

Nokian Tyres plc Financial Statement Release 2020, February 9, 2021 at 2:00 p.m.

Nokian Tyres plc Financial Statement Release 2020: Good performance in an unprecedented market environment

October–December 2020

- Net sales were EUR 413.4 million (474.8 in October–December 2019). With comparable currencies, net sales decreased by 7.1%.
- Segments operating profit was EUR 80.1 million (106.8), with negative currency impact. Operating profit was EUR 71.4 million (101.0).
- Segments earnings per share were EUR 0.44 (0.63). Earnings per share were EUR 0.40 (0.58).
- Cash flow from operating activities was EUR 429.0 million (398.2).

January–December 2020

- Net sales were EUR 1,313.8 million (1,585.4 in 2019). With comparable currencies, net sales decreased by 13.3% especially due to COVID-19, measures taken to reduce carry-over stocks in the Russian distribution channel, and mild winter 2019–2020 in all main markets.
- Segments operating profit was EUR 190.2 million (337.2). The decline was driven by lower volumes, underabsorption of factory costs and currencies. EUR -70.2 million (-20.8) was booked as non-IFRS exclusions. Operating profit was EUR 120.0 million (316.5).
- Segments earnings per share were EUR 1.04 (3.06; positively impacted by EUR 1.08 related to the rulings on the tax disputes). Earnings per share were EUR 0.62 (2.89; positively impacted by EUR 1.08 related to the rulings on the tax disputes).
- Cash flow from operating activities was EUR 422.4 million (219.8).
- In March 2020, the Board of Directors withdrew the company's financial guidance for 2020 due to the COVID-19 outbreak, which increased the uncertainty in the car and tire market.
- The Board of Directors proposes a dividend of EUR 1.20 (1.14) per share for the financial year 2020 to be paid in two instalments.

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:

“Our October-December 2020 sales continued to be impacted by COVID-19 as restrictions were again tightened in many countries. Passenger Car Tyres' net sales were also negatively impacted by a delayed winter season in main markets. Heavy Tyres and Vianor continued to perform well considering the volatile market. Segments operating profit declined mainly due to the lower passenger car tire volumes.

I am extremely proud of how our team responded to the challenges in 2020. We have demonstrated the resilience of our company. Our focus has been on serving demand, safeguarding supply and reducing costs. In Russia, we successfully achieved our target to lower distribution channel inventories in line with the plan. The cash flow was significantly better than in the previous year, and we maintained a strong balance sheet.

At the same time, we have progressed on our key projects to support the company's long-term growth. We began commercial tire production in the US factory and are completing our new test

center in Spain. The project to increase Heavy Tyres' capacity in Finland is proceeding as planned. These investments, together with innovative new products and robust sales and marketing efforts, will provide an excellent foundation to capture profitable growth opportunities as we move forward.

In 2020, we continued to take important steps forward in our sustainability journey. We got our ambitious greenhouse gas emissions targets approved by the Science Based Targets initiative as the first tire company in the industry. We had a good development also in occupational safety, with LTIF dropping from 4.3 to 3.7. However, the work continues, as even a single accident is one too many.

We are starting 2021 in a good position. We will drive growth through new product launches, and improvements in go-to-market activities. Cash flow will continue to be in focus, with prioritized investments on a lower level compared to previous years. In the coming months, we will review our strategy to continue to deliver positive long-term results to our stakeholders.”

Key figures

EUR million	10-12/20	10-12/19	Change	CC* Change	2020	2019	Change	CC* Change
Net sales	413.4	474.8	-12.9%	-7.1%	1,313.8	1,585.4	-17.1%	-13.3%
Operating profit	71.4	101.0			120.0	316.5		
Operating profit %	17.3%	21.3%			9.1%	19.8%		
Profit before tax	70.9	95.1			106.0	336.7		
Profit for the period	55.9	81.1			86.0	399.9		
EPS, EUR**	0.40	0.58			0.62	2.89		
Segments operating profit	80.1	106.8			190.2	337.2		
Segments operating profit %	19.4%	22.5%			14.5%	21.3%		
Segments EPS, EUR**	0.44	0.63			1.04	3.06		
Segments ROCE, %					9.3%	18.6%		
Equity ratio, %					65.3%	75.9%		
Cash flow from operating activities	429.0	398.2			422.4	219.8		
Gearing, %					-1.1%	2.3%		
Interest-bearing net debt					-17.2	41.1		
Capital expenditure	31.6	65.4			149.9	290.1		

