

Nokian Tyres plc Half Year Financial Report January–June 2021, August 3, 2021 at 2:00 p.m.

Nokian Tyres plc Half Year Financial Report January–June 2021: Strong volume and profit growth

April–June 2021

- Net sales were EUR 416.2 million (270.7 in April–June 2020) and grew by 53.7%. With comparable currencies, net sales increased by 54.8%.
- Segments operating profit was EUR 89.6 million (24.4), with negative currency impact of approximately EUR 5 million. Operating profit was EUR 81.8 million (-22.8).
- Segments earnings per share were EUR 0.51 (0.09). Earnings per share were EUR 0.47 (-0.18).
- Cash flow from operating activities was EUR 9.3 million (25.3).

January–June 2021

- Net sales were EUR 758.0 million (550.5 in January–June 2020) and grew by 37.7%. With comparable currencies, net sales increased by 41.5%.
- Segments operating profit was EUR 139.9 million (40.8), with negative currency impact of approximately EUR 15 million. Operating profit was EUR 126.1 million (-13.7).
- Segments earnings per share were EUR 0.80 (0.16). Earnings per share were EUR 0.72 (-0.16).
- Cash flow from operating activities was EUR -15.1 million (-13.6).

Guidance for 2021

In 2021, Nokian Tyres' net sales with comparable currencies and segments operating profit are expected to grow significantly.

The global car and tire demand is expected to pick up, but the COVID-19 pandemic continues to cause uncertainties for the development.

Jukka Moisio, President and CEO:

“Tire demand continued strong in the second quarter. Thanks to a great performance by all our business units and business areas, net sales increased by 54.8% with comparable currencies. Segments operating profit grew significantly driven by higher sales volume.

In Passenger Car Tyres, volume growth was particularly strong in Russia. The higher share of Russian volume had a negative impact on the average sales price.

To ensure the availability of our premium products, we operated the Russian factory at full capacity. In the US, we continued to ramp-up production to reach an output of around one million tires in 2021. In Finland, we are increasing our production capacity for passenger car tires by approximately 30% this year as announced in March.

In the second quarter, our operating cash flow was positive despite the increasing working capital requirements. Capital expenditure was lower year-over-year in line with the 2021 plan.

Raw material costs started to increase in the second quarter and are estimated to have a significant negative impact in the second half of the year compared to 2020, together with increasing logistics costs. We are taking mitigating actions to reduce the impact of cost inflation.

In 2021, our focus will remain on growth and cash flow. New products and continuous improvements in go-to-market activities will help us build an even stronger foothold in our core markets. We want to benefit from a good momentum in the market while still acting prudently to keep our company strong and competitive for years to come.”

Key figures

EUR million	4–6/21	4–6/20	Change	CC* Change	1–6/21	1–6/20	Change	CC* Change	2020
Net sales	416.2	270.7	53.7%	54.8%	758.0	550.5	37.7%	41.5%	1,313.8
Operating profit	81.8	-22.8			126.1	-13.7			120.0
Operating profit %	19.6%	-8.4%			16.6%	-2.5%			9.1%
Profit before tax	79.6	-26.9			123.3	-21.2			106.0
Profit for the period	64.5	-24.8			100.0	-22.4			86.0
EPS, EUR	0.47	-0.18			0.72	-0.16			0.62
Segments operating profit	89.6	24.4			139.9	40.8			190.2
Segments operating profit %	21.5%	9.0%			18.5%	7.4%			14.5%
Segments EPS, EUR	0.51	0.09			0.80	0.16			1.04
Segments ROCE, %**					13.9%	10.6%			9.3%
Equity ratio, %					66.1%	63.3%			65.3%
Cash flow from operating activities	9.3	25.3			-15.1	-13.6			422.4
Gearing, %					9.4%	16.3%			-1.1%
Interest-bearing net debt					140.0	254.1			-17.2
Capital expenditure	23.4	36.6			39.3	87.5			149.9

* 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 2020.

FINANCIAL RESULTS IN APRIL–JUNE 2021

Net sales in April–June 2021 increased by 53.7% and amounted to EUR 416.2 million (April–June 2020: 270.7). With comparable currencies, net sales increased by 54.8%.

Net sales by geographical area

EUR million	4–6/2021	4–6/2020	Change	CC* Change	2020
Nordics	163.5	133.3	22.7%	16.5%	592.2
Other Europe	103.3	70.5	46.5%	42.6%	330.9
Russia and Asia	93.5	39.8	134.9%	166.8%	188.7
Americas	55.9	27.1	106.5%	110.5%	166.7
Total	416.2	270.7	53.7%	54.8%	1,313.8

* Comparable currencies

Net sales by business unit

EUR million	4–6/2021	4–6/2020	Change	CC* Change	2020
Passenger Car Tyres	279.9	163.9	70.8%	74.9%	871.3
Heavy Tyres	62.6	40.5	54.8%	52.6%	194.6
Vianor	91.5	80.8	13.1%	8.0%	318.1
Other operations and eliminations	-17.8	-14.5	-22.6%		-70.1
Total	416.2	270.7	53.7%	54.8%	1,313.8

* Comparable currencies

Raw material unit costs (EUR/kg) in manufacturing increased by 3.0% year-over-year, positively impacted by currencies, and increased by 5.2% from the first quarter of 2021.

Segments operating profit amounted to EUR 89.6 million (24.4) with negative currency impact of approximately EUR 5 million.

Operating profit was EUR 81.8 million (-22.8). The non-IFRS exclusions were EUR -7.8 million (-47.3), including EUR -7.4 million (-7.3) related to the US factory ramp-up.

Segments operating profit by business unit

EUR million	4–6/2021	4–6/2020	2020
Passenger Car Tyres	70.6	13.6	177.8
Heavy Tyres	11.7	2.6	23.7
Vianor	10.1	9.6	4.0
Other operations and eliminations	-2.8	-1.3	-15.3
Segments operating profit total	89.6	24.4	190.2
Non-IFRS exclusions	-7.8	-47.3	-70.2

Financial items and taxes

Net financial expenses were EUR 2.2 million (4.2), including net interest expenses of EUR 1.8 million (2.1). Net financial expenses include an expense of EUR 0.4 million (2.0) due to exchange rate differences. Segments profit before tax was EUR 87.4 million (20.3). Profit before tax was EUR 79.6 million (-26.9) and taxes were EUR -15.1 million (2.1). Segments profit for the period amounted to

EUR 70.7 million (12.7). Profit for the period amounted to EUR 64.5 million (-24.8). Segments earnings per share were EUR 0.51 (0.09), and earnings per share were EUR 0.47 (-0.18).

Cash flow

In April–June 2021, cash flow from operating activities was EUR 9.3 million (25.3). Working capital increased by EUR 88.8 million (increased by 11.2). Inventories increased by EUR 15.1 million (decreased by 33.9) and receivables increased by EUR 78.5 million (increased by 0.4). Payables increased by EUR 4.8 million (decreased by 44.7).

FINANCIAL RESULTS IN JANUARY–JUNE 2021

Net sales in January–June 2021 increased by 37.7% and amounted to EUR 758.0 million (January–June 2020: 550.5). With comparable currencies, net sales increased by 41.5%. Currency exchange rates affected net sales negatively by EUR 20.8 million.

Net sales by geographical area

EUR million	1–6/2021	1–6/2020	Change	CC* Change	2020
Nordics	296.8	256.1	15.9%	11.6%	592.2
Other Europe	186.8	133.1	40.4%	39.7%	330.9
Russia and Asia	172.7	96.3	79.3%	109.4%	188.7
Americas	101.7	65.0	56.5%	62.1%	166.7
Total	758.0	550.5	37.7%	41.5%	1,313.8

* Comparable currencies

Net sales by business unit

EUR million	1–6/2021	1–6/2020	Change	CC* Change	2020
Passenger Car Tyres	525.8	354.4	48.4%	55.3%	871.3
Heavy Tyres	119.7	91.6	30.7%	30.4%	194.6
Vianor	149.6	135.3	10.6%	6.5%	318.1
Other operations and eliminations	-37.1	-30.8	-20.6%		-70.1
Total	758.0	550.5	37.7%	41.5%	1,313.8

* Comparable currencies

Raw material unit costs (EUR/kg) in manufacturing decreased by 2.8% year-over-year, positively impacted by currencies.

Segments operating profit amounted to EUR 139.9 million (40.8) with negative currency impact of approximately EUR 15 million.

Operating profit was EUR 126.1 million (-13.7). The non-IFRS exclusions were EUR -13.8 million (-54.6), including EUR -13.9 million (-13.1) related to the US factory ramp-up.

Segments operating profit by business unit

EUR million	1–6/2021	1–6/2020	2020
Passenger Car Tyres	123.4	39.5	177.8
Heavy Tyres	24.3	10.8	23.7
Vianor	0.2	-2.8	4.0

Other operations and eliminations	-8.0	-6.7	-15.3
Segments operating profit total	139.9	40.8	190.2
Non-IFRS exclusions	-13.8	-54.6	-70.2

Financial items and taxes

Net financial expenses were EUR 2.8 million (7.4), including net interest expenses of EUR 3.8 million (3.5). Net financial expenses include an income of EUR 1.0 million (expense of 3.9) due to exchange rate differences. Segments profit before tax was EUR 137.1 million (33.4). Profit before tax was EUR 123.3 million (-21.2) and taxes were EUR -23.3 million (-1.2). Segments profit for the period amounted to EUR 110.9 million (22.4). Profit for the period amounted to EUR 100.0 million (-22.4). Segments earnings per share were EUR 0.80 (0.16), and earnings per share were EUR 0.72 (-0.16).

Cash flow

In January–June 2021, cash flow from operating activities was EUR -15.1 million (-13.6). Working capital increased by EUR 176.2 million (increased by 73.5). Inventories increased by EUR 47.2 million (increased by 7.2) and receivables increased by EUR 157.2 million (increased by 15.3). Payables increased by EUR 28.2 million (decreased by 51.0).

Investments

Investments in January–June 2021 amounted to EUR 39.3 million (87.5). Depreciations and amortizations totaled EUR 68.1 million (90.3).

Financial position on June 30, 2021

EUR million	June 30, 2021	June 30, 2020	Dec 31, 2020
Cash and cash equivalents	187.1	403.7	504.2
Interest-bearing liabilities	327.1	657.8	487.0
of which current interest-bearing liabilities	84.2	446.6	229.7
Interest-bearing net debt	140.0	254.1	-17.2
Unused credit limits*	765.8	567.3	507.1
of which committed	305.5	330.4	205.5
Gearing ratio, %	9.4%	16.3%	-1.1%
Equity ratio, %	66.1%	63.3%	65.3%

* 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 credit limits were increased by EUR 100 million with two bilateral back-up facilities in June 2021.

Personnel

	1–6/2021	1–6/2020	2020
Group employees			
on average	4,825	4,915	4,859
at the end of the review period	4,822	4,729	4,603
in Finland, at the end of the review period	1,804	1,724	1,721
in Russia, at the end of the review period	1,566	1,565	1,528
in North America, at the end of the review period	313	291	229
Vianor (own) employees, at the end of the review period*	1,444	1,504	1,411

* Included in Group employee figures

BUSINESS UNIT REVIEWS

Passenger Car Tyres

EUR million	4–6/21	4–6/20	Change	CC* Change	1–6/21	1–6/20	Change	CC* Change	2020
Net sales	279.9	163.9	70.8%	74.9%	525.8	354.4	48.4%	55.3%	871.3
Segment operating profit	70.6	13.6			123.4	39.5			177.8
Segment operating profit, %	25.2%	8.3%			23.5%	11.1%			20.4%

* Comparable currencies

April–June 2021

In April–June 2021, net sales of Passenger Car Tyres totaled EUR 279.9 million (163.9). With comparable currencies, net sales increased by 74.9%. Net sales increased in all main markets. Average Sales Price decreased due to increased share of Russian volume.

Segment operating profit was EUR 70.6 million (13.6) driven by increased sales volume.

January–June 2021

In January–June 2021, net sales of Passenger Car Tyres totaled EUR 525.8 million (354.4). With comparable currencies, net sales increased by 55.3%. Net sales increased in all main markets. Average Sales Price with comparable currencies decreased due to increased share of Russian volume as well as strong summer and all-season tire sales. The share of sales volume of winter tires was 50% (58%), the share of summer tires was 34% (29%), and the share of all-season tires was 16% (13%).

Segment operating profit was EUR 123.4 million (39.5) driven by increased sales volume.

Production output (pcs) increased by 71% year-over-year. In January–June 2021, 83% (86%) of passenger car tires (pcs) were manufactured in Russia. In the US and Finnish factories, additional shifts have been added to increase production.

In January 2021, Nokian Tyres launched a new flagship range of studded winter tires, the Nokian Hakkapeliitta 10, for passenger cars, SUVs, hybrids and electric cars. At the same time, the company launched new studded Nokian Nordman 8 and Nokian Nordman 8 SUV winter tires. The first North American specific all-season tire for passenger cars and SUVs, the Nokian Tyres One, was also introduced in January. For professional and heavy-duty use in the Central European market, the company launched the Nokian Snowproof C winter tire and the Nokian Seasonproof C all-season tire in May.

Heavy Tyres

EUR million	CC*				CC*				2020
	4-6/21	4-6/20	Change	Change	1-6/21	1-6/20	Change	Change	
Net sales	62.6	40.5	54.8%	52.6%	119.7	91.6	30.7%	30.4%	194.6
Segment operating profit	11.7	2.6			24.3	10.8			23.7
Segment operating profit, %	18.8%	6.4%			20.3%	11.8%			12.2%

* Comparable currencies

April-June 2021

In April-June 2021, net sales of Heavy Tyres totaled EUR 62.6 million (40.5). With comparable currencies, net sales grew by 52.6% driven by new product launches and customers' strong production levels. Demand was strong in all product segments.

Segment operating profit was EUR 11.7 million (2.6). The increase was mainly due to higher sales volume.

January-June 2021

In January-June 2021, net sales of Heavy Tyres totaled EUR 119.7 million (91.6). With comparable currencies, net sales grew by 30.4% driven by new product launches and customers' strong production levels. Demand was strong in all product segments.

Segment operating profit was EUR 24.3 million (10.8). The increase was due to higher sales volume and improved production efficiency supported by investments in capacity and production automation.

In January-June 2021, Nokian Heavy Tyres launched several new sizes for Nokian Hakkapeliitta TRI and Nokian Ground King product families. Also truck tire offering widened with new sizes for Nokian E-truck and Nokian R-truck product families. In June, the company launched a special tire, the Nokian Ground Kare Semi-Slick, designed for backhoe loaders operating on railroads.

Vianor, own operations

EUR million	4–6/21	4–6/20	Change	CC*		1–6/21	1–6/20	Change	CC*	
				Change	Change				Change	Change
Net sales	91.5	80.8	13.1%	8.0%		149.6	135.3	10.6%	6.5%	318.1
Segment operating profit	10.1	9.6				0.2	-2.8			4.0
Segment operating profit, %	11.0%	11.8%				0.2%	-2.1%			1.3%
Number of own service centers at period end	174	186								174

* Comparable currencies

April–June 2021

In April–June 2021, net sales of Vianor totaled EUR 91.5 million (80.8). With comparable currencies, net sales increased by 8.0%. The sales performance was good in all operating countries. Net sales with comparable currencies grew by 11.4%, when excluding Vianor US, which was divested in August 2020.

Segment operating profit was EUR 10.1 million (9.6), supported by stable service center operations.

January–June 2021

In January–June 2021, net sales of Vianor totaled EUR 149.6 million (135.3). With comparable currencies, net sales increased by 6.5% driven by recovering demand in all operating countries. Net sales with comparable currencies grew by 9.9%, when excluding Vianor US, which was divested in August 2020.

Segment operating profit was EUR 0.2 million (-2.8). The improvement was driven by strong operational management in Vianor service centers.

At the end of the review period, Vianor had 174 (186) own service centers in Finland, Sweden and Norway.

Segments Total to Nokian Tyres Total reconciliation

4–6/2021	Net sales	Cost of sales	SGA	Other operating income/expenses	Operating profit	Financial income/expenses	Taxes	Profit for the period
Segments Total	416.2	-262.2	-63.4	-1.0	89.6	-2.2	-16.7	70.7
US factory ramp-up		-6.6	-0.8		-7.4		1.5	-5.9
Impairments and write-downs of tangible and intangible assets, and certain other items		-0.3	-0.1		-0.4		0.1	-0.3
Non-operative items and others			0.0	0.0	0.0		0.0	0.0
Total non-IFRS exclusion		-6.9	-0.9	0.0	-7.8		1.6	-6.2
Nokian Tyres Total	416.2	-269.1	-64.3	-1.0	81.8	-2.2	-15.1	64.5

* 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.

1–6/2021	Net sales	Cost of sales	SGA	Other operating income/expenses	Operating profit	Financial income/expenses	Taxes	Profit for the period
Segments Total	758.0	-495.4	-121.5	-1.2	139.9	-2.8	-26.2	110.9
US factory ramp-up		-12.5	-1.4		-13.9		2.9	-11.0
Impairments and write-downs of tangible and intangible assets, and certain other items		-0.3	-0.1		-0.4		0.1	-0.3
Non-operative items and others			-0.3	0.7	0.4		-0.1	0.3
Total non-IFRS exclusion		-12.8	-1.8	0.7	-13.8		2.9	-10.9
Nokian Tyres Total	758.0	-508.2	-123.3	-0.5	126.1	-2.8	-23.3	100.0

* 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 June 2021, the number of shares was 138,921,750.

Number of shares (million units)*	30.6.21	30.6.20
at the end of period	138.22	138.42
in average	138.22	138.63
in average, diluted	138.22	138.63

* Excluding treasury shares

Authorizations

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 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, 2022. The authorization canceled the authorization given to the Board of Directors by the Annual General Meeting on April 2, 2020.

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 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, 2022. The authorization canceled the authorization given to the Board of Directors by the Annual General Meeting on April 2, 2020.

In April 2020, 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 corresponded to approximately 9.9% of all shares in the company at the time of the proposal. The authorization was effective until the Annual General Meeting of 2021.

In April 2020, the Annual General Meeting authorized the Board of Directors to make a decision 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 2021.

The Board did not utilize the authorizations in January–June 2021.

Own shares

No share repurchases were made during the review period, and the company did not possess any own shares on June 30, 2021.

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 June 30, 2021, the number of these shares was 697,400, reported as treasury shares (June 30, 2020: 497,400). This number of shares corresponded to 0.50% (0.36%) of the total shares and voting rights in the company.

Trading in shares

A total of 58,318,858 (190,973,943) Nokian Tyres' shares were traded in Nasdaq Helsinki in January–June 2021, representing 42% (137%) of the company's overall share capital. The average

daily volume in January–June 2021 was 474,137 shares (1,552,634). Nokian Tyres' shares are also traded on alternative exchanges.

Nokian Tyres' share price was EUR 34.05 (19.54) at the end of June 2021. The volume weighted average share price in January–June 2021 was EUR 31.13 (20.96), the highest was EUR 34.62 (27.67) and the lowest was EUR 27.98 (16.38). The company's market capitalization at the end of June 2021 was EUR 4.7 billion (2.7 billion).

At the end of June 2021, the company had 56,077 (64,965) registered shareholders. The percentage of Finnish shareholders was 43.0% (42.9%), and 57.0% (57.1%) were non-Finnish holders and foreign shareholders registered in the nominee register. Public sector entities owned 14.9% (12.8%), financial and insurance corporations 7.0% (6.5%), households 13.9% (16.4%), non-profit institutions 3.5% (3.5%), and private companies 3.7% (3.7%).

Changes in ownership

Transaction date	Shareholder	Threshold	% of shares and voting rights	% of shares and voting rights through financial instruments	Total, %
January 13, 2021	BlackRock, Inc	Above 5%	4.61%	0.43%	5.04%
January 14, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
February 2, 2021	Société Générale SA	Below 5%	0.03%	1.53%	1.56%
February 10, 2021	BlackRock, Inc	Above 5%	4.95%	0.15%	5.10%
February 12, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
February 16, 2021	BlackRock, Inc	Above 5%	4.96%	0.08%	5.04%
February 17, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
February 25, 2021	BlackRock, Inc	Above 5%	4.96%	0.07%	5.03%
March 5, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
March 15, 2021	BlackRock, Inc	Above 5%	4.50%	0.52%	5.02%
March 19, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
April 23, 2021	BlackRock, Inc	Above 5%	5.02%	0.04%	5.07%
April 27, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
June 2, 2021	BlackRock, Inc	Above 5%	4.89%	0.11%	5.01%
June 3, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
June 7, 2021	BlackRock, Inc	Above 5%	4.96%	0.14%	5.11%
June 8, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
June 9, 2021	BlackRock, Inc	Above 5%	4.88%	0.16%	5.04%
June 16, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
June 18, 2021	BlackRock, Inc	5% level	4.92%	0.07%	5.00%
June 21, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%

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 11 and May 6. Read more at <https://www.nokiantyres.com/company/publications/releases/2021/managementTransactions/>.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

On March 30, 2021, the Annual General Meeting of Nokian Tyres adopted the financial statements for 2020, discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2020 and adopted the company's Remuneration Report for governing bodies.

Dividend

The AGM decided that a dividend of EUR 1.20 per share shall be paid from the financial year January 1–December 31, 2020 in two instalments. The first instalment of EUR 0.60 per share was paid on April 15, 2021 to shareholders who were registered in the company's shareholders' register maintained by Euroclear Finland Oy on the dividend record date on April 1, 2021. The second instalment of EUR 0.60 per share shall be paid in December 2021 to shareholders who are registered in the company's shareholders' register maintained by Euroclear Finland Oy on the dividend record date, which, together with the payment date, will be decided by the Board of Directors in its meeting scheduled for November 2, 2021. The dividend record date for the second instalment would be November 4, 2021 and the dividend payment date December 9, 2021 at the latest. The company will announce the decision by the Board of Directors on the record date and payment date of the second instalment separately.

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 102,500 per year; to the Deputy Chairman and to the Chairman of the Audit Committee EUR 72,500 per year each, and to members EUR 50,000 per year each. 60 per cent of the annual fee will be paid in cash and 40 per cent in Company shares.

Furthermore, the AGM 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, Raimo Lind, Inka Mero, George Rietbergen, Pekka Vauramo and Veronica Lindholm were re-elected as members of the Board of Directors and Christopher Ostrander and Jouko Pölonen were elected as new members of the Board of Directors for a term ending at the closing of the Annual General Meeting 2022. Jukka Hienonen was elected as the Chairman and Pekka Vauramo as Deputy Chairman of the Board of Directors.

Ernst & Young Oy, authorized public accountant firm, was elected as the company's auditor for a term ending at the closing of the Annual General Meeting of 2022.

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, 2022. The authorization canceled the authorization given to the Board of Directors by the Annual General Meeting on April 2, 2020.

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 Annual General Meeting, however at most until June 30, 2022. This authorization canceled the authorization given to the Board of Directors by the Annual General Meeting on April 2, 2020.

BOARD OF DIRECTORS' WORKING ARRANGEMENTS

In its organizing meeting on March 30, 2021, 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 Raimo Lind as the Chairman and Heikki Allonen, Inka Mero and Jouko Pölönen as members of the Audit Committee.

SHAREHOLDERS' NOMINATION BOARD 2021

In June 2021, the following members were appointed to Nokian Tyres' Shareholders' Nomination Board:

- Mr. Antti Mäkinen (CEO, Solidium Oy), appointed by Solidium Oy
- Mr. Heikki Westerlund (board professional), appointed by Bridgestone Corporation
- Mr. Mikko Mursula (Deputy CEO, Investments, Ilmarinen Mutual Pension Insurance Company), appointed by Ilmarinen Mutual Pension Insurance Company
- Mr. Kalle Karppinen (Head of Research, Nordic Equities, Nordea Investment Management), appointed by Nordea Funds
- Mr. Jukka Hienonen, Chairman of the Board, Nokian Tyres plc

CORPORATE SUSTAINABILITY

Nokian Tyres published its Corporate Sustainability Report 2020 in March 2021. The report is available in Finnish and English on the company's website at www.nokiantyres.com/company/sustainability/.

In January 2021, Nokian Tyres announced that its Finnish factory has earned ISO 45001 certification for occupational health & safety. The certification has also been awarded to the premier provider of wheels for heavy OE and aftermarket applications, Levypyörä, which Nokian Tyres acquired in 2019. ISO 45001 certification has been created to further reduce workplace injuries and illnesses.

In March 2021, the solar-powered administration building at Nokian Tyres' US production facility earned LEED v4 Gold certification. The accomplishment, coupled with LEED v4 Silver certification of the attached production facility, makes the company's US complex one of the most eco-friendly in the tire industry.

After an audit in May, Nokian Tyres earned ISO 14001 certification for its US production facility. The site joined the company's two other production facilities in Finland and Russia that were already certified to the environmental standards.

In June, Nokian Tyres announced that its logistics center in Finland has a solar power plant, consisting of 3,160 solar panels with a combined output of more than 1,100 kilowatts. All of the electricity generated by the solar panels is used by the logistics center, where power is required for lighting and ventilation, for example. The use of renewable solar energy is a part of the reduction of CO2 emissions generated from the company's own operations.

OTHER MATTERS

SHARE-BASED LONG-TERM INCENTIVE SCHEME 2021–2023 FOR THE MANAGEMENT AND SELECTED KEY EMPLOYEES OF NOKIAN TYRES PLC

In February 2021, Nokian Tyres announced that the Board of Directors of Nokian Tyres plc has decided on a share-based long-term incentive scheme for the Company's management and selected

key employees for years 2021–2023 as a continuation to the earlier plans decided in 2019 and 2020. The decision includes Performance Share Plan 2021 (“PSP 2021”) as the main structure and Restricted Share Plan 2021 (“RSP 2021”) 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 2021

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 Board approval.

The Performance Period (PSP 2021–2023) commences effective as of the beginning of 2021 and the potential share reward thereunder will be paid in the first half of 2024 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 2021–2023 are approximately 220 individuals, including the members of Nokian Tyres Management Team.

The potential share reward payable under the PSP 2021–2023 are based on the Earnings Per Share (EPS) and Return on Capital Employed (ROCE). The possible rewards paid based on the Performance Period of 2021–2023 will be a maximum of 534,898 gross shares.

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

Restricted Share Plan 2021

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 Board of Directors approval.

A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment relationship of the individual 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 2021–2023.

The next plan (RSP 2021–2023) within the Restricted Share Plan structure commences effective as of the beginning of 2021 and the potential share reward thereunder will be paid in the first half of 2024. The possible rewards paid based on RSP 2021–2023 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 this 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.

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 has detailed the overall business risks and risk management in the 2020 Corporate Governance Statement.

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.
- 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. The violation of 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 60% of the Group's sales are generated outside of the euro-zone.
- 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 requests a corporate fine of a maximum of EUR 850,000 to be imposed on the company. The prosecutor has also decided to press charges for suspected abuse of insider information against four

persons who were employees of Nokian Tyres in 2015. All persons charged deny their involvement in any criminal activity.

-The COVID-19 pandemic represents a short-term risk to Nokian Tyres' business and operating environment, which has rapidly changed. 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 is expected to 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 social responsibility risks, the most significant of which are related to the company's brand image and product quality. Analyses and projects related to information security, data protection, and customer information are continuously a special focus area.

Tax disputes

In May 2019, Nokian Tyres U.S. Finance Oy, a former subsidiary of Nokian Tyres plc (ownership: 100% of the shares), received a negative ruling from the Hämeenlinna Administrative Court regarding the company's appeal against a reassessment of EUR 18.5 million concerning the years 2007–2013. The company has paid and recorded the amount in full in the financial statements and results for 2013, 2014, and 2017. The company's appeal against the court decision was rejected by Supreme Administrative Court in February 2021.

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 and penalties. Nokian Tyres considers the view of tax authority unfounded and will appeal against it.

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

MATTERS AFTER THE REVIEW PERIOD

Changes in ownership

Transaction date	Shareholder	Threshold	% of shares and voting rights	% of shares and voting rights through financial instruments	Total, %
July 26, 2021	BlackRock, Inc	5% level	4.94%	0.06%	5.00%
July 27, 2021	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%

ASSUMPTIONS FOR 2021

Market situation	The Nordic countries	Russia	Europe (excl. the Nordic countries)	North America
New car sales in 1–6/2021 y-o-y	35%	37%	27%	29%
Car tire sell-in in 1–6/2021 y-o-y	5%	40%	23%	19%
Car tire demand E2021 (management estimate)	increase	increase	increase	increase
Heavy tire segments* E2021 (management estimate)	increase	increase	increase	increase

* Nokian Tyres' core product segments

Nokian Tyres net sales growth in 2021 will be driven by an extensive pipeline of new product launches, together with continuous improvements in go-to-market activities.

The investments comprising the new US factory, the test center in Spain and the Heavy Tyres capacity expansion in Finland are starting to be completed. Capital expenditure is expected to be below 2020 level. Working capital is anticipated to increase as net sales is expected to grow.

In 2021, the demand for replacement car tires is expected to increase, driven by stronger demand and increasing new car sales. However, the COVID-19 pandemic continues to cause uncertainties for the development.

In Russia, the sales of new cars are expected to increase by 5–10% compared to 2020, as a result of gradual economic recovery, deferred demand and low comparison base. The total replacement tire market sell-in in Russia in 2021 is expected to increase by 10–15% compared to 2020, driven by stronger demand and low carry-over stocks.

The unpredictability in the development of the Russian ruble exchange rate causes uncertainty in 2021. The ruble has weakened in recent years and the average EUR/RUB was 72.5 in 2019, 82.7 in 2020, 90.6 in January 2021, and 89.6 in January–June 2021.

Raw material and logistics costs are estimated to increase significantly in H2 2021 compared to the previous year.

The demand for Nokian Heavy Tyres' core products is estimated to increase in 2021. Aftermarket demand is expected to continue healthy and OEM demand is expected to recover from 2020 level. Nokian Heavy Tyres' production capacity continues to increase, which will improve delivery capability for all key markets.

GUIDANCE FOR 2021

In 2021, Nokian Tyres' net sales with comparable currencies and segments operating profit are expected to grow significantly.

The global car and tire demand is expected to pick up, but the COVID-19 pandemic continues to cause uncertainties for the development.

Helsinki, August 3, 2021

Nokian Tyres plc
Board of Directors

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.

Half year condensed consolidated financial report

This Half Year Financial Report has been prepared in accordance with IAS 34 Interim Reports standard. The company has adopted certain new or revised IFRS standards and IFRIC interpretations at the beginning of the financial period as described in the Financial Statements 2020. In other respects, the same accounting policies have been followed as in the most recent annual financial statements.

Accounting implications of the effects of COVID-19

The Group has assessed the potential accounting implications of decreased economic activity as a result of the COVID-19 pandemic. The preparation of interim 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. Based on the analysis, the Group has not identified any further need for goodwill impairment in addition to the ones that were announced in June 2020.

The Group continuously reviews and updates its expected credit loss model for trade receivables to take into account the macro-economic developments. This update did not result in a significant increase of credit loss allowances for trade receivables at the end of June 2021, however the credit risk may increase if the trading conditions deteriorate.

The Half Year Financial Report figures are unaudited.

NOKIAN TYRES CONDENSED

CONSOLIDATED INCOME STATEMENT	4-6/21	4-6/20	1-6/21	1-6/20	1-12/20	Change %
Million euros						
Net sales	416.2	270.7	758.0	550.5	1,313.8	53.7
Cost of sales	-269.1	-205.0	-508.2	-408.4	-913.4	-31.3
Gross profit	147.1	65.7	249.8	142.2	400.4	123.8
Other operating income	0.4	0.6	1.6	0.9	4.8	-43.4
Sales, marketing and R&D expenses	-45.0	-46.5	-87.7	-89.7	-177.6	3.3
Administration	-19.3	-32.4	-35.6	-52.8	-84.8	40.3
Other operating expenses	-1.4	-10.3	-2.1	-14.4	-22.8	86.5
Operating profit	81.8	-22.8	126.1	-13.7	120.0	459.1
Net financial items	-2.2	-4.2	-2.8	-7.4	-14.0	47.3
Result before tax	79.6	-26.9	123.3	-21.2	106.0	395.4
Tax expense	-15.1	2.1	-23.3	-1.2	-20.0	-811.8
Result for the period	64.5	-24.8	100.0	-22.4	86.0	359.9
Attributable to:						
Equity holders of the parent	64.5	-24.8	100.0	-22.4	86.0	
Earnings per share from the result attributable to the equity holders of the parent:						
basic, euros	0.47	-0.18	0.72	-0.16	0.62	360.6
diluted, euros	0.47	-0.18	0.72	-0.16	0.62	360.6

CONSOLIDATED OTHER COMPREHENSIVE INCOME	4-6/21	4-6/20	1-6/21	1-6/20	1-12/20
Million euros					
Profit for the period	64.5	-24.8	100.0	-22.4	86.0
Other comprehensive income, items that may be reclassified subsequently to profit and loss, net of tax:					
Cash flow hedges	1.0	0.6	1.3	-1.0	-1.1
Translation differences on foreign operations	-3.9	35.4	30.1	-77.3	-168.7
Total other comprehensive income for the period, net of tax	-3.0	36.0	31.5	-78.3	-169.7
Total comprehensive income for the period	61.5	11.2	131.5	-100.7	-83.8
Total comprehensive income attributable to:					
Equity holders of the parent	61.5	11.2	131.5	-100.7	-83.8

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

	30.6.21	30.6.20	31.12.20
Million euros			
Non-current assets			
Property, plant and equipment	834.7	879.8	824.9
Right of use assets	149.1	104.9	152.0
Goodwill	79.5	76.9	79.2
Other intangible assets	21.7	23.0	23.6
Investments in associates	0.1	0.1	0.1
Non-current financial investments	2.8	3.0	2.7
Other receivables	6.3	9.2	5.7
Deferred tax assets	21.0	28.0	21.6
Total non-current assets	1,115.1	1,124.8	1,110.0
Current assets			
Inventories	385.1	367.1	329.4
Trade receivables	481.6	482.6	321.5
Other receivables	87.4	78.9	71.6
Cash and cash equivalents	187.1	403.7	504.2
Total current assets	1,141.2	1,332.1	1,226.7
Total assets	2,256.4	2,457.0	2,336.7
Equity			
Share capital	25.4	25.4	25.4
Share premium	181.4	181.4	181.4
Treasury shares	-17.8	-13.5	-18.2
Translation reserve	-417.4	-356.1	-447.5
Fair value and hedging reserves	-1.5	-2.7	-2.8
Paid-up unrestricted equity reserve	238.2	238.2	238.2
Retained earnings	1,480.9	1,482.3	1,544.9
Total equity	1,489.3	1,554.9	1,521.3
Non-current liabilities			
Deferred tax liabilities	27.9	30.2	32.6
Interest-bearing liabilities	242.9	211.2	257.3
Other liabilities	0.9	1.0	0.9
Total non-current liabilities	271.7	242.4	290.8
Current liabilities			
Trade payables	131.3	53.7	98.1
Other current payables	273.5	154.5	189.7
Provisions	6.3	4.9	7.1
Interest-bearing liabilities	84.2	446.6	229.7
Total current liabilities	495.3	659.7	524.5
Total equity and liabilities	2,256.4	2,457.0	2,336.7

Changes in working capital arising from operative business are partly covered by EUR 500 million domestic commercial paper programme.

Interest-bearing liabilities include EUR 114.4 million of non-current and EUR 37.9 million of current lease liabilities.

CONSOLIDATED STATEMENT OF CASH FLOWS	1-6/21	1-6/20	1-12/20
Million euros			
Result for the period	100.0	-22.4	86.0
Adjustments for			
Depreciation, amortisation and impairment	68.1	90.3	156.0
Financial income and expenses	2.8	7.4	14.0
Gains and losses on sale of intangible assets, other changes	-1.1	1.1	4.9
Income Taxes	23.3	1.2	20.0
Cash flow before changes in working capital	193.1	77.7	280.8
Changes in working capital			
Current receivables, non-interest-bearing, increase (-) / decrease (+)	-157.2	-15.3	121.9
Inventories, increase (-) / decrease (+)	-47.2	-7.2	25.2
Current liabilities, non-interest-bearing, increase (+) / decrease (-)	28.2	-51.0	22.8
Changes in working capital	-176.2	-73.5	169.9
Financial items and taxes			
Interest and other financial items, received	0.6	0.8	1.5
Interest and other financial items, paid	-4.0	-3.2	-7.8
Income taxes paid	-28.7	-15.5	-22.0
Financial items and taxes	-32.1	-17.8	-28.3
Cash flow from operating activities (A)	-15.1	-13.6	422.4
Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	-39.3	-87.5	-149.9
Proceeds from sale of property, plant and equipment and intangible assets	1.5	0.1	8.7
Acquisitions of other investments	-	-	0.0
Other cash flow from investing activities	-0.2	-0.5	0.6
Cash flows from investing activities (B)	-38.0	-87.9	-140.6
Cash flow from financing activities			
Purchase of treasury shares	-	-5.5	-10.2
Change in current financial receivables, increase (-) / decrease (+)	-0.1	-0.4	0.5
Change in non-current financial receivables, increase (-) / decrease (+)	-0.4	-2.3	-2.2
Change in current financial borrowings, increase (+) / decrease (-)	-157.9	418.6	203.4
Change in non-current financial borrowings, increase (+) / decrease (-)	-0.4	-0.4	-0.9
Payment of lease liabilities	-18.1	-11.7	-28.4
Dividends received	0.0	0.0	0.0
Dividends paid	-89.4	-109.6	-151.6
Cash flow from financing activities (C)	-266.3	288.6	10.7
Change in cash and cash equivalents, increase (+) / decrease (-) (A+B+C)	-319.4	187.1	292.5
Cash and cash equivalents at the beginning of the period	504.2	218.8	218.8
Effect of exchange rate fluctuations on cash held	2.4	-2.2	-7.2
Cash and cash equivalents at the end of the period	187.1	403.7	504.2

**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 = Non-controlling interest
 I = Total equity

Equity attributable to equity holders of the parent

Million euros	A	B	C	D	E	F	G	H	I
Equity, 1 Jan 2020	25.4	181.4	-8.0	-278.8	-1.8	238.2	1,613.3	-	1,769.7
Result for the period							-22.4		-22.4
Other comprehensive income, net of tax:									
Cash flow hedges					-1.0				-1.0
Translation differences				-77.3					-77.3
Total comprehensive income for the period				-77.3	-1.0		-22.4		-100.7
Dividends distributed							-109.6		-109.6
Acquisition of treasury shares			-5.5						-5.5
Share-based payments							1.0		1.0
Other changes									-
Total transactions with owners for the period			-5.5				-108.6		-114.1
Equity, 30 Jun 2020	25.4	181.4	-13.5	-356.1	-2.7	238.2	1,482.3	-	1,554.9
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							100.0		100.0
Other comprehensive income, net of tax:									
Cash flow hedges					1.3				1.3
Translation differences				30.1					30.1
Total comprehensive income for the period				30.1	1.3		100.0		131.5
Dividends distributed							-165.8		-165.8
Acquisition of treasury shares									-
Share-based payments							2.3		2.3
Other changes			0.5				-0.5		0.0
Total transactions with owners for the period			0.5				-163.9		-163.5
Equity, 30 Jun 2021	25.4	181.4	-17.8	-417.4	-1.5	238.2	1,480.9	-	1,489.3

SEGMENT INFORMATION	4-6/21	4-6/20	1-6/21	1-6/20	1-12/20	Change %
Million euros						
Net sales						
Passenger car tyres	279.9	163.9	525.8	354.4	871.3	70.8
Heavy tyres	62.6	40.5	119.7	91.6	194.6	54.8
Vianor	91.5	80.8	149.6	135.3	318.1	13.1
Other operations and eliminations	-17.8	-14.5	-37.1	-30.8	-70.1	-22.6
Total	416.2	270.7	758.0	550.5	1,313.8	53.7
Operating result						
Passenger car tyres	63.1	-10.0	109.1	8.6	132.7	733.2
Heavy tyres	11.7	2.6	24.3	10.8	21.7	351.4
Vianor	9.7	-4.9	0.6	-18.4	-6.2	296.2
Other operations and eliminations	-2.8	-10.5	-8.0	-14.7	-28.2	73.3
Total	81.8	-22.8	126.1	-13.7	120.0	459.1
Operating result, % of net sales						
Passenger car tyres	22.6	-6.1	20.8	2.4	15.2	
Heavy tyres	18.8	6.4	20.3	11.8	11.1	
Vianor	10.6	-6.1	0.4	-13.6	-2.0	
Total	19.6	-8.4	16.6	-2.5	9.1	
NET SALES BY GEOGRAPHICAL AREA	4-6/21	4-6/20	1-6/21	1-6/20	1-12/20	Change %
Million euros						
Nordics	163.5	133.3	296.8	256.1	604.2	22.7
Other Europe	103.3	70.5	186.8	133.1	354.1	46.5
Russia and Asia	93.5	39.8	172.7	96.3	188.7	134.9
Americas	55.9	27.1	101.7	65.0	166.8	106.5
Total	416.2	270.7	758.0	550.5	1,313.8	53.7

The geographical split of net sales has been adjusted to align with the way in which management monitors the business. International car dealer business is now reported under geographical areas (previously under Other). 2020 figures have been restated accordingly.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

	30.6.21	30.6.20	31.12.20
Million euros			
Opening balance	824.9	885.0	885.0
Capital expenditure	40.5	89.7	151.3
Decrease	-3.1	-1.9	-13.0
Depreciation and impairment for the period	-46.4	-54.8	-99.8
Transfers between items	-1.1	-2.8	-8.0
Other changes	0.1	0.5	1.6
Exchange differences	19.8	-35.9	-92.2
Closing balance	834.7	879.8	824.9

CONTINGENT LIABILITIES	30.6.21	30.6.20	31.12.20
Million euros			
For own debt			
Mortgages	-	0.9	-
Enterprise mortgages	3.5	3.5	3.5
Pledged assets	2.3	2.2	2.2
Other own commitments			
Guarantees	3.0	25.6	3.7

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES	30.6.21		30.6.20		31.12.20	
Million euros	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS						
Fair value through profit or loss						
Derivatives						
held for trading	13.9	13.9	4.6	4.6	13.9	13.9
Derivatives designated as hedges*	0.9	0.9	8.1	8.1	0.9	0.9
Unquoted securities	2.5	2.5	2.7	2.7	2.4	2.4
Amortized cost						
Other non-current receivables	5.3	4.8	9.2	8.7	5.2	4.7
Trade and other receivables	482.0	482.4	483.0	483.5	321.9	322.3
Cash in hand and at bank	187.1	187.1	403.7	403.7	504.2	504.2
Fair value through other comprehensive income						
Unquoted shares	0.3	0.3	0.3	0.3	0.3	0.3
Total financial assets	692.0	691.9	911.5	911.5	848.8	848.7
FINANCIAL LIABILITIES						
Fair value through profit or loss						
Derivatives						
held for trading	2.8	2.8	3.2	3.2	2.8	2.8
Derivatives designated as hedges*	2.8	2.8	4.8	4.8	2.8	2.8
Amortized cost						
Interest-bearing financial liabilities	174.9	177.1	550.6	553.6	332.3	334.9
Trade and other payables	131.3	131.3	53.7	53.7	98.1	98.1
Total financial liabilities	311.8	314.0	612.3	615.3	436.0	438.6

* Fair value changes are recognised according to the hedge accounting standards for hedging relationships.

All items measured at fair value through profit or loss excluding unquoted securities have been classified to Level 2 in the fair value hierarchy and items include Group's derivative financial instruments. To establish the fair value of these instruments the Group uses generally accepted valuation models with inputs based on observable market data. There has been no transfers between the different levels in the fair value hierarchy.

DERIVATIVE FINANCIAL**INSTRUMENTS**

	30.6.21	30.6.20	31.12.20
Million euros			
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	100.0	100.0	100.0
Fair value	-2.8	-3.7	-3.6
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	296.7	283.3	391.6
Fair value	-1.4	1.4	-2.5
Currency options, purchased			
Notional amount	11.7	-	12.9
Fair value	0.1	-	0.2
Currency options, written			
Notional amount	25.9	-	15.3
Fair value	-0.1	-	-0.1
Interest rate and currency swaps			
Notional amount	75.0	75.0	75.0
Fair value	12.5	7.5	15.9
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	5.1	4.4	4.9
Fair value	0.9	-0.5	0.0

BUSINESS COMBINATIONS

No new business combinations have been executed during the period.

IFRS 16 LEASES

Million euros

Balance sheet effects	30.6.21	30.6.20	31.12.20	
Fixed assets				
Right to use	149.1	104.9	152.0	
Total	149.1	104.9	152.0	
Equity & Liability				
Non-current liability	114.4	80.1	129.3	
Current liability	37.9	27.1	25.4	
Total	152.2	107.2	154.7	
P&L effects	1-6/21	1-6/20	1-12/20	Change %
Reversed rents	18.1	16.1	31.3	12.5
Depreciations	-17.6	-15.1	-29.5	-16.9
Finance costs	-1.6	-1.6	-3.0	-3.7
Total	-1.2	-0.6	-1.1	-105.4