided on a share-based long-term incentive scheme for the Company's management and selected key employees for years 2022–2024 as a continuation to the earlier plans decided in 2019, 2020 and 2021. The decision includes Performance Share Plan 2022 ("PSP 2022") as the main structure and Restricted Share Plan 2022 ("RSP 2022") as a complementary structure.

The purpose of the share-based incentive scheme is to align the goals of the Company's shareholders and key personnel in order to increase the value of the Company in the long term and to commit key personnel to the Company and its strategic targets.

Performance Share Plan 2022

The Performance Share Plan consists of annually commencing individual three-year Performance Periods, followed by the payment of the potential share reward. The commencement of each individual Performance Period is subject to a separate approval by the Board of Directors.

The Performance Period (PSP 2022–2024) commenced effective as of the beginning of 2022 and the potential share reward thereunder will be paid in the first half of 2025 provided that the performance targets set by the Board of Directors are achieved. The potential reward will be paid partly in shares of Nokian Tyres plc and partly in cash. Cash portion of the reward is intended to cover the taxes arising from the paid reward. Eligible to participate in PSP 2022–2024 are approximately 235 individuals, including the members of Nokian Tyres Management Team.

The potential share reward payable under the PSP 2022–2024 are based on the Segments Earnings Per Share (EPS) and Segments Return on Capital Employed (ROCE). The possible rewards paid based on the Performance Period of 2022–2024 will be a maximum of 513,742 gross shares.

If an employee’s employment with Nokian Tyres terminates before the payment date of the share reward, said employee is not, as a main rule, entitled to any reward based on the plan.

Restricted Share Plan 2022

The purpose of the Restricted Share Plan is to serve as a complementary long-term incentive tool, used selectively for retention of Nokian Tyres key employees. It consists of annually commencing individual Restricted Share Plans, each with a three-year retention period after which the share rewards granted within the plan will be paid to the participants in shares of Nokian Tyres plc and partly in cash.

The commencement of each individual plan is subject to a separate approval by the Board of Directors.

A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment relationship of a participant with Nokian Tyres continues until the payment date of the reward. In addition to this precondition, a financial performance criteria is applied to Nokian Tyres Management Team. The criteria is a threshold value for Return on Capital Employed (ROCE), which must be exceeded for a potential payment of a share reward based on the Restricted Share Plan 2022–2024.

The next plan (RSP 2022–2024) within the Restricted Share Plan structure commenced effective as of the beginning of 2022 and the potential share reward thereunder will be paid in the first half of 2025. The possible rewards paid based on RSP 2022–2024 correspond approximately to a maximum of 120,000 gross shares.

Other terms

Nokian Tyres applies a share ownership policy to the members of Nokian Tyres Management Team. According to said policy each member of the Management Team is expected to retain in his/her ownership at least 25% of the shares received under the share-based incentive programs of the Company until the value of his/her share ownership in the Company corresponds to at least his/her annual gross base salary.

The Board of Directors anticipates that no new shares will be issued based on the share-based incentive scheme and that the scheme will, therefore, have no dilutive effect on the registered number of the Company's shares.

Payments for share-based plans that ended in 2021

In February, The Board of Directors of Nokian Tyres plc approved the share awards from the Restricted Share Plan 2019–2021.

The three-year restriction period of the Restricted Share Plan 2019–2021 ended after financial year 2021. 17 key employees participated in the share-based incentive plan, including members of the Management Team. The financial threshold value for Return on Capital Employed (ROCE) applied for the Management Team members was achieved. The rewards paid corresponded to a total of 46,600 Nokian Tyres plc gross shares. The rewards were paid in March 2022. The total number of shares of the Company did not change. A precondition for the payment of the share reward based on the Restricted Share Plan was that the employment relationship of a participant with Nokian Tyres continued until the payment date of the reward.

The targets for the Performance Period 2019–2021 (PSP 2019–2021) were not achieved and no share rewards will be paid to participants.

SIGNIFICANT RISKS AND UNCERTAINTIES AND ONGOING DISPUTES

Nokian Tyres' business and financial performance may be affected by several uncertainties. The Group has adopted a risk management policy, approved by the Board of Directors, which supports the achievement of strategic goals and ensures business continuity. The Group's risk management policy focuses on managing both the risks pertaining to business opportunities and the risks affecting the achievement of the Group's goals in the changing operating environment. The risk management process aims to identify and evaluate the risks and to plan and implement the practical measures for each risk. Nokian Tyres describes the overall business risks and risk management in its annual Corporate Governance Statement.