* Comparable currencies

** EPS 2019 excl. the impact of the rulings on the tax disputes of EUR 1.08 were EUR 1.81. Segments EPS 2019 excl. the impact were EUR 1.98

Market situation

	The Nordic countries	Russia	Europe (excl. the Nordic countries)	North America
New car sales in 2020 y-o-y	-14%	-9%	-25%	-15%
Car tire sell-in in 2020 y-o-y	-8%	-25%	-12%	-13%
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

FINANCIAL RESULTS IN OCTOBER–DECEMBER 2020

Net sales in October–December 2020 decreased by 12.9% and amounted to EUR 413.4 million (October–December 2019: 474.8). With comparable currencies, net sales decreased by 7.1%. Currency exchange rates affected net sales negatively by EUR 27.8 million.

Net sales by geographical area

EUR million	10–12/20	10–12/19	Change	CC* Change	% of total net sales in 10–12/20	% of total net sales in 10–12/19
Nordics	202.7	203.6	-0.5%	1.0%	49%	43%
Other Europe	93.7	106.9	-12.3%	-7.9%	23%	23%
Russia and Asia	60.7	80.1	-24.2%	-3.3%	15%	17%
Americas	47.4	66.9	-29.1%	-24.1%	12%	14%
Other	8.9	17.3	-48.8%	-48.9%	2%	4%
Total	413.4	474.8	-12.9%	-7.1%	100%	100%

* Comparable currencies

Net sales by business unit

EUR million	10–12/20	10–12/19	Change	CC* Change	% of total net sales in 10–12/20**	% of total net sales in 10–12/19**
Passenger Car Tyres	262.0	317.3	-17.4%	-9.8%	63%	67%
Heavy Tyres	53.2	54.5	-2.5%	0.9%	13%	12%
Vianor	115.4	120.0	-3.9%	-2.4%	28%	25%
Other operations and eliminations	-17.2	-17.0	-0.8%			
Total	413.4	474.8	-12.9%	-7.1%		

* Comparable currencies

** Includes internal sales

Raw material unit costs (EUR/kg) in manufacturing decreased by 17.7% year-over-year, positively impacted by currencies, and decreased by 0.9% from the third quarter of 2020.

Segments operating profit amounted to EUR 80.1 million (106.8). The decline was mainly due to the lower passenger car tire sales and negative currency impact, partly offset by lower raw material unit cost.

Operating profit was EUR 71.4 million (101.0). The non-IFRS exclusions were EUR -8.7 million (-5.8), including EUR -7.0 million (-4.7) related to the US factory ramp-up.

Segments operating profit by business unit

EUR million	10–12/20	10–12/19*
Passenger Car Tyres	66.5	82.2
Heavy Tyres	5.0	10.1
Vianor	10.0	14.1
Other operations and eliminations	-1.4	0.3
Segments operating profit total	80.1	106.8
Non-IFRS exclusions	-8.7	-5.8

* As of 2020, Nokian Tyres reports non-IFRS figures in addition to its IFRS-reported results. Restated figures for 2019 were published as a stock exchange release on April 24, 2020.

Financial items and taxes

Net financial expenses were EUR 0.5 million (5.9), including net interest expenses of EUR 1.4 million (1.5). Net financial expenses include an income of EUR 0.9 million (expense 4.5) due to exchange rate differences. Segments profit before tax was EUR 79.6 million (100.8). Profit before tax was EUR 70.9 million (95.1) and taxes were EUR 15.1 million (14.0). Segments profit for the period amounted to EUR 61.5 million (86.9). Profit for the period amounted to EUR 55.9 million (81.1). Segments earnings per share were EUR 0.44 (0.63), and earnings per share were EUR 0.40 (0.58).

Cash flow

In October–December 2020, cash flow from operating activities was EUR 429.0 million (398.2). Working capital decreased by EUR 323.5 million (decreased by 352.2). Inventories decreased by EUR 28.4 million (decreased by 66.4) and receivables decreased by EUR 304.0 million (decreased by 320.3). Payables decreased by EUR 8.8 million (decreased by 34.5).

Investments amounted to EUR 31.6 million (65.4).

FINANCIAL RESULTS IN 2020

In 2020, the COVID-19 pandemic had a significant impact on global car and tire demand. Even though some signs of improving demand could be seen during the second half of the year, the year was overshadowed by uncertainty.

In the volatile operating environment, Nokian Tyres continued its key projects, including the US factory, test center in Spain and Heavy Tyres capacity expansion, to support the company's long-term growth. The short-term focus was on cash flow and cost control.

In 2020, Nokian Tyres got its ambitious climate change targets for cutting greenhouse gas emissions approved by Science Based targets initiative as the first company in the tire industry. Occupational safety continued to develop positively.

Net sales and segments operating profit

Net sales in 2020 decreased by 17.1% and amounted to EUR 1,313.8 million (2019: 1,585.4; 2018: 1,595.6). With comparable currencies, net sales decreased by 13.3% especially due to the COVID-19 pandemic, the measures taken to reduce carry-over stocks in the Russian passenger car tire distribution channel, and the mild winter 2019-2020 in all main markets. Currency exchange rates affected net sales negatively by EUR 61.1 million.

Net sales by geographical area

EUR million	2020	2019	Change	CC* Change	% of total net sales in 2020	% of total net sales in 2019
Nordics	592.2	613.2	-3.4%	-0.9%	45%	39%
Other Europe	330.9	375.5	-11.9%	-9.0%	25%	24%
Russia and Asia	188.7	324.3	-41.8%	-33.0%	14%	21%
Americas	166.7	209.3	-20.3%	-17.5%	13%	13%
Other	35.4	63.2	-44.0%	-43.9%	3%	4%
Total	1,313.8	1,585.4	-17.1%	-13.3%	100%	100%

* Comparable currencies

Net sales by business unit

EUR million	2020	2019	Change	CC* Change	% of total net sales in 2020**	% of total net sales in 2019**
Passenger Car Tyres	871.3	1,123.8	-22.5%	-18.0%	66%	71%
Heavy Tyres	194.6	202.7	-4.0%	-1.8%	15%	13%
Vianor	318.1	336.5	-5.5%	-2.8%	24%	21%
Other operations and eliminations	-70.1	-77.6	9.6%			
Total	1,313.8	1,585.4	-17.1%	-13.3%		

* Comparable currencies

** Includes internal sales

Raw material unit costs (EUR/kg) in manufacturing decreased by 12.0% year-over-year, positively impacted by currencies.

Segments operating profit amounted to EUR 190.2 million (2019: 337.2). The decline was mainly due to the COVID-19 (impact approximately EUR -50 million), the lower sales in Russia (impact approximately EUR -50 million), and the low factory utilization rate. Segments operating profit percentage was 14.5% (2019: 21.3%).

Operating profit amounted to EUR 120.0 million (2019: 316.5; 2018: 372.4). The non-IFRS exclusions were EUR -70.2 million (-20.8), including EUR -26.7 million (-13.9) related to the US factory ramp-up. Operating profit percentage was 9.1% (2019: 19.8%; 2018: 23.3%).

Segments operating profit by business unit

EUR million	2020	2019*
Passenger Car Tyres	177.8	308.5
Heavy Tyres	23.7	35.7
Vianor	4.0	7.7
Other operations and eliminations	-15.3	-14.7
Segments operating profit total	190.2	337.2
Non-IFRS exclusions	-70.2	-20.8

* As of 2020, Nokian Tyres reports non-IFRS figures in addition to its IFRS-reported results. Restated figures for 2019 were published as a stock exchange release on April 24, 2020.

Financial items and taxes

Net financial expenses were EUR 14.0 million (income 20.3; includes a return of EUR 35.9 million related to the rulings on the tax disputes), including net interest expenses of EUR 8.6 million (income 29.4). Net financial expenses include an expense of EUR 5.4 million (9.1) due to exchange rate differences. Segments profit before tax was EUR 176.2 million (357.5; positively impacted by the returned punitive interest of EUR 34.4 million related to the tax disputes in the previous fiscal years). Profit before tax was EUR 106.0 million (336.7) and taxes were EUR 20.0 million (63.1; positively impacted by the returned additional taxes and punitive increases of EUR 115.2 million in the previous fiscal years). Segments profit for the period amounted to EUR 144.4 million (420.6; positively impacted by EUR 149.6 million related to the final rulings on the tax disputes concerning the years 2007–2011). Profit for the period amounted to EUR 86.0 million (399.9; positively impacted by EUR 149.6 million related to the rulings on the tax disputes). Segments earnings per share were EUR 1.04 (3.06; positively impacted by EUR 1.08 related to the rulings on the tax disputes). Earnings per share were EUR 0.62 (2.89; positively impacted by EUR 1.08 related to the rulings on the tax disputes).

Return on equity was 5.2% (2019: 24.6%, positively impacted by the tax disputes; 2018: 20.0%).

Guidance given for 2020

In Nokian Tyres' financial statement release for 2019 published in February 2020, the company published the following outlook for the year:

In 2020, net sales with comparable currencies are expected to decline and operating profit to be significantly below the level of 2019. In line with Nokian Tyres' updated 2018 strategy, the company is targeting further growth in Russia, Central Europe, and North America. In 2020 however, net sales and operating profit in Russia are expected to decline substantially due to the changed market dynamics. Operating profit in 2020 will include costs related to the North American expansion and other investment programs to support long-term growth, as communicated in 2018.

In March 2020, the Board of Directors of Nokian Tyres plc withdrew the company's financial guidance for 2020 due to the COVID-19 outbreak, which increased the uncertainty in the car and tire market.

Cash flow

In 2020, cash flow from operating activities was EUR 422.4 million (219.8). In the volatile environment due to COVID-19, the company increased focus on working capital management, taking manufacturing downtime to reduce inventory levels and reducing capital spending to ensure a healthy cash flow. Working capital decreased by EUR 169.9 million (increased by 235.7). Inventories decreased by EUR 25.2 million (decreased by 6.1) and receivables decreased by EUR 121.9 million (increased by 68.0). Payables increased by EUR 22.8 million (decreased by 173.8).

Investments

Investments in 2020 amounted to EUR 149.9 million (290.1). This includes construction of the new US factory and the test center in Spain, and production investments in Heavy Tyres. Strategic projects proceeded in line with the plan with some delays due to COVID-19. Commercial tire production began in the US factory in January 2020. The test center in Spain will be completed during the first half of 2021. Depreciations and amortizations totaled EUR 131.1 million (125.2). Impairments were EUR 24.9 million (0.0).

Financial position on December 31, 2020

In 2020, Nokian Tyres implemented actions to strengthen its liquidity position, which as of December 31, 2020 amounted to EUR 709.6 million, including cash, cash equivalents and undrawn committed short- and long-term credit limits (EUR 424.3 million at the end of 2019). A total of EUR 275 million bilateral loans, which were withdrawn in the first half of the year, were prepaid before maturity at the end of the year.

EUR million	Dec 31, 2020	Dec 31, 2019
Cash and cash equivalents	504.2	218.8
Interest-bearing liabilities	487.0	259.9
of which current interest-bearing liabilities	229.7	30.9
Interest-bearing net debt	-17.2	41.1
Unused credit limits*	507.1	561.0
of which committed	205.5	205.5
Gearing ratio, %	-1.1%	2.3%
Equity ratio, %	65.3%	75.9%

* The current credit limits and the 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 commercial paper program was increased from EUR 350 million to EUR 500 million in April 2020.

Personnel

During the year, Nokian Tyres took necessary precautions to ensure the health and safety of its employees and partners due to the COVID-19 outbreak. These included limiting travelling, remote work, social distancing, face masks, and implementing other health and safety practices. In addition, training and webinars were offered to employees and managers to cope with special working circumstances. Cost saving measures were implemented based on demand. Nokian Tyres' Group Management Team contributed to the savings with a salary reduction equivalent to one month's salary in 2020.

Occupational health and safety KPIs continued to improve. Nokian Tyres' accident frequency (LTIF, the number of lost time injuries occurring in a workplace per 1 million hours worked) dropped from 4.3 to 3.7.

	2020	2019*	2018
Group employees			
on average	4,859	4,995	4,790
at the end of the review period	4,603	4,847	4,719
in Finland, at the end of the review period	1,721	1,781	1,769
in Russia, at the end of the review period	1,528	1,604	1,574
in North America, at the end of the review period	229	296	191
Vianor (own) employees, at the end of the review period**	1,411	1,504	1,563

* Figures corrected to include passive employments in December 2019 (employees on long leaves).

**Included in Group employee figures

Salaries, incentives, and other related costs in 2020 were EUR 224.7 million (2019: 235.3; 2018: 228.9).

Research and development

In 2020, Nokian Tyres introduced several new tire models. Approximately 50% of R&D investments is allocated to product testing. Nokian Tyres' R&D costs in 2020 totaled EUR 22.7 million (2019: 22.7; 2018: 20.8), which is 8.0% (2019: 8.8%; 2018: 5.8%) of the operating expenses.

To support the testing of new tires, Nokian Tyres is building a new test center in Spain. The building will be completed during the first half of 2021, and tire testing is in the ramp-up phase.

Sales and distribution

Good availability and precise, quick deliveries especially during season are an increasingly important part of a successful tire retail experience. Nokian Tyres is continuously developing the logistics systems and retailer network in order to ensure efficient distribution.

Nokian Tyres' distribution network consists of Nokian Tyres' own Vianor service centers and service centers run by partners, the Nokian Tyres Authorized Dealer (NAD) partners, the N-Tyre retailers, and other tire and vehicle retailers as well as online stores. At the end of 2020, the number of stores was as follows:

- Vianor: 1,117 (1,170) service centers in total, of which 943 (981) partners
- NAD: 2,282 (2,182) stores
- N-Tyre: 124 (133) stores

BUSINESS UNIT REVIEWS

Passenger Car Tyres

EUR million	10–12/20	10–12/19	Change	CC* Change	2020	2019	Change	CC* Change
Net sales	262.0	317.3	-17.4%	-9.8%	871.3	1,123.8	-22.5%	-18.0%
Segment operating profit	66.5	82.2			177.8	308.5		
Segment operating profit, %	25.4%	25.9%			20.4%	27.4%		

* Comparable currencies

October–December 2020

In October–December 2020, net sales of Passenger Car Tyres totaled EUR 262.0 million (317.3). With comparable currencies, net sales decreased by 9.8%. Net sales decreased in all main markets. Average Sales Price with comparable currencies decreased, while the product mix improved.

Segment operating profit was EUR 66.5 million (82.2). The decline was mainly due to the lower sales volumes and negative currency impact, partly offset by lower raw material unit cost and increasing production volumes.

January–December 2020

In 2020, net sales of Passenger Car Tyres totaled EUR 871.3 million (1,123.8). With comparable currencies, net sales decreased by 18.0% as a result of the COVID-19 pandemic, the measures taken in Russia to reduce carry-over stocks in the distribution channel, and the mild winter 2019–2020. Average Sales Price with comparable currencies decreased in 2020 due to commercial programs to advance sell-out, and as the share of winter tire sales decreased. The share of sales volume of winter tires was 68% (71%), the share of summer tires was 20% (19%), and the share of all-season tires was 12% (10%).

Both summer and winter tire inventories in the Russian distribution channel were decreased significantly compared to the previous year, with both seasons ending with low inventory levels, and the company achieved its inventory level targets in the distribution channel set for 2020. In winter tires, Nokian Tyres' actions to limit sell-in and support sell-out in 2020 resulted in the company outperforming the market in terms of sell-out.

Production output (pcs) decreased by 17.1% year-over-year. Production was adjusted according to demand in Russia and Finland. In the US factory, commercial production started during the first quarter of the year. The US ramp-up has been slower than planned due to COVID-19. In 2020, 87% (85%) of passenger car tires (pcs) were manufactured in Russia.

Segment operating profit was EUR 177.8 million (308.5). The decline was mainly due to the lower sales in Russia (impact approximately EUR -50 million), the COVID-19 (impact approximately EUR -45 million), and the low factory utilization rate in all locations.

Nokian Tyres launched a new UHP winter tire Nokian Snowproof P in March and a new Seasonproof all-season tire range in September for Central European market. In September, the Nokian Hakka summer tire range for Northern conditions expanded with two new premium summer tires, Nokian Hakka Green 3 and Nokian Hakka Van and the Nokian Nordman tire range got two new additions: Nokian Nordman SZ2 and Nokian Nordman S2 SUV. In December, the company announced that, in early 2021, it will introduce a new Nokian Hakkapeliitta 10 winter tire range as well as new studded Nokian Nordman 8 and Nokian Nordman 8 SUV winter tires.

Heavy Tyres

EUR million	10-12/20	10-12/19	Change	CC* Change	2020	2019	Change	CC* Change
Net sales	53.2	54.5	-2.5%	0.9%	194.6	202.7	-4.0%	-1.8%
Segment operating profit	5.0	10.1			23.7	35.7		
Segment operating profit, %	9.5%	18.6%			12.2%	17.6%		

* Comparable currencies

October-December 2020

In October-December 2020, net sales of Heavy Tyres totaled EUR 53.2 million (54.5). With comparable currencies, net sales increased by 0.9%.

Segment operating profit was EUR 5.0 million (10.1). The decline was due to the planned production shutdown in December, inventory reductions, and maintenance work in production.

January-December 2020

In 2020, net sales of Heavy Tyres totaled EUR 194.6 million (202.7). With comparable currencies, net sales decreased by 1.8%, due to the lower sales volume especially in OE forestry tires. Sales in Nokian Tyres' other core product segments remained relatively stable. Excluding the Levypyörä acquisition in August 2019, net sales with comparable currencies declined by 5.8%.

Segment operating profit was EUR 23.7 million (35.7), negatively impacted by volumes, low factory utilization rate, investments and maintenance work in production, and currencies.

A flow of product launches with new innovations continued in 2020. For example, new Nokian Hakkapeliitta Truck E2 and Nokian E-Truck 17.5 tire ranges were launched and the production of a new tractor tire, Nokian Ground King, started. In addition, several new sizes to existing product ranges were introduced and the first agricultural and contracting tractor tires equipped with Nokian Tyres Intuitu smart tire technology became available for sales.

Vianor, own operations

EUR million	10–12/20	10–12/19	Change	CC* Change	2020	2019	Change	CC* Change
Net sales	115.4	120.0	-3.9%	-2.4%	318.1	336.5	-5.5%	-2.8%
Segment operating profit	10.0	14.1**			4.0	7.7**		
Segment operating profit, %	8.7%	11.8%			1.3%	2.3%		
Number of own service centers at period end					174	189		

* Comparable currencies

** Includes EUR 2.0 million profit from sale of real estate

October–December 2020

In October–December 2020, net sales of Vianor totaled EUR 115.4 million (120.0). With comparable currencies, net sales decreased by 2.4%.

Segment operating profit was EUR 10.0 million (14.1, includes EUR 2.0 million profit from sale of real estate).

January–December 2020

In 2020, net sales of Vianor totaled EUR 318.1 million (336.5). With comparable currencies, net sales decreased by 2.8%.

Segment operating profit was EUR 4.0 million (7.7, includes EUR 2.0 million profit from sale of real estate).

Vianor US network, including ten service centers, was sold in August. Nokian Tyres' products are offered in the US via selected partners.

At the end of the review period, Vianor had 174 (189) own service centers in Finland, Sweden and Norway.

Segments Total to Nokian Tyres Total reconciliation

10–12/2020	Net sales	Cost of sales	SGA	Other operating income/ expenses	Operating profit	Financial income/ expenses	Taxes	Profit for the period
Segments Total	413.4	-266.1	-62.0	-5.1	80.1	-0.5	-18.2	61.5
US factory ramp-up		-6.5	-0.5	0.0	-7.0	0.0	1.4	-5.6
Impairments and write-downs of tangible and intangible assets, and certain other items		-5.7			-5.7		2.3	-3.4
Unification of the Group's accounting principles of product development costs		1.0			1.0		-0.2	0.8
Non-operative items and others		-0.1	0.8	2.2	2.9		-0.5	2.6
Total Non-IFRS exclusion		-11.3	0.2	2.2	-8.7	0.0	3.0	-5.6
Nokian Tyres Total	413.4	-277.4	-61.7	-2.9	71.4	-0.5	-15.0	55.9

1–12/2020	Net sales	Cost of sales	SGA	Other operating income/ expenses	Operating profit	Financial income/ expenses	Taxes	Profit for the period
Segments Total	1,313.8	-871.9	-232.8	-18.8	190.2	-14.0	-31.9	144.4
US factory ramp-up		-24.4	-2.3		-26.7		5.3	-21.4
Impairments and write-downs of tangible and intangible assets, and certain other items		-11.9	-13.7	-5.0	-30.6		6.1	-24.5
Unification of the Group's accounting principles of product development costs		-4.7	-4.9		-9.6		1.9	-7.7
Non-operative items and others		-0.5	-8.7	5.8	-3.4	0.0	-1.5	-4.8
Total Non-IFRS exclusion		-41.5	-29.6	0.8	-70.2	0.0	11.8	-58.4
Nokian Tyres Total	1,313.8	-913.4	-262.4	-18.0	120.0	-14.0	-20.0	86.0

CORPORATE GOVERNANCE

In its decision-making and administration, Nokian Tyres adheres to the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act and the rules issued by Nasdaq Helsinki Ltd, Nokian Tyres' Articles of Association, and the Finnish Corporate Governance Code 2020 for listed companies. Nokian Tyres complies with the code without exceptions. The code is published at www.cgfinland.fi/en/.

The Corporate Governance Statement has been prepared pursuant to the Finnish Corporate Governance Code 2020 for listed companies and the Securities Markets Act (Chapter 7, Section 7) and it is issued separately from the Board of Directors' report. The Board of Directors has reviewed the Corporate Governance Statement, and the auditor KPMG has verified that the Statement has been issued and that the description of the main features of the internal control and risk management systems relating to the financial reporting process is consistent with the financial statements.

SHARES AND SHAREHOLDERS

At the end of December 2020, the number of shares was 138,921,750.

Number of shares (million units)*	31.12.20	31.12.19
at the end of period	138.22	138.72
in average	138.46	138.17
in average, diluted	138.46	138.38

*Excluding treasury shares

Authorizations

In 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 will be effective until the next Annual General Meeting, however at most until June 30, 2021.

In 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 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, 2021. This authorization will invalidate all other Board authorizations regarding share issues and special rights.

In 2019, the Annual General Meeting authorized the Board of Directors to resolve to repurchase a maximum of 5,000,000 shares in the company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponded to 3.6% of all shares in the company at the time of the proposal. The authorization was effective until the Annual General Meeting of 2020.

The Board did not utilize the authorizations in 2020.

Own shares

No share repurchases were made during the review period, and the company did not possess any own shares on December 31, 2020. 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 December 31, 2020, the number of these shares was 697,400, reported as treasury shares (December 31, 2019: 197,947). This number of shares corresponded to 0.50% (0.14%) of the total shares and voting rights in the company.

Trading in shares

A total of 279,145,453 (175,964,982) Nokian Tyres' shares were traded in Nasdaq Helsinki in 2020, representing 201% (127%) of the company's overall share capital. The average daily volume in 2020 was 1,107,720 shares (703,860). Nokian Tyres' shares are also traded on alternative exchanges, such as BATS CXE, Turquoise, and BATS BXE. The total trading volume on these alternative exchanges was 87,417,402 (109,439,468) shares in 2020.

Nokian Tyres' share price was EUR 28.82 (25.63) at the end of 2020. The volume weighted average share price in 2020 was EUR 22.15 (27.63), the highest was EUR 31.14 (32.44) and the lowest was EUR 16.38 (23.71). The company's market capitalization at the end of the period was EUR 4.0 billion (3.6 billion).

At the end of the review period, the company had 58,563 (54,067) registered shareholders. The percentage of Finnish shareholders was 42.5% (34.9%), and 57.5% (65.1%) were non-Finnish holders and foreign shareholders registered in the nominee register. Public sector entities owned 13.7% (10.1%), financial and insurance corporations 7.2% (4.6%), households 14.4% (13.7%), non-profit institutions 3.5% (3.6%), and private companies 3.7% (2.8%).

Major shareholders on December 31, 2020

(Does not include nominee registered shareholders or treasury shares)

	Number of shares	% of share capital
1. Solidium Oy	10,800,000	7.77
2. Ilmarinen Mutual Pension Insurance Company	3,600,678	2.59
3. Varma Mutual Pension Insurance Company	2,060,889	1.48
4. Elo Mutual Pension Insurance Company	1,566,285	1.13
5. OP-Finland	1,500,000	1.08
6. Nordea Nordic Small Cap Fund	1,186,266	0.85
7. Mandatum Life Insurance Company Ltd.	888,717	0.64
8. The State Pension Fund	750,000	0.54
9. Nordea Nordic Fund	652,163	0.47
10. Danske Invest Finnish Equity Fund	630,000	0.45

Changes in ownership

Transaction date	Shareholder	Threshold	% of shares and voting rights	% of shares and voting rights through financial instruments	Total, %
March 9, 2020	Sprucegrove Investment Management	Above 5%	5.01%		5.01%
March 10, 2020	BlackRock, Inc	Below 5%	4.98%	0.86%	5.85%
March 19, 2020	BlackRock, Inc	Above 5%	5.02%	0.66%	5.69%
June 11, 2020	BlackRock, Inc	Below 5%	4.96%	0.94%	5.90%
June 12, 2020	BlackRock, Inc	Above 5%	5.22%	1.06%	6.28%
June 17, 2020	Sprucegrove Investment Management	Below 5%	4.92%		4.92%
June 17, 2020	BlackRock, Inc	Below 5%	4.91%	0.97%	5.89%

June 29, 2020	BlackRock, Inc	Above 5%	5.04%	0.43%	5.47%
June 30, 2020	BlackRock, Inc	Below 5%	4.67%	0.57%	5.24%
July 10, 2020	BlackRock, Inc	Above 5%	5.22%	0.51%	5.73%
July 14, 2020	BlackRock, Inc	Below 5%	4.46%	0.84%	5.30%
July 15, 2020	BlackRock, Inc	Above 5%	5.25%	0.73%	5.98%
July 27, 2020	BlackRock, Inc	Below 5%	4.90%	0.77%	5.68%
July 27, 2020	Sprucegrove Investment Management	Above 5%	5.15%		5.15%
October 27, 2020	BlackRock, Inc	Above 5%	5.07%	0.33%	5.21%
October 27, 2020	Société Générale SA	Above 5%	0.66%	5.21%	5.87%
October 28, 2020	BlackRock, Inc	Below 5%	4.89%	0.14%	5.03%
October 29, 2020	Société Générale SA	Below 5%	0.70%	4.24%	4.94%
October 30, 2020	Société Générale SA	Above 5%	0.68%	4.53%	5.21%
November 9, 2020	BlackRock, Inc	Above 5%	5.04%	0.76%	5.81%
November 10, 2020	BlackRock, Inc	Below 5%	4.94%	0.77%	5.71%
December 1, 2020	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
December 2, 2020	BlackRock, Inc	Above 5%	4.69%	0.47%	5.16%
December 4, 2020	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
December 9, 2020	BlackRock, Inc	Above 5%	4.49%	0.52%	5.01%
December 22, 2020	BlackRock, Inc	Below 5%	Below 5%	Below 5%	Below 5%
December 29, 2020	BlackRock, Inc	Above 5%	4.84%	0.27%	5.12%
December 30, 2020	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/.

Shareholdings of the Board of Directors, the President and CEO, and the Management Team on December 31, 2020

Board of Directors	Number of shares
Jukka Hienonen, chairman	12,795
Kari Jordan, deputy chairman	3,611
Heikki Allonen, member	3,617
Raimo Lind, member	6,462
Veronica Lindholm, member	3,617
Inka Mero, member	5,010
George Rietbergen, member	2,954
Pekka Vauramo, member	2,424
Total	40,490

President and CEO	Number of shares
Jukka Moisio	18,000

Management Team	Number of shares
Päivi Antola, Corporate Communications & IR	1,264
Anna Hyvönen, North America, Nordics & Vianor	21,715
Adrian Kaczmarczyk, Supply Operations	0
Tarja Kaipio, Human Resources	7,977
Teemu Kangas-Kärki, Finance	7,014
Jukka Kasi, Products & Innovations	4,420
Bahri Kurter, Central Europe	0
Andrei Pantioukhov, Russia & Asia, Global Marketing	69,359
Manu Salmi, Heavy Tyres & Nokia Factory	26,601
Timo Tervolin, Strategy & M&A	6,385
Frans Westerlund, IT & Processes	4,042
Total	148,777

On December 31, 2020, Nokian Tyres' Board members and the President and CEO held a total of 58,490 Nokian Tyres shares. The shares represent 0,04% of the total number of votes.

Managers' transactions

Nokian Tyres announced managers' transactions on May 11 and November 3. Read more at: www.nokiantyres.com/company/publications/releases/2020/managementTransactions/

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

On April 2, 2020, the Annual General Meeting (AGM) of Nokian Tyres approved the Financial Statements for 2019, discharged the members of the Board of Directors and the President and CEO from liability for the 2019 financial year and adopted the Remuneration Policy.

Dividend

The meeting decided that a dividend of EUR 0.79 per share shall be paid for the period ending on December 31, 2019. The dividend payment date was April 17, 2020 and the dividend was paid to shareholders included in the shareholder list maintained by Euroclear Finland Oy on the record date of April 6, 2020.

In October 2020, the Board of Directors decided on the payment of the second dividend instalment, based on the authorization given by the AGM. The second instalment of EUR 0.35 per share was paid to shareholders included in the shareholder list maintained by Euroclear Finland Ltd on the record date of October 29, 2020. The dividend payment date was December 9, 2020.

The total amount of dividends paid by Nokian Tyres for the financial year 2019 was EUR 1.14 per share.

Members of the Board of Directors and Auditors

The meeting decided that the Board of Directors has eight members. Heikