

Nokian Tyres plc Interim Report January–March 2023, April 25, 2023 at 2:00 p.m. EEST

**Nokian Tyres plc Interim Report January–March 2023:
Exit from Russia completed, building the new Nokian Tyres on track, guidance unchanged**

January–March 2023

- The sale of Nokian Tyres' operations in Russia was completed in March. The sale price was EUR 285 million. Nokian Tyres no longer has any operations in Russia.
- Segments net sales were EUR 236.4 million (January–March 2022: 322.9) and decreased by 26.8%. With comparable currencies, segments net sales decreased by 25.1% due to lower passenger car tire supply volumes. Net sales were EUR 236.4 million (322.9) and decreased by 26.8%.
- Segments operating profit was EUR -14.1 million (34.6), with no significant currency impact. The decline was driven by lower passenger car tire supply volumes. Operating profit was EUR -18.8 million (21.5). EUR -4.7 million (-13.1) was booked as non-IFRS exclusions.
- Result for discontinued operations (Russian operations) was EUR -338.9 million: Profit from sale was EUR 29.6 million, operative result was EUR -2.2 million, and previous years' cumulative translation difference was EUR -366.3 million.
- Segments earnings per share were EUR -0.11 (0.19). Earnings per share were EUR -2.59 (0.34).
- Cash flow from operating activities was EUR -57.6 million (-114.3).

Guidance for 2023 (unchanged)

In 2023, Nokian Tyres' segments net sales are expected to be between EUR 1,300–1,500 million and segments operating profit percentage of net sales between 6–8%. It is expected that due to seasonality, the segments operating profit will be generated in the second half of the year.

As of 2023, segments net sales and segments operating profit exclude Russia and other items, which are not indicative of Nokian Tyres' underlying business performance.

Jukka Moisio, President and CEO:

“The start of 2023 marked a new beginning for Nokian Tyres. In the first quarter, we completed the sale of our operations in Russia successfully and continued our strategic growth projects with full focus on building the new Nokian Tyres. One of our key priorities is a new factory in Romania, the world's first zero CO2 emission tire factory, which is progressing as planned. We are excited to celebrate the start of the construction in just a couple of weeks.

Capacity build-up is ongoing in our core markets. As we have communicated earlier, the first half of 2023 will be demanding for us as we are short of supply. This was reflected in our January–March 2023 segments net sales and segments operating profit negatively. The second half is expected to be stronger due to winter and all-season tire sales and contribution from contract manufacturing.

In 2023, our focus will be on adding new capacity, retaining a competitive premium product portfolio and serving our customers. We have a clear action plan for growth and a strong team that can execute it. Our new financial targets indicate our ambition for the future. We in Nokian Tyres team have an inspiring journey ahead of us towards EUR 2 billion business and strong profits long-term.”

Key figures

As of January 1, 2023, Nokian Tyres reports alternative non-IFRS Segments figures, which exclude Russia and other items that are not indicative of Nokian Tyres' underlying business performance. Nokian Tyres has restated alternative non-IFRS figures for 2021 and 2022. The balance sheet has not been restated. More information: <https://www.nokiantyres.com/company/news-article/nokian-tyres-publishes-restated-comparison-figures-for-2021-and-2022-following-the-russia-exit-announcement/>

EUR million	1–3/2023	1–3/2022	Change	CC* Change	2022
Net sales	236.4	322.9	-26.8%	-25.1%	1,350.5
Operating profit	-18.8	21.5			56.7
Operating profit, %	-8.0%	6.7%			4.2%
Result before tax	-22.5	18.8			11.2
Result for the period	-357.7	47.0			-175.5
EPS, EUR	-2.59	0.34			-1.27
Segments net sales	236.4	322.9	-26.8%	-25.1%	1,350.5
Segments EBITDA	18.5	61.5			127.9
Segments EBITDA, %	7.8%	19.1%			9.5%
Segments operating profit	-14.1	34.6			17.8
Segments operating profit, %	-6.0%	10.7%			1.3%
Segments EPS, EUR	-0.11	0.19			-0.86
Segments ROCE, %**	-1.4%	14.7%			0.9%
Equity ratio, %	67.8%	70.0%			64.9%
Gearing, %	3.3%	3.1%			9.8%
Interest-bearing net debt	46.8	52.6			140.9
Capital expenditure	34.4	14.1			129.7
Cash flow from operating activities	-57.6	-114.3			-4.3

* Comparable currencies

** Restated rolling 12 months excluding Russia

The definitions of alternative performance measures (non-IFRS figures) are presented in the report by the Board of Directors in Nokian Tyres Financial Review 2022.

FINANCIAL RESULTS IN JANUARY–MARCH 2023

As of January 1, 2023, Nokian Tyres reports alternative non-IFRS Segments figures, which exclude Russia and other items that are not indicative of Nokian Tyres' underlying business performance. Nokian Tyres has restated alternative non-IFRS figures for 2021 and 2022. The balance sheet has not been restated. More information: <https://www.nokiantyres.com/company/news-article/nokian-tyres-publishes-restated-comparison-figures-for-2021-and-2022-following-the-russia-exit-announcement/>

Net sales in January–March 2023 decreased by 26.8% and amounted to EUR 236.4 million (January–March 2022: 322.9).

Segments net sales were EUR 236.4 million (322.9) and decreased by 26.8%. With comparable currencies, segments net sales decreased by 25.1% due to lower passenger car tire supply volumes, specifically in Central Europe. Currency exchange rates affected segments net sales negatively by EUR 5.5 million.

Segments net sales by geographical area

EUR million	1–3/2023	1–3/2022	Change	CC* Change	2022
Nordics	127.6	135.0	-5.5%	0.1%	722.3
Other Europe	40.8	106.5	-61.7%	-62.0%	302.8
Americas	64.9	80.5	-19.4%	-21.5%	314.6
Other countries	3.1	0.9	232.0%	231.9%	10.6
Total	236.4	322.9	-26.8%	-25.1%	1,350.5

* Comparable currencies

Segments net sales by business unit

EUR million	1–3/2023	1–3/2022	Change	CC* Change	2022
Passenger Car Tyres	133.3	223.5	-40.3%	-38.9%	810.7
Heavy Tyres	68.2	64.3	6.0%	6.4%	271.0
Vianor	55.5	57.1	-2.8%	2.7%	362.0
Other operations and eliminations	-20.7	-22.0	6.0%		-93.2
Total	236.4	322.9	-26.8%	-25.1%	1,350.5

* Comparable currencies

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, increased by 16% year-over-year, containing currency impact. Raw material unit costs decreased by 6% from the fourth quarter of 2022.

Operating profit was EUR -18.8 million (21.5). The non-IFRS exclusions of EUR -4.7 million (-13.1) were related to the US factory ramp-up. The result for discontinued operations (Russian operations) was EUR -338.9 million: Profit from sale was EUR 29.6 million, operative result was EUR -2.2 million, and previous years' cumulative translation difference was EUR -366.3 million.

Segments operating profit amounted to EUR -14.1 million (34.6). The decline was driven by lower passenger car tire supply volumes. Currency exchange rates affected segments operating profit negatively by EUR 2.1 million.

Segments operating profit by business unit

EUR million	1–3/2023	1–3/2022	2022
Passenger Car Tyres	-4.6	42.9	-24.7
Heavy Tyres	9.6	12.1	44.1
Vianor	-13.5	-12.1	3.1
Other operations and eliminations	-5.6	-8.3	-4.6
Segments operating profit total	-14.1	34.6	17.8
Non-IFRS exclusions	-4.7	-13.1	-38.9

Financial items and taxes

Net financial expenses were EUR 3.7 million (2.7), including net interest expenses of EUR 2.1 million (1.7). Net financial expenses include an expense of EUR 1.5 million (0.1) mainly due to exchange rate differences. Segments result before tax was EUR -16.7 million (31.9). Result before tax was EUR -22.5 million (18.8) and taxes were EUR 3.7 million (-4.0). Segments result for the period amounted to EUR -351.8 million (52.6). Result for the period amounted to EUR -357.7 million (47.0). Segments earnings per share were -0.11 (0.19), and earnings per share were EUR -2.59 (0.34).

Cash flow

In January–March 2023, cash flow from operating activities was EUR -57.6 million (-114.3). Working capital increased by EUR 66.8 million (increased by 198.3). Inventories increased by EUR 36.4 million (increased by 54.8) and receivables decreased by EUR 9.7 million (increased by 79.9). Payables decreased by EUR 40.1 million (decreased by 63.6).

Investments

Investments in January–March 2023 amounted to EUR 34.4 million (14.1). Depreciations and amortizations totaled EUR 32.8 million (26.9).

Financial position on March 31, 2023

EUR million	March 31, 2023	March 31, 2022	Dec 31, 2022
Cash and cash equivalents	357.1	253.5	259.0
Interest-bearing liabilities	403.9	306.1	399.9
of which current interest-bearing liabilities	202.8	60.4	198.8
Interest-bearing net debt	46.8	52.6	140.9
Unused credit limits*	795.1	791.7	799.3
of which committed	305.3	305.5	305.4
Gearing ratio, %	3.3%	3.1%	9.8%
Equity ratio, %	67.8%	70.0%	64.9%

* The committed credit limits and 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. In April 2023, the long-term committed credit limits were increased by EUR 300 million with three bilateral credit facilities to refinance the total of EUR 150 million bilateral facilities due in May and to finance investments.

Personnel

	1–3/2023	1–3/2022	2022
Group employees			
on average	4,167	5,048*	4,947*
at the end of the review period	3,531	5,293*	4,542*
in Finland, at the end of the review period	1,873	1,945	1,728
in North America, at the end of the review period	457	422	458
Vianor (own) employees, at the end of the review period**	1,639	1,682	1,400

* Including Russia

** Included in Group employee figures

BUSINESS UNIT REVIEWS

Passenger Car Tyres

EUR million	1-3/2023	1-3/2022	Change	CC* Change	2022
Net sales	133.3	223.5	-40.3%	-38.9%	810.7
Operating profit	-9.3	29.8			23.3
Operating profit, %	-6.9%	13.4%			2.9%
Segment net sales	133.3	223.5	-40.3%	-38.9%	810.7
Segment operating profit	-4.6	42.9			-24.7
Segment operating profit, %	-3.4%	19.2%			-3.1%

* Comparable currencies

In January–March 2023, net sales of Passenger Car Tyres totaled EUR 133.3 million (223.5). Operating profit was EUR -9.3 million (29.8).

Segment net sales were EUR 133.3 million (223.5). With comparable currencies, segment net sales decreased by 38.9%. The decrease was driven by lower supply volumes, specifically in Central Europe. Average Sales Price with comparable currencies increased strongly. The share of sales volume of winter tires was 30% (21%), the share of summer tires was 28% (44%), and the share of all-season tires was 42% (35%).

Segment operating profit was EUR -4.6 million (42.9). The decline was driven by lower supply volumes.

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, increased by 16% year-over-year.

To expand its manufacturing footprint and rebuild capacity, the company began work on building a new passenger car tire factory in Romania – the world's first zero CO2 emission tire factory – and continued its actions to increase capacity at the factories in Finland and the US. In 2023, contract manufacturing volume is expected to be approximately 1.5 million tires.

During the review period, the company launched an extended and upgraded Nokian Tyres Snowproof winter tire range for the Central European market.

Heavy Tyres

EUR million	1-3/2023	1-3/2022	Change	CC* Change	2022
Net sales	68.2	64.3	6.0%	6.4%	271.0
Operating profit	9.6	12.1			39.5
Operating profit, %	14.0%	18.8%			14.6%
Segment net sales	68.2	64.3	6.0%	6.4%	271.0
Segment operating profit	9.6	12.1			44.1
Segment operating profit, %	14.0%	18.8%			16.3%

* Comparable currencies

In January–March 2023, net sales of Heavy Tyres totaled EUR 68.2 million (64.3). Operating profit was EUR 9.6 million (12.1).

Segment net sales were EUR 68.2 million (64.3). With comparable currencies, segment net sales increased by 6.4%. Higher sales prices compensated volume decline.

Segment operating profit was EUR 9.6 million (12.1). The decrease was caused by lower volumes on aftermarket because of high inventory levels in the distribution.

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, increased by 16% year-over-year.

During the review period, Heavy Tyres introduced new additions to its harbor and excavator tire ranges.

Vianor, own operations

EUR million	1-3/2023	1-3/2022	Change	CC* Change	2022
Net sales	55.5	57.1	-2.8%	2.7%	362.0
Operating profit	-13.5	-12.1			2.8
Operating profit, %	-24.3%	-21.3%			0.8%
Segment net sales	55.5	57.1	-2.8%	2.7%	362.0
Segment operating profit	-13.5	-12.1			3.1
Segment operating profit, %	-24.3%	-21.3%			0.9%
Number of own service centers at period end	173	174			173

* Comparable currencies

In January–March 2023, net sales of Vianor totaled EUR 55.5 million (57.1). Operating profit was EUR -13.5 million (-12.1).

Segment net sales were EUR 55.5 million (57.1). With comparable currencies, segment net sales increased by 2.7%.

Segment operating profit was EUR -13.5 million (-12.1). The first quarter is seasonally low in Vianor, therefore negative in profitability. The summer tire season starts in the second quarter.

At the end of the review period, Vianor had 173 (174) own service centers in Finland, Sweden and Norway.

Segments Total to Nokian Tyres Total reconciliation

1-3/2023	Net sales	Cost of sales	SGA	Other operating income/expenses	Operating profit	Financial income/expenses	Taxes	Result from continuing operations	Result from discontinued operations	Result for the period
Segments Total	236.4	-194.4	-56.9	0.8	-14.1	-3.6	2.6	-15.1	0.0	-15.1
Profit from sale									29.6	29.6
Translation difference									-366.3	-366.3
US factory ramp-up		-4.2	-0.5		-4.7		1.1	-3.6		-3.6
Non-operative items and others						0.0		0.0	-2.2	-2.2
Total non-IFRS exclusion		-4.2	-0.5		-4.7	0.0	1.1	-3.6	-2.2	-5.8
Nokian Tyres Total	236.4	-198.6	-57.4	0.8	-18.8	-3.7	3.7	-18.7	-338.9	-357.7

Nokian Tyres reports non-IFRS figures in addition to its IFRS-reported results. As of January 1, 2023, the Segments Total figures exclude Russia and certain other items, which are not indicative of Nokian Tyres' underlying business performance.

SHARES AND SHAREHOLDERS

At the end of March 2023, the number of shares was 138,921,750.

Number of shares (million units)*	31.3.23	31.3.22
at the end of period	138,37	138,25
in average	138,28	138,23
in average, diluted	138,28	138,23

* 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.

The Board did not utilize the authorizations in January–March 2023.

Own shares

No share repurchases were made during the review period, and the company did not possess any own shares on March 31, 2023.

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 March 31, 2023, the number of these shares was 554,507, reported as treasury shares (March 31, 2022: 670,426). This number of shares corresponded to 0.40% (0.48%) of the total shares and voting rights in the company.

Trading in shares

A total of 94,630,478 (102,499,695) Nokian Tyres' shares were traded in Nasdaq Helsinki in January–March 2023, representing 68% (74%) of the company's overall share capital. The average daily volume in January–March 2023 was 1,478,601 shares (1,626,979). Nokian Tyres' shares are also traded on alternative exchanges.

Nokian Tyres' share price was EUR 8.81 (14.78) at the end of March 2023. The volume weighted average share price in January–March 2023 was EUR 8.80 (19.68), the highest was EUR 11.62 (34.90) and the lowest was EUR 7.31 (11.10). The company's market capitalization at the end of March 2023 was EUR 1.2 billion (2.1 billion).

At the end of March 2023, the company had 84,507 (68,135) registered shareholders. The percentage of Finnish shareholders was 53.8% (39.8%), and 46.2% (60.2%) were non-Finnish holders and foreign shareholders registered in the nominee register. Public sector entities owned 16.8% (14.5%), financial and insurance corporations 4.2% (3.3%), households 26.1% (16.2%), non-profit institutions 2.0% (2.6%), and private companies 4.5% (3.2%).

Changes in ownership

Transaction date	Shareholder	Threshold	% of shares and voting rights	% of shares and voting rights through financial instruments	Total, %
January 3, 2023	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
January 4, 2023	Norges Bank	Above 5%	4.99%	0.06%	5.05%
January 5, 2023	BlackRock, Inc	Above 5%	4.93%	0.21%	5.15%
January 9, 2023	Norges Bank	Below 5%	4.99%	0.00%	4.99%
January 10, 2023	BlackRock, Inc	Above 5%	5.04%	0.20%	5.24%
January 10, 2023	Société Générale SA	Above 5%	0.38%	5.40%	5.78%
January 11, 2023	BlackRock, Inc	Below 5%	4.78%	0.24%	5.02%
January 12, 2023	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
January 12, 2023	Norges Bank	Above 5%	5.05%	0.00%	5.05%
January 16, 2023	BlackRock, Inc	Above 5%	4.67%	0.61%	5.29%
January 17, 2023	Norges Bank	Below 5%	4.90%	0.00%	4.90%
January 18, 2023	Norges Bank	Above 5%	5.20%	0.00%	5.20%
January 18, 2023	BlackRock, Inc	Above 5%	5.11%	0.60%	5.71%
January 18, 2023	Société Générale SA	Below 5%	0.16%	4.78%	4.94%
January 24, 2023	Société Générale SA	Above 5%	0.56%	4.54%	5.10%
February 1, 2023	BlackRock, Inc	Below 5%	4.61%	0.42%	5.04%
February 2, 2023	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
February 3, 2023	BlackRock, Inc	Above 5%	4.80%	0.49%	5.29%
February 7, 2023	Société Générale SA	Below 5%	0.10%	3.78%	3.88%
February 8, 2023	BlackRock, Inc	Above 5%	5.90%	0.29%	6.19%
February 9, 2023	BlackRock, Inc	Below 5%	3.76%	1.57%	5.33%
February 13, 2023	Norges Bank	Below 5%	4.88%	0.13%	5.01%
February 14, 2023	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
February 14, 2023	JPMorgan Chase & Co.	Above 5%	3.47%	1.61%	5.08%
February 14, 2023	Norges Bank	Below 5%	4.28%	0.13%	4.42%
February 15, 2023	JPMorgan Chase & Co.	Below 5%	Below 5%	Below 5%	Below 5%
February 16, 2023	BlackRock, Inc	Above 5%	4.42%	0.66%	5.09%
February 17, 2023	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
February 21, 2023	BlackRock, Inc	Above 5%	4.66%	0.44%	5.11%
March 3, 2023	Société Générale SA	Above 5%	0.25%	5.18%	5.43%
March 9, 2023	JPMorgan Chase & Co.	Above 5%	3.77%	1.30%	5.07%
March 10, 2023	Bank of America Corporation	Above 5%	1.1013224%	4.325991%	5.427315%

March 10, 2023	Société Générale SA	Below 5%	0.05%	4.78%	4.83%
March 13, 2023	Bank of America Corporation	Below 5%	0.694290%	3.665487%	4.359777%
March 13, 2023	JPMorgan Chase & Co.	Below 5%	Below 5%	Below 5%	Below 5%
March 13, 2023	Société Générale SA	Above 5%	0.04%	6.36%	6.40%
March 14, 2023	JPMorgan Chase & Co.	Above 5%	3.50%	2.07%	5.57%
March 15, 2023	JPMorgan Chase & Co.	Below 5%	Below 5%	Below 5%	Below 5%
March 17, 2023	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
March 17, 2023	The Goldman Sachs Group	Above 5%	2.59%	3.27%	5.86%
March 20, 2023	Bank of America Corporation	Above 5%	2.576416%	2.734651%	5.311067%
March 20, 2023	The Goldman Sachs Group	Below 5%	2.26%	0.96%	3.22%
March 21, 2023	Bank of America Corporation	Below 5%	2.517747%	1.657154%	4.174901%

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 March 8. Read more at www.nokiantyres.com/company/publications/releases/2023/managementTransactions/.

THE ANNUAL GENERAL MEETING 2023

The Annual General Meeting of Nokian Tyres plc will be held on Wednesday, April 26, 2023 at 10:00 a.m. (EEST) at Messukeskus Siipi conference center at the address Rautatieläisenkatu 3, 00520 Helsinki, Finland. More information is available on the Company's website at www.nokiantyres.com/company/investors/ir-services/ir-calendar/annualgeneral-meetings/.

CORPORATE SUSTAINABILITY

In February, the winner of Nokian Tyres' FAST RACE, BIG CHANGE sustainable tire innovation challenge was chosen at the finals event in Lapland. The winning solution was developed by Reselo AB, whose innovative renewable rubber made from residue birch bark convinced the judges with its versatility and future potential. The winner received a monetary prize as well as the opportunity to explore a business or development partnership with Nokian Tyres.

In March, Nokian Tyres announced its commitment to further reduce greenhouse gas emissions, aiming to achieve the Net-Zero Standard by 2050. An important factor in achieving the net-zero target will be the new factory that Nokian Tyres is building in Oradea, Romania. It will be the first zero CO₂ emission factory in tire industry.

In March, Nokian Tyres published its Corporate Sustainability Report for 2022.

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

In February 2023, Nokian Tyres announced that the Board of Directors of Nokian Tyres plc had decided to establish a new share-based incentive plan for the group's key employees. The aim is to align the objectives of the company's shareholders and key employees for increasing the value of the company in the long-term, to retain the key employees at the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan 2023–2027 consists of three performance periods covering the financial years 2023–2024, 2024–2025 and 2025–2027. The Board will decide annually on the commencement and details of the performance periods.

In the plan, the target group is given an opportunity to earn Nokian Tyres plc shares based on the achievement of the targets set for the performance periods. Potential rewards of the plan will be paid by the end of April 2026, 2027, and 2028 respectively. The rewards will be paid partly in Nokian Tyres plc shares and partly in cash. The cash proportion of the reward is intended for covering taxes and tax-related expenses arising from the rewards to the participants. In general, no reward will be paid if the participant's employment or director contract terminates before the reward payment.

The rewards from the performance period 2023–2024 are based on cumulative EBITDA, increase in passenger car tire production volume and reduction in direct CO2 emissions.

The President and CEO of the company and members of the Management Team are obliged to hold 50 per cent of the received net shares until the value of the participant's total shareholding in the company corresponds to the participant's annual gross salary. The shareholding amount must be maintained as long as the membership in the Management Team or the position as a President and CEO continues.

The value of the gross rewards to be paid from the performance period 2023–2024 will correspond to an approximate maximum total of 1,400,000 Nokian Tyres plc shares, including the cash proportion. Approximately 150 persons, including the President and CEO of the company and other Management Team members, belong to the target group of the performance period.

Restricted Share Plan 2023

The Board of Directors of Nokian Tyres plc decided to continue the Restricted Share Plan, using the same structure as previous years. 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 segments Return on Capital Employed (ROCE), which must be exceeded for a potential payment of a share reward based on the Restricted Share Plan 2023–2025.

The next plan (RSP 2023–2025) within the Restricted Share Plan structure commenced effective as of the beginning of 2023 and the potential share reward thereunder will be paid in the first half of 2026. The possible rewards paid based on RSP 2023–2025 correspond approximately to a maximum of 120,000 gross shares.

Adjustment of financial criteria for Restricted Share Plans 2020–2022, 2021–2023 and 2022–2024

In addition to the employment precondition for the payment of the share reward based on the Restricted Share Plan, a financial performance criteria was set in Restricted Share Plans 2020–2022, 2021–2023 and 2022–2024 to Nokian Tyres Management Team, incl. the President and CEO. The criteria is a threshold value, which must be exceeded for any payment of a share reward based on the Restricted Share Plan.

In February 2023, the Board of Director decided to modify the financial performance criteria. The change was necessary to reflect the radical effects on business conditions, caused by the war in Ukraine. It was decided that the threshold criteria are changed and measured against a pre-set average threshold value for segments ROCE (during the financial years during the corresponding restriction period). The previous financial threshold criteria was set for an average value for ROCE (according to IFRS), during the restriction period in question.

A threshold value tied to average segments ROCE is to be applied to Restricted Share Plans 2020–2022, 2021–2023, 2022–2024, as well as for the Restricted Share plan commencing in 2023, with a restriction period between 2023–2025.

Payments for share-based plans that ended in 2022

The Board of Directors of Nokian Tyres plc approved payments of share awards from the Performance and Restricted share plans 2020–2022.

Performance Share Plan 2020–2022

The performance measure for the Performance Share Plan 2020–2022 was based on segments Earnings Per Share (EPS) and segments Return on Capital Employed (ROCE), both with an equal weight of 50%. The achievement for the segments Earnings Per Share (EPS) target was 50.0% and for the segments Return on Capital Employed (ROCE) target was 145.0%. The combined achievement of the set targets was thereby 97.5%. The rewards to be paid correspond to a total of approximately 158,500 Nokian Tyres plc gross shares. The rewards were paid in March 2023. Approximately 125 key employees participated in the Performance Share Plan 2020–2022, including members of the Management Team.

Restricted Share Plan 2020–2022

The three-year restriction period of the Restricted Share Plan 2020–2022 ended after financial year 2022. 67 key employees participate in the share-based incentive plan, including the President and CEO and members of the Management Team. The financial threshold value for segments Return on Capital Employed (ROCE) applied for the President and CEO and the Management Team members was achieved. The rewards to be paid correspond to a total of 71,550 Nokian Tyres plc gross shares. The rewards were paid in March 2023. 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.

Other terms

The total number of shares of the Company did not change due to payments for share-based plans that ended in 2022.

The Board of Directors anticipates that no new shares will be issued based on the share-based incentive schemes and that the schemes 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 describes the overall business risks and risk management in its annual 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.
- Any unexpected production or delivery breaks at Nokian Tyres' production 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 order to secure tire supply, Nokian Tyres has decided to invest in new production capacity in Romania 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 Swedish and Norwegian krona, and the US and Canadian dollar. Approximately 65% of the Group's sales are generated outside of the euro-zone.
- 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. Uncertainty over the duration of the pandemic 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. Taxes were paid and recognized in receivables. Nokian Tyres considered the tax authority's view unfounded and appealed against the decision.

In December 2022, Nokian Tyres received a positive decision from The Assessment Adjustment Board, according to which the additional taxes, punitive tax increase and late payment interest were removed. The Finnish tax authority refunded these in full to the company in December 2022 and the company recognized the amount in the same quarter cash flow. The Finnish Tax Authority has applied for an amendment to the decision of the Assessment Adjustment Board.

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

EXIT FROM RUSSIA

On March 30, 2023, Nokian Tyres plc announced the completion of the sale of its operations in Russia to PJSC Tatneft. The sale price was EUR 285 million. The closing date of the sale transaction of Russian operations is considered to be March 16, 2023 when the sale price was received. Following the completion of the transaction, Nokian Tyres no longer has any operations in Russia.

The result for discontinued operations in the first quarter was EUR -338.9 million: Profit from sale was EUR 29.6 million, operative result was EUR -2.2 million, and previous years' cumulative translation difference was EUR -366.3 million.

Due to the transaction, the distributable funds in Nokian Tyres Parent company are expected to increase approximately by EUR 125 million. At the end of the review period, the Parent company's distributable funds were EUR 710.0 million before the positive transaction impact.

MATTERS AFTER REVIEW PERIOD

On April 25, 2023, Nokian Tyres' Board of Directors approved the company's long-term financial targets for the next five years. The Board also confirmed the previously announced non-financial targets.

Nokian Tyres' long-term financial targets are:

- Growth: Net sales EUR 2 billion
- Profitability: Segments operating profit at the level of 15%
- Capital structure: Net debt/Segments EBITDA 1-2

Nokian Tyres' dividend policy is unchanged. The company's target is to pay a dividend of at least 50% of its net earnings.

Nokian Tyres' non-financial targets can be found at:

www.nokiantyres.com/company/sustainability/fundamentals/our-targets-and-achievements/

ASSUMPTIONS FOR 2023

Nokian Tyres' first half of the year is expected to be weak due to constrained capacity causing lower supply of passenger car tires, and seasonality. The second half is expected to be supported by the winter tire and all-season tire season and contract manufacturing volume.

In heavy tires, the general economic development may have a negative impact on demand in 2023.

GUIDANCE FOR 2023 (unchanged)

In 2023, Nokian Tyres' segments net sales are expected to be between EUR 1,300–1,500 million and segments operating profit percentage of net sales between 6–8%. It is expected that due to seasonality, the segments operating profit will be generated in the second half of the year.

As of 2023, segments net sales and segments operating profit exclude Russia and other items, which are not indicative of Nokian Tyres' underlying business performance.

Helsinki, April 25, 2023

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.

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'.

The interim report figures are unaudited.

NOKIAN TYRES CONDENSED

CONSOLIDATED INCOME STATEMENT	1-3/23	1-3/22	1-12/22	Change %
Million euros				
Net sales	236.4	322.9	1,350.5	-26.8
Cost of sales	-198.6	-242.3	-1,048.1	18.0
Gross profit	37.8	80.7	302.4	-53.2
Other operating income	0.6	-0.8	0.9	184.8
Sales, marketing and R&D expenses	-36.8	-40.9	-165.6	10.0
Administration	-20.6	-16.5	-79.7	-24.3
Other operating expenses	0.2	-0.9	-1.3	116.9
Operating profit	-18.8	21.5	56.7	-187.5
Net financial items	-3.7	-2.7	-45.5	-35.3
Result before tax	-22.5	18.8	11.2	-219.4
Tax expense	3.7	-4.0	4.1	193.3
Result for the period, continuing operations	-18.7	14.8	15.2	-226.5
Result for the period, discontinued operations	-338.9	32.2	-190.8	-1,153.6
Result for the period	-357.7	47.0	-175.5	-861.4
Attributable to:				
Equity holders of the parent	-357.7	47.0	-175.5	
Earnings per share from the result attributable to the equity holders of the parent:				
basic euros	-2.59	0.34	-1.27	-861.2
diluted, euros	-2.59	0.34	-1.27	-861.2
continuing operations, euros	-0.14	0.11	0.11	-226.5
discontinuing operations, euros	-2.45	0.23	-1.38	-1,153.2

**CONSOLIDATED OTHER COMPREHENSIVE
INCOME**

	1-3/23	1-3/22	1-12/22
Million euros			
Profit for the period	-357.7	47.0	-175.5
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	0.0	5.8	6.8
Cash flow hedges	-5.7	2.8	9.0
Translation differences on foreign operations	-27.0	-14.2	36.7
Reclassification of discontinued operations	366.3		
Total other comprehensive income for the period, net of tax	-32.7	-5.6	52.4
Total comprehensive income for the period	-24.1	41.3	-123.1
Total comprehensive income attributable to:			
Equity holders of the parent	-24.1	41.3	-123.1

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

	31.3.23	31.3.22	31.12.22
Million euros			
Non-current assets			
Property, plant and equipment	727.5	854.1	775.0
Right of use assets	124.6	153.2	123.8
Goodwill	61.9	65.5	63.2
Other intangible assets	13.7	20.2	15.6
Investments in associates	0.1	0.1	0.1
Non-current financial investments	2.9	2.9	3.0
Other receivables	9.2	6.5	14.4
Deferred tax assets	34.3	29.4	23.5
Total non-current assets	974.3	1,131.9	1,018.5
Current assets			
Inventories	468.1	469.9	529.9
Trade receivables	211.3	430.5	326.2
Other receivables	65.0	118.9	76.0
Cash and cash equivalents	357.1	253.5	259.0
Total current assets	1,101.5	1,272.8	1,191.2
Total assets	2,075.8	2,404.6	2,209.7
Equity			
Share capital	25.4	25.4	25.4
Share premium	181.4	181.4	181.4
Treasury shares	-12.3	-16.6	-16.6
Translation reserve	-10.2	-401.4	-349.5
Fair value and hedging reserves	4.8	4.4	10.5
Paid-up unrestricted equity reserve	238.2	238.2	238.2
Retained earnings	980.7	1,648.9	1,343.6
Total equity	1,408.1	1,680.4	1,433.1
Non-current liabilities			
Deferred tax liabilities	4.6	36.5	17.4
Provisions	0.0	0.0	0.0
Interest-bearing liabilities	201.1	245.7	201.1
Other liabilities	0.8	0.8	0.8
Total non-current liabilities	206.5	283.0	219.4
Current liabilities			
Trade payables	119.7	155.9	121.3
Other current payables	133.3	219.1	227.3
Provisions	5.5	5.9	9.9
Interest-bearing liabilities	202.8	60.4	198.8
Total current liabilities	461.2	441.2	557.2
Total equity and liabilities	2,075.8	2,404.6	2,209.7

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

Interest-bearing liabilities include EUR 93.0 million of non-current and EUR 36.8 million of current lease liabilities.

CONSOLIDATED STATEMENT OF CASH FLOWS	1-3/23	1-3/22	1-12/22
Million euros			
Result for the period	-18.7	47.0	-175.5
Result for the discontinued operations	-338.9	-	-
Adjustments for			
Depreciation, amortisation and impairment	32.6	35.5	310.6
Financial income and expenses	3.7	1.7	30.2
Gains and losses on sale of intangible assets, other changes	0.7	-0.4	136.3
Income Taxes	-3.7	10.6	29.2
Cash flow before changes in working capital	12.0	94.4	330.8
Changes in working capital			
Current receivables, non-interest-bearing, increase (-) / decrease (+)	9.7	-79.9	-93.9
Inventories, increase (-) / decrease (+)	-36.4	-54.8	-93.4
Current liabilities, non-interest-bearing, increase (+) / decrease (-)	-40.1	-63.6	-69.8
Changes in working capital	-66.8	-198.3	-257.1
Financial items and taxes			
Interest and other financial items, received	1.9	0.6	3.5
Interest and other financial items, paid	-2.4	-2.2	-15.2
Income taxes paid	-2.3	-8.8	-66.2
Financial items and taxes	-2.8	-10.4	-78.0
Cash flow from operating activities (A)	-57.6	-114.3	-4.3
Cash flow from investing activities			
Cashflow from discontinued operations	199.2	-	-
Acquisitions of property, plant and equipment and intangible assets	-34.4	-14.1	-125.2
Proceeds from sale of property, plant and equipment and intangible assets	0.1	0.4	2.0
Acquisitions of Group companies	-	-	-4.5
Other cash flow from investing activities	0.0	0.0	0.7
Cash flow from investing activities (B)	164.8	-13.6	-126.9
Cash flow from financing activities:			
Change in current financial receivables, increase (-) / decrease (+)	1.1	0.0	-0.4
Change in non-current financial receivables, increase (-) / decrease (+)	0.0	0.2	1.0
Change in current financial borrowings, increase (+) / decrease (-)	3.7	20.0	161.4
Change in non-current financial borrowings, increase (+) / decrease (-)	-0.3	-0.2	-26.9
Payment of lease liabilities	-10.1	-10.1	-40.4
Dividends received	0.0	0.0	0.0
Dividends paid	0.0	-13.7	-89.7
Cash flow from financing activities (C)	-5.6	-3.8	5.1
Change in cash and cash equivalents, increase (+) / decrease (-) (A+B+C)	101.6	-131.7	-126.2
Cash and cash equivalents at the beginning of the period	259.0	385.9	385.9
Effect of exchange rate fluctuations on cash held	-3.5	-0.6	-0.7
Cash and cash equivalents at the end of the period	357.1	253.5	259.0

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

Million euros	Equity attributable to equity holders of the parent							
	A	B	C	D	E	F	G	H
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							47.0	47.0
Other comprehensive income, net of tax:								
Cash flow hedges					2.8			2.8
Net investment hedge				5.8				5.8
Translation differences				-14.2				-14.2
Total comprehensive income for the period				-8.4	2.8		47.0	41.3
Dividends paid							0.0	0.0
Share-based payments			1.0				1.0	2.0
Other changes							9.5	9.5
Total transactions with owners for the period			1.0				10.5	11.5
Equity, 31 Mar 2022	25.4	181.4	-16.6	-401.4	4.4	238.2	1,648.9	1,680.4
Equity, 1 Jan 2023	25.4	181.4	-16.6	-349.5	10.5	238.2	1,343.5	1,433.1
Result for the period							-357.7	-357.7
Other comprehensive income, net of tax:								
Cash flow hedges					-5.7			-5.7
Net investment hedge				0.0				0.0
Translation differences				339.3				339.3
Total comprehensive income for the period				339.3	-5.7		-357.7	-24.1
Dividends paid							0.0	0.0
Share-based payments			4.3				-5.2	-0.9
Other changes							0.0	0.0
Total transactions with owners for the period			4.3				-5.3	-1.0
Equity, 31 Mar 2023	25.4	181.4	-12.2	-10.2	4.8	238.2	980.6	1,408.1

SEGMENT INFORMATION	1-3/23	1-3/22	1-12/22	Change %
Million euros				
Net sales				
Passenger car tyres	133.3	223.5	810.7	-40.3
Heavy tyres	68.2	64.3	271.0	6.0
Vianor	55.5	57.1	362.0	-2.8
Other operations and eliminations	-20.7	-22.0	-93.2	6.1
Total	236.4	322.9	1,350.5	-26.8
Operating result				
Passenger car tyres	-9.3	29.8	23.3	-131.0
Heavy tyres	9.6	12.1	39.5	-21.2
Vianor	-13.8	-12.1	2.8	-13.6
Other operations and eliminations	-5.3	-8.3	-9.0	35.9
Total	-18.8	21.5	56.7	-187.5
Operating result, % of net sales				
Passenger car tyres	-6.9	13.4	2.9	
Heavy tyres	14.0	18.8	14.6	
Vianor	-24.8	-21.3	0.8	
Total	-8.0	6.7	4.2	

NET SALES BY GEOGRAPHICAL AREA	1-3/23	1-3/22	1-12/22	Change %
Million euros				
Nordics	127.6	135.0	722.3	-5.5
Other Europe	40.8	106.5	302.8	-61.7
Americas	64.9	80.5	314.6	-19.4
Other countries	3.1	0.9	10.6	232.0
Total	236.4	322.9	1,350.5	-26.8

ADDITIONAL IMPAIRMENT TESTING

The company's market capitalization at the end of March 2023 was EUR 1.2 billion and it was below the amount of equity EUR 1.4 billion indicating a need for impairment testing.

The impairment test was performed in January 2023. Management haven't recognized any significant new indicators that an asset may have been impaired or significant negative changes in previously used assumptions in impairment testing. Management continuously evaluates the situation.

LEVEL 3 FAIR VALUE MEASUREMENTS

At the end of March 2022, 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 estimated 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 discontinued operations (under financial income and expenses until March 16, 2023). The amount of the total gains or losses relating to those derivatives in January–March 2023 was EUR +1.4 million.

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS	Ruble derivatives	
	2023	2022
Million euros		
Fair value 1 Jan	0.4	-
Transfers into Level 3	-	14.8
Net gains/losses recognized in profit or loss under		
Financial income and expenses	0.7	-
Discontinued operations	0.8	-
Fair value 31 Mar	1.9	14.8

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 +1.7 million/-1.7 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 +0.9 million.

DERIVATIVE FINANCIAL

INSTRUMENTS	31.3.23	31.3.22	31.12.22
Million euros			
INTEREST RATE DERIVATIVES			
Interest rate swaps			
Notional amount	100.0	100.0	100.0
Fair value	3.5	0.0	3.9
FOREIGN CURRENCY DERIVATIVES			
Currency forwards			
Notional amount	212.6	467.0	159.9
Fair value	2.9	19.4	2.0
Currency options, purchased			
Notional amount	4.7	9.0	4.8
Fair value	0.1	0.2	0.0
Currency options, written			
Notional amount	11.5	18.0	11.8
Fair value	0.0	-0.1	-0.1
Interest rate and currency swaps			
Notional amount	18.4	75.0	18.4
Fair value	1.9	14.8	0.4
ELECTRICITY DERIVATIVES			
Electricity forwards			
Notional amount	6.7	6.3	6.9
Fair value	2.7	5.4	9.4

IFRS 16 LEASES

Million euros

Balance sheet effects	31.3.23	31.3.22	31.12.22	
Fixed assets				
Right to use	124.6	153.2	123.8	
Total	124.6	153.2	123.8	
Equity & Liability				
Non-current liability	93.0	118.6	92.6	
Current liability	36.8	39.5	36.5	
Total	129.7	158.1	129.1	
P&L effects	1-3/23	1-3/22	1-12/22	Change %
Reversed rents	11.1	11.2	44.4	-1.2
Depreciations	-10.2	-10.6	-41.3	3.9
Finance costs	-1.0	-1.1	-4.0	7.2
Total	-0.2	-0.5	-1.0	67.4

Discontinued operations

Nokian Tyres announced in June 2022 that it would initiate a controlled exit from Russia. Upon the closing of the transaction, Nokian Tyres has ended all its operations in Russia and the company's personnel in Russia was transferred to the new owner. In October 2022, Nokian Tyres plc signed an agreement to sell its Russian operations to PJSC Tatneft. Closing date of sale transaction of Russian operations is considered to be March 16, 2023 when sale price was received. On March 30, 2023, Nokian Tyres plc announced the completion of the sale of its operations in Russia to PJSC Tatneft after finishing the registration formalities in Russia. Sale of Kazakhstan operations was also signed during March 2023. Sale of transaction does not include any post-deal conditional terms.

Starting from March 1, 2023 Russian and Kazakhstan subsidiaries profit and loss were classified as discontinued operation. The result of current year and restated 2022 figures for Russian and Kazakhstan subsidiaries are presented below:

Discontinued operations	1-3/23	1-3/22	4-6/22	7-9/22	10-12/22	1-12/22
Million euros						
Net sales	13.5	93.5	149.8	132.7	49.6	425.6
Operating expenses	-16.4	56.4	-400.0	-83.4	-59.9	-486.8
Operating profit	-2.9	37.1	-250.2	49.3	-10.3	-174.1
Net financial items	-0.5	0.9	19.4	-3.6	-1.6	15.2
Result before tax, discontinued operations	-3.4	38.1	-230.8	45.7	-11.8	-158.8
Tax expense	1.2	-6.1	-29.7	-10.6	13.9	-32.5
Result for the year, discontinued operations	-2.2	31.9	-260.5	35.1	2.1	-191.3
Profit from sale	29.6	-	-	-	-	-
Profit from sale - translation differences	-366.3	-	-	-	-	-
Result for the period, discontinued operations	-338.9	31.9	-260.5	35.1	2.1	-191.3

	1-3/23	1-3/22	4-6/22	7-9/22	10-12/22	1-12/22
Earnings per share from the result attributable to the equity holders of the parent:						
basic, euros	-2.59	0.34	1.67	0.18	-0.11	-1.27
diluted, euros	-2.59	0.34	1.67	0.18	-0.11	-1.27
continuing operations, euros	-0.14	0.11	0.21	-0.08	-0.13	0.11
discontinuing operations, euros	-2.45	0.23	-1.88	0.25	0.01	-1.38

Profit from sale - discontinued operations

Million euros	
Sale price	288.0
Profit from sale - Parent company and Nokian Tyres Holding Oy (preliminary)	124.8
Non-current assets	42.3
Current assets	284.1
Total assets	326.4
Non-current liabilities	4.7
Current liabilities	52.1
Total liabilities	56.8
Disposed net assets	269.6
Transactions cost and other group items	11.2
Remaining intercompany items	0.0
Profit from sale	29.6

Profit from sale is adjusted by other group items e.g. bad debt provision EUR +2.9 million and deferred tax EUR +9.4 million reversals.