The war in Ukraine, resulting sanctions and exit from Russia are severely impacting Nokian Tyres' operating environment and causing a number of risks for Nokian Tyres' business. These include, among others, ability to serve customers especially in Central Europe, cost and supply of raw materials, ability to retain personnel, as well as execution of the consequent exit. The Group's assets in Russia may be subject to further impairments and write-downs.

In addition to the risks caused by the war in Ukraine, for example, the following risks could potentially have an impact on Nokian Tyres' business:

- Nokian Tyres is subject to risks related to consumer confidence and macroeconomic and geopolitical conditions. Political uncertainties may cause serious disruption and additional trade barriers and affect the company's sales and credit risk. Economic downturns may increase trade customers' payment problems and Nokian Tyres may need to recognize impairment of trade receivables.

- The tire wholesale and retail landscape is evolving to meet changing consumer needs. New technologies are fueling this with increasing digitalization. Failure to adapt to the changes in the sales channel could have an adverse effect on Nokian Tyres' financial performance.

- Nokian Tyres' success is dependent on its ability to innovate and develop new products and services that appeal to its customers and consumers. Despite extensive testing of its products, product quality issues and failure to meet demands of performance and safety could harm Nokian Tyres' reputation and have an adverse effect on its financial performance.

- Nokian Tyres' production facilities are located in Finland, Russia and the US. Any unexpected production or delivery breaks at these facilities would have a negative impact on the company's business. Interruptions in logistics could have a significant impact on production and peak season sales. In June, the Board decided to initiate an exit from Russia. An agreement for the sale of the Russian operations was signed on October 28.

- In order to secure tire supply, Nokian Tyres has decided to invest in new production capacity in Europe and increase the share of outsourced production. Delay in these actions could have an adverse effect on Nokian Tyres' financial performance.

- Significant fluctuations in raw material prices may impact margins. Nokian Tyres sources natural rubber from producers in countries such as Indonesia and Malaysia. Although Nokian Tyres has policies such as the Supplier Code of Conduct and established processes to monitor the working conditions, it cannot fully control the actions of its suppliers. Nokian Tyres continues to expand its supplier portfolio to mitigate risks related to single source supplying. The non-compliance with laws, regulations or standards by raw material producers, or their divergence from practices generally accepted as ethical in the European Union or the international community, could have a material adverse effect on Nokian Tyres' reputation.

- Tire industry can be subject to risks caused by climate change, such as changes in consumer tire preferences, regulatory changes or impact of extreme weather events on natural rubber producers.

Nokian Tyres is committed to reducing GHG emissions from its operations in order to combat climate change. Nokian Tyres calculates the GHG emissions from its operations annually and reduces them systematically. More detailed analysis on Nokian Tyres' climate change related risks and opportunities is provided at www.nokiantyres.com/company/sustainability/environment/climate-change-related-risks-and-opportunities/.

- Foreign exchange risk consists of transaction risk and translation risk. The most significant currency risks arise from the Russian ruble, the Swedish and Norwegian krona, and the US and Canadian dollar. Approximately 65% of the Group's sales are generated outside of the euro-zone. In this Interim Report, the following exchange rates for the Russian ruble have been used: 85.3 at the end of 2021, 98.0 average in January–March 2022, 84.5 average in January–June 2022, 76.3 average in January–September 2022 and 58.1 at the end of September 2022 (source: Refinitiv). However, predictability and sustainability of the ruble exchange rate is low.

- The availability of supporting information systems and network services is crucial to Nokian Tyres. Unplanned interruption in critical information systems or network services may cause disruption to the continuity of operations. Such systems and services may also be exposed to cyber attacks that could cause a leakage of confidential information, violation of data privacy regulations, theft of know-how and other intellectual property, production shutdown or damage to reputation.

- In May 2017, the Finnish Financial Supervisory Authority filed a request for investigation with the National Bureau of Investigation regarding possible securities market offences. In October 2020, the prosecutor announced the decision to press charges against a total of six persons who acted as Board members and the President & CEO of Nokian Tyres in 2015–2016. The prosecutor also claimed a corporate fine against the company. In addition, four persons who were employees at Nokian Tyres in 2015 were charged for abuse of inside information. The District Court of Helsinki dismissed all charges and claims by the prosecutor in its ruling in June 2022. The decision is not yet legally binding, and the prosecutor has appealed against the decision of the District Court.

- The COVID-19 pandemic represents a short-term risk to Nokian Tyres' business and operating environment. The company has proactively taken preventive actions to minimize the impacts of the pandemic and to ensure business continuity. Despite these efforts, the uncertainty over the duration of the pandemic, the containment measures and the resulting slowdown in economic activity can have a negative impact on Nokian Tyres' operations and supply chain as well as the demand and pricing for the company's products.

Nokian Tyres' risk analysis also pays special attention on corporate sustainability risks, the most significant of which are related to product quality, safety, environment, and human rights. Analyses and projects related to information security, data protection, and customer information are continuously a special focus area.

Tax disputes

In April 2021, Nokian Tyres received a decision from the Tax Administration concerning a tax audit for the tax years 2015–2016, according to which the company was obliged to pay a total of EUR 1.9 million additional taxes, punitive tax increase and late payment interest. Taxes have been paid and recognized in receivables. Nokian Tyres considers the tax authority's view unfounded and has appealed against the decision.

Routine tax audits in Nokian Tyres Group entities may possibly lead to a reassessment of taxes.

WAR IN UKRAINE – SUMMARY OF NOKIAN TYRES' ACTIONS

On February 24, Russia started the war in Ukraine, which has a significant impact on Nokian Tyres' operating environment and manufacturing capacity.

On April 8, the EU announced new sanctions against Russia, impacting Nokian Tyres' business. The sanctions included a transition period until July 10, and they prohibited the import of tires from Russia to the EU, prohibited the export of certain raw materials from the EU to Russia, and limited transportation from and to Russia. Tire imports from Russia to Europe and North America ended in July.

On June 28, Nokian Tyres' Board of Directors decided to initiate a controlled exit from Russia. Due to the war and the subsequent, tightening sanctions it is no longer feasible nor sustainable for Nokian Tyres plc to continue operations in Russia. An agreement for the sale of the Russian operations was signed after the review period on October 28.

Nokian Tyres has decided to invest in new production capacity in Europe, and continues to increase production capacity at its factories in Nokia, Finland and Dayton, US. According to the plan, in the future all tires sold in the Nordic countries will be produced in Nokia, and all tires sold in North America will be produced in Dayton and in Nokia.

The Heavy Tyres business of Nokian Tyres plc is not impacted by the ban to import tires from Russia to the EU, as all Nokian Tyres' heavy tires are produced in Finland. Sales and distribution of heavy tires to Russia were discontinued in the first quarter due to the war. Nokian Tyres has never sold tires to the Russian army, and the Russian Federation is not a customer of Nokian Tyres.

In 2021, Russia represented approximately 20% of Nokian Tyres' net sales, and approximately 80% of Nokian Tyres passenger car tires were produced in Russia.

Nokian Tyres has taken active measures to manage the impacts of the war in Ukraine to its personnel and business. Below is a list of examples of the measures taken since February 24:

Health and safety actions

- Continuously communicating about the situation in the organization and providing support to Nokian Tyres' employees
- Being in daily contact with the Ukrainian colleagues to help them and their families stay safe
- Donating to humanitarian efforts in Ukraine

Operational response actions

- Ensuring compliance with applicable sanctions regime
- Establishing a crisis management team and activating contingency plans to limit the operational and financial impacts
- Taking care of the personnel and management in Ukraine and Russia
- Stopping investments into the Russian production, and discontinuing all heavy tire sales and distribution to Russia
- Ending passenger car tire imports from Russia to Europe and North America in July
- On June 28, the Board of Directors decided to initiate a controlled exit from Russia. As part of the process, impairments and write-downs of EUR 300.7 million were recorded in the second quarter. An agreement for the sale of the Russian operations was signed on October 28.
- Expediting plans to diversify manufacturing footprint by investing in new production capacity in Europe and continuing to increase passenger car tire capacity at the Finnish and US factories. On November 1, the Board of Directors made a decision to invest approximately EUR 650 million in a greenfield passenger car tire factory in Romania.
- Implementing cost measures by cutting and delaying activities and reducing discretionary spending

Financial response actions

- On March 30, the Board of Directors decided to change its dividend proposal to the Annual General Meeting to be held on April 28 from EUR 1.32/share to EUR 0.55/share (2021: EUR 1.20). The changed dividend proposal cut the total dividend payable to shareholders by EUR 106 million to fund the new capacity in Europe

- Taking measures to secure the company's liquidity and financial flexibility
- Leveraging the strong balance sheet to support the company in difficult times

MATTERS AFTER THE REVIEW PERIOD

Key events

On October 28, Nokian Tyres signed an agreement to sell its Russian operations to Tatneft PJSC. The debt free and cash free purchase price is expected to be approximately EUR 400 million. The final purchase price is affected, among other things, by net cash and working capital adjustment and changes in RUB/EUR exchange rate. The transaction is subject to approval by the relevant regulatory authorities in Russia and other conditions, which creates substantial uncertainties related to the timing, terms and conditions and the closing of the transaction. Due to the uncertainties, final accounting implications including translation differences, among other things, can only be assessed when the transaction has been duly completed.

On November 1, Nokian Tyres' Board of Directors made a decision to invest approximately EUR 650 million in a new passenger car tire factory in Romania. The investment is a significant strategic decision enabling the company's future growth. The new greenfield factory will be located in Oradea, in the North-West part of Romania, near the Hungarian border. The annual capacity will be 6 million tires with an expansion potential in the future. The site will also house a distribution facility for storage and distribution of tires. Construction is scheduled to begin in early 2023 and the first tires are estimated to be produced in the second half of 2024. Commercial tire production is expected to start in early 2025.

Changes in ownership

Transaction date	Shareholder	Threshold	% of shares and voting rights	% of shares and voting rights through financial instruments	Total, %
October 3, 2022	BlackRock, Inc.	Above 5%	5.15%	1.08%	6.23%
October 4, 2022	BlackRock, Inc.	Below 5%	4.96%	1.08%	6.05%
October 11, 2022	BlackRock, Inc.	Above 5%	5.11%	0.70%	5.82%
October 12, 2022	BlackRock, Inc.	Below 5%	4.70%	0.69%	5.40%
October 18, 2022	BlackRock, Inc.	Above 5%	5.16%	0.86%	6.03%
October 19, 2022	BlackRock, Inc.	Below 5%	4.51%	1.19%	5.70%
October 24, 2022	BlackRock, Inc.	Above 5%	5.26%	0.72%	5.99%
October 25, 2022	BlackRock, Inc.	Below 5%	4.19%	1.72%	5.92%
October 27, 2022	BlackRock, Inc.	Above 5%	5.46%	0.33%	5.79%
October 27, 2022	Société Générale SA	Below 5%	1.17%	3.60%	4.77%

ASSUMPTIONS FOR 2022

Market situation	The Nordic countries	Russia	Europe (excl. the Nordic countries)	North America
New car sales in 1−9/2022 y-o-y	-15	-60%	-9%	-13%
Car tire sell-in in 1−9/2022 y-o-y	15%	-30%	5%	-5%

Car tire demand E2022 (management estimate)	increase	decrease	at previous year's level	at previous year's level
Heavy tire segments* E2022 (management estimate)	at previous year's level	-	at previous year's level	at previous year's level

* Nokian Tyres' core product segments

The war in Ukraine and resulting sanctions have a significant negative impact on Nokian Tyres' supply capacity and performance. Discontinued supply of tires from Russia will impact sales, especially in Central Europe. On June 28, the Board of Directors decided to initiate a controlled exit from Russia. An agreement for the sale of the Russian operations was signed on October 28.

Passenger car tire and heavy tire demand is estimated to be healthy. In heavy tires, OEM demand is expected to grow in 2022 compared to the level of 2021.

The unpredictability and sustainability of the Russian ruble exchange rate causes uncertainty in 2022. The ruble has weakened in recent years and the average EUR/RUB was 72.5 in 2019, 82.7 in 2020, and 87.2 in 2021. In 2022, however, the ruble has strengthened, and the average EUR/RUB was 76.3 in January–September 2022 and 58.1 at the end of September.

Raw material and logistics costs are estimated to continue to be on a high level.

GUIDANCE FOR 2022 (updated on October 28, 2022)

The war in Ukraine and resulting sanctions have a significant negative impact on Nokian Tyres' supply capacity and performance. In 2022, Nokian Tyres' net sales is expected to be at previous year's level or increase, and segments operating profit is expected to decrease significantly compared to 2021.

Earlier guidance published on June 17, 2022

The war in Ukraine and resulting sanctions cause significant uncertainty to Nokian Tyres' operating environment. In 2022, Nokian Tyres' net sales are expected to decrease or to be at previous year's level, and segments operating profit is expected to decrease significantly compared to 2021.

Earlier guidance published on April 27, 2022:

The war in Ukraine and resulting sanctions cause significant uncertainty to Nokian Tyres' operating environment. Nokian Tyres' net sales and segments operating profit in 2022 are expected to decrease significantly compared to 2021.

Withdrawal of guidance on February 28, 2022:

Due to the uncertainties caused by the war in Ukraine, the Board of Directors of Nokian Tyres plc decided on February 28, 2022 to withdraw the company's financial guidance for 2022 published on February 8, 2022.

Earlier guidance published on February 8, 2022:

In 2022, Nokian Tyres' net sales with comparable currencies are expected to grow significantly and segments operating profit is expected to grow. The global car and tire demand is expected to grow. The COVID-19 pandemic continues to cause uncertainties, including cost inflation and availability challenges, in the whole automotive value chain. In addition, current geopolitical situation causes uncertainties in 2022.

Helsinki, November 1, 2022

Nokian Tyres plc
Board of Directors

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The information hereinabove contains forward-looking statements relating to future events or future financial performance of the company. In some cases, such forward-looking statements can be identified by terminology such as “may”, “will”, “could”, “expect”, “anticipate”, “believe”, “estimate”, “predict” or other comparable terminology. Such statements are based on the current expectations, known factors, decisions, and plans of the management of Nokian Tyres. Forward-looking statements always involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Therefore, future results may even differ significantly from the results expressed in, or implied by, the forward-looking statements.

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Interim condensed consolidated financial statements

This Interim Report has been prepared in accordance with IFRS compliant recognition and measurement principles and the same accounting policies as in the most recent annual financial statements, but it has not been prepared in compliance with all requirements set out in IAS 34 'Interim Financial Reporting'.

Accounting implications of the effects of war in Ukraine and COVID-19

The war in Ukraine, resulting sanctions and exit from Russia are severely impacting Nokian Tyres' operating environment and causing a number of risks for Nokian Tyres' business. These include, among others, ability to serve customers especially in Central Europe, cost and supply of raw materials, ability to retain personnel, as well as execution of the consequent exit. The reported figures include impairments of EUR -280.7 million related to the Russian assets and write-down of EUR -20.0 million of deferred tax assets in Russia booked in June 2022. The impairments of assets have an impact on the costs of sales and the write-down of deferred tax assets on the tax expense. Nokian Tyres Management is continuously following the situation. In this Interim Report January–September, the following exchange rates for the Russian ruble have been used: 85.3 at the end of 2021, 98.0 average in January–March 2022, 84.5 average in January–June 2022, 76.3 average in January–September 2022 and 58.1 at the end of September 2022 (source: Refinitiv).

The Group has assessed the potential accounting implications of decreased economic activity as a result of the COVID-19 pandemic. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The COVID-19 pandemic has not had a significant effect on the financial values of assets or on the impairments made in 2021. Goodwill impairments in 2021 were not related to COVID-19.

The COVID-19 pandemic continues to cause uncertainties, including cost inflation and availability challenges, in the whole automotive value chain.

The interim report figures are unaudited.

NOKIAN TYRES CONDENSED CONSOLIDATED INCOME STATEMENT	**7-9/22**	7-9/21	**1-9/22**	1-9/21	1-12/21	Change %
Million euros						
Net sales	**466.2**	443.5	**1,364.7**	1,201.5	1,714.1	5.1
Cost of sales	**-356.1**	-290.3	**-1,268.3**	-798.5	-1,162.1	-22.7
Gross profit	**110.1**	153.2	**96.5**	403.0	552.0	-28.2
Other operating income	**0.3**	0.5	**1.2**	2.1	2.9	-36.4
Sales, marketing and R&D expenses	**-44.3**	-43.9	**-131.2**	-131.6	-197.3	-0.8
Administration	**-23.2**	-23.4	**-65.8**	-59.0	-89.1	1.2
Other operating expenses	**-2.2**	2.8	**-3.4**	0.7	-0.3	-176.6
Operating profit	**40.7**	89.1	**-102.7**	215.2	268.2	-54.3
Net financial items	**-6.9**	-4.2	**-5.1**	-6.9	-10.0	-66.4
Result before tax	**33.8**	85.0	**-107.9**	208.3	258.2	-60.2
Tax expense	**-9.5**	-15.8	**-52.0**	-39.1	-52.0	39.9
Result for the period	**24.3**	69.1	**-159.8**	169.1	206.2	-64.8
Attributable to:						
Equity holders of the parent	**24.3**	69.1	**-159.8**	169.1	206.2	
Earnings per share from the result attributable to the equity holders of the parent:						
basic, euros	**0.18**	0.50	**-1.16**	1.22	1.49	-64.8
diluted, euros	**0.18**	0.50	**-1.16**	1.22	1.49	-64.8

CONSOLIDATED OTHER COMPREHENSIVE INCOME	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Million euros					
Result for the period	**24.3**	69.1	**-159.8**	169.1	206.2
Other comprehensive income, items that may be reclassified subsequently to profit and loss, net of tax:					
Gains/Losses from hedge of net investments in foreign operations	**-**	-	**6.8**	-	-
Cash flow hedges	**4.3**	1.7	**16.4**	3.1	4.4
Translation differences on foreign operations	**7.2**	21.8	**253.2**	51.9	54.5
Total other comprehensive income for the period, net of tax	**11.5**	23.5	**276.4**	54.9	58.9
Total comprehensive income for the period	**35.8**	92.6	**116.5**	224.1	265.1
Total comprehensive income attributable to:					
Equity holders of the parent	**35.8**	92.6	**116.5**	224.1	265.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**30.9.22**	30.9.21	31.12.21
Million euros			
Non-current assets			
Property, plant and equipment	**710.9**	839.6	870.9
Right of use assets	**133.6**	147.4	153.5
Goodwill	**64.1**	79.6	65.3
Other intangible assets	**19.9**	24.2	21.7
Investments in associates	**0.1**	0.1	0.1
Non-current financial investments	**3.3**	2.8	2.9
Other receivables	**11.7**	6.8	6.2
Deferred tax assets	**28.8**	23.7	21.6
Total non-current assets	**972.4**	1,124.2	1,142.1
Current assets			
Inventories	**623.2**	419.8	415.1
Trade receivables	**823.3**	693.3	357.4
Other receivables	**90.8**	87.6	83.1
Cash and cash equivalents	**119.7**	89.8	385.9
Total current assets	**1,657.0**	1,290.5	1,241.4
Total assets	**2,629.4**	2,414.7	2,383.5
Equity			
Share capital	**25.4**	25.4	25.4
Share premium	**181.4**	181.4	181.4
Treasury shares	**-16.6**	-17.8	-17.6
Translation reserve	**-133.0**	-395.6	-393.0
Fair value and hedging reserves	**18.0**	0.2	1.6
Paid-up unrestricted equity reserve	**238.2**	238.2	238.2
Retained earnings	**1,367.0**	1,551.9	1,591.5
Total equity	**1,680.5**	1,583.7	1,627.6
Non-current liabilities			
Deferred tax liabilities	**35.3**	32.4	37.8
Interest-bearing liabilities	**237.4**	242.3	246.9
Other liabilities	**0.8**	0.9	0.9
Total non-current liabilities	**273.5**	275.6	285.7
Current liabilities			
Trade payables	**130.2**	141.5	172.6
Other current payables	**276.5**	308.8	251.6
Provisions	**12.9**	6.5	5.8
Interest-bearing liabilities	**255.9**	98.5	40.3
Total current liabilities	**675.4**	555.4	470.3
Total equity and liabilities	**2,629.4**	2,414.7	2,383.5

Changes in working capital arising from operative business are partly covered by EUR 500 million domestic commercial paper program.
Interest-bearing liabilities include EUR 100.8 million of non-current and EUR 38.1 million of current lease liabilities.
Assets excluding tax and financial items include EUR 590.4 million of assets located in Russia and Belarus and net assets excluding net debt include EUR 480.3 million of assets located in Russia and Belarus.

CONSOLIDATED STATEMENT OF CASH FLOWS	1-9/22	1-9/21	1-12/21
Million euros			
Result for the period	**-159.8**	169.1	206.2
Adjustments for			
Depreciation, amortisation and impairment	**395.6**	104.1	157.5
Financial income and expenses	**5.1**	7.0	10.0
Gains and losses on sale of intangible assets, other changes	**3.5**	4.2	12.9
Income Taxes	**52.0**	39.1	52.0
Cash flow before changes in working capital	**296.4**	323.5	438.6
Changes in working capital			
Current receivables, non-interest-bearing, increase (-) / decrease (+)	**-351.9**	-363.9	-22.0
Inventories, increase (-) / decrease (+)	**-139.8**	-77.4	-70.8
Current liabilities, non-interest-bearing, increase (+) / decrease (-)	**-59.4**	62.2	98.3
Changes in working capital	**-551.2**	-379.1	5.5
Financial items and taxes			
Interest and other financial items, received	**2.4**	1.0	1.7
Interest and other financial items, paid	**-9.2**	-6.0	-9.1
Income taxes paid	**-61.3**	-35.5	-40.2
Financial items and taxes	**-68.2**	-40.5	-47.6
Cash flow from operating activities (A)	**-322.9**	-96.1	396.5
Cash flow from investing activities			
Acquisitions of property, plant and equipment and intangible assets	**-59.6**	-59.6	-119.6
Proceeds from sale of property, plant and equipment and intangible assets	**0.6**	1.6	1.7
Other cash flow from investing activities	**-0.4**	-0.9	-0.8
Cash flow from investing activities (B)	**-59.4**	-58.9	-118.7
Cash flow from financing activities			
Change in current financial receivables, increase (-) / decrease (+)	**0.2**	0.0	1.4
Change in non-current financial receivables, increase (-) / decrease (+)	**0.4**	-0.1	0.4
Change in current financial borrowings, increase (+) / decrease (-)	**216.9**	-143.4	-203.4
Change in non-current financial borrowings, increase (+) / decrease (-)	**-0.6**	-0.8	-0.9
Payment of lease liabilities	**-30.3**	-29.1	-38.5
Dividends received	**0.0**	0.0	0.0
Dividends paid	**-89.7**	-89.3	-158.7
Cash flow from financing activities (C)	**96.9**	-262.6	-399.8
Change in cash and cash equivalents, increase (+) / decrease (-) (A+B+C)	**-285.5**	-417.6	-122.0
Cash and cash equivalents at the beginning of the period	**385.9**	504.2	504.2
Effect of exchange rate fluctuations on cash held	**19.3**	3.2	3.7
Cash and cash equivalents at the end of the period	**119.7**	89.8	385.9

Cash flow from operating activities include EUR -46.4 million of cash flow from Russia and Belarus.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital
B = Share premium
C = Treasury shares
D = Translation reserve
E = Fair value and hedging reserves
F = Paid-up unrestricted equity reserve
G = Retained earnings
H = Total equity

	Equity attributable to equity holders of the parent							
Million euros	A	B	C	D	E	F	G	H
Equity, 1 Jan 2021	**25.4**	**181.4**	**-18.2**	**-447.5**	**-2.8**	**238.2**	**1,544.9**	**1,521.3**
Result for the period							169.1	169.1
Other comprehensive income, net of tax:								
Cash flow hedges					3.1			3.1
Net investment hedge								-
Translation differences				51.9				51.9
Total comprehensive income for the period				**51.9**	**3.1**		**169.1**	**224.1**
Dividends paid							-165.8	-165.8
Share-based payments							4.1	4.1
Other changes			0.5				-0.5	0.0
Total transactions with owners for the period			**0.5**				**-162.2**	**-161.7**
Equity, 30 Sep 2021	**25.4**	**181.4**	**-17.8**	**-395.6**	**0.2**	**238.2**	**1,551.8**	**1,583.7**
Equity, 1 Jan 2022	**25.4**	**181.4**	**-17.6**	**-393.0**	**1.6**	**238.2**	**1,591.5**	**1,627.6**
Result for the period							-159.8	-159.8
Other comprehensive income, net of tax:								
Cash flow hedges					16.4			16.4
Net investment hedge				6.8				6.8
Translation differences				253.2				253.2
Total comprehensive income for the period				**259.9**	**16.4**		**-159.8**	**116.5**
Dividends paid							-76.0	-76.0
Share-based payments			1.0				1.9	2.9
Other changes							9.5	9.5
Total transactions with owners for the period			**1.0**				**-64.6**	**-63.6**
Equity, 30 Sep 2022	**25.4**	**181.4**	**-16.6**	**-133.0**	**18.0**	**238.2**	**1,367.0**	**1,680.5**

SEGMENT INFORMATION	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21	Change %
Million euros						
Net sales						
Passenger car tyres	**348.2**	330.6	**997.8**	856.4	1.199.2	5.3
Heavy tyres	**68.3**	69.0	**208.7**	188.7	254.0	-0.9
Vianor	**76.5**	70.1	**232.7**	219.7	342.9	9.0
Other operations and eliminations	**-26.8**	-26.2	**-74.4**	-63.3	-81.9	-2.3
Total	**466.2**	443.5	**1.364.7**	1.201.5	1.714.1	5.1
Operating result						
Passenger car tyres	**40.5**	89.6	**-117.5**	198.8	263.4	-54.8
Heavy tyres	**9.1**	11.9	**37.4**	36.2	39.1	-23.8
Vianor	**-5.1**	-4.2	**-7.9**	-3.6	-15.0	-22.7
Other operations and eliminations	**-3.7**	-8.2	**-14.8**	-16.2	-19.3	54.5
Total	**40.7**	89.1	**-102.7**	215.2	268.2	-54.3
Operating result, % of net sales						
Passenger car tyres	**11.6**	27.1	**-11.8**	23.2	22.0	
Heavy tyres	**13.3**	17.3	**17.9**	19.2	15.4	
Vianor	**-6.7**	-6.0	**-3.4**	-1.6	-4.4	
Total	**8.7**	20.1	**-7.5**	17.9	15.6	

NET SALES BY GEOGRAPHICAL AREA	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21	Change %
Million euros						
Nordics	**178.3**	159.8	**488.7**	456.6	684.9	11.5
Other Europe	**58.0**	148.2	**250.0**	335.0	464.8	-60.9
Russia and Asia	**136.7**	70.0	**383.5**	242.7	335.6	95.4
Americas	**93.2**	65.5	**242.6**	167.2	228.9	42.2
Total	**466.2**	443.5	**1,364.7**	1,201.5	1,714.1	5.1

Russia and Belarus accounted for EUR 360.5 million (227.5) of net sales in Russia and Asia in the first three quarters of 2022.

ADDITIONAL IMPAIRMENT TESTING OF CASH GENERATING UNIT PASSENGER CAR TYRES

Due to the uncertainties in the current operating environment resulting from the Russia-Ukraine war, the company has performed an additional impairment testing for cash generating unit (CGU) Passenger Car Tyres. The company also considers the relationship between its market capitalisation and its book value when reviewing for indicators of impairment. As at 30 September 2022, the market capitalisation of the company was below the book value of its equity, indicating a potential impairment of goodwill. Russian operations have been assessed separately for impairment resulting to impairments in the assets of EUR -280.7 million and write-downs in the deferred tax assets of EUR -20.0 million in June 2022. No further impairments or reversals of impairments were booked from Russian operations based on assessment in September 2022.

In the impairment testing calculation, the cash flow generating unit Passenger Car Tyres does not include operations in Russia. The exclusion of Russia has led to a change in the CGU Passenger Car Tyres. The recoverable amount of the CGU was based on five-year cash flow projections. Cash flows beyond the five-year period were calculated using a terminal value method. The weighted average cost of capital (WACC) has been calculated in the same manner as described in the Financial Statements 2021. Future cash flows after the forecast period approved by the management have been capitalised as a terminal value using a steady 2% growth rate. The goodwill allocated to the CGU Passenger Car Tyres was EUR 63.1 million. The calculations have included the investment in the new production capacity in Europe in accordance with the Board of Directors' decision. The company has committed to the investment and the investment has been substantively commenced. Due to the nature of the investment, a significant amount of the recoverable amount of the cash flow is generated in the terminal value. The recoverable amount in Passenger Car Tyres significantly exceeds the carrying amount of the cash-generating unit. As a result of the additional impairment testing, no goodwill impairments were recorded in the income statement.

CONTINGENT LIABILITIES	**30.9.22**	30.9.21	31.12.21
Million euros			
For own debt			
Pledged assets	**6.5**	5.7	6.3
Other own commitments			
Guarantees	**2.4**	3.0	3.1

LEVEL 3 FAIR VALUE MEASUREMENTS

At the end of March, the ruble derivative financial instruments were transferred into Level 3 in the fair value hierarchy due to the significant decrease in the volume of activity in the ruble markets. The inputs for these derivatives are based partly on the observable market data (foreign exchange component) and partly on unobservable inputs (interest component). The fair value of the interest component is assumed to be zero in accordance with the principle of prudence as the relevance of the observable market data is deemed low due to the infeasibility of orderly transaction execution.

Fair value changes of the ruble derivative financial instruments are recognized in profit or loss under financial income and expenses. The amount of the total gains or losses relating to those derivatives in January-September 2022 was EUR -29.8 million and in July-September 2022 EUR +3.7 million.

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS	Ruble derivatives
Million euros	
Fair value 1 Jan 2022	**-**
Transfers into Level 3	14.8
Net gains/losses recognized in profit or loss under financial income and expenses	-33.6
Fair value 30 Sep 2022	**-18.8**

Sensitivity

As the fair value is based only on the foreign exchange component, the sensitivity of the fair value is linearly dependent on the changes in the EUR/RUB exchange rate. A 10% base currency appreciation/depreciation against the quote currency would have an effect of EUR +9.3/-9.3 million on the fair value. If orderly transactions could have been executed based on the observable market data the fair value of the interest component would have been EUR +7.9 million.

DERIVATIVE FINANCIAL INSTRUMENTS	**30.9.22**	30.9.21	31.12.21
Million euros			
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	**100.0**	100.0	100.0
Fair value	**3.4**	-2.5	-1.9
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	**301.7**	347.6	426.5
Fair value	**3.1**	-1.5	-2.2
Currency options, purchased			
Notional amount	**7.5**	14.2	17.7
Fair value	**0.2**	0.0	0.1
Currency options, written			
Notional amount	**14.9**	30.8	35.3
Fair value	**-0.2**	-0.1	-0.1
Interest rate and currency swaps			
Notional amount	**75.0**	75.0	75.0
Fair value	**-18.8**	10.6	11.1
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	**5.3**	4.9	5.2
Fair value	**19.1**	2.7	3.8

IFRS 16 LEASES

Million euros

Balance sheet effects	30.9.22	30.9.21	31.12.21
Fixed assets			
Right to use	**133.6**	147.4	153.5
Total	**133.6**	147.4	153.5
Equity & Liability			
Non-current liability	**100.8**	113.6	118.5
Current liability	**38.1**	37.7	39.4
Total	**138.9**	151.2	157.9

P&L effects	1-9/22	1-9/21	1-12/21	Change %
Reversed rents	**33.4**	29.1	39.6	14.9
Depreciations	**-31.2**	-27.6	-37.6	-13.0
Finance costs	**-3.1**	-2.7	-4.0	-13.8
Total	**-0.9**	-1.2	-2.0	30.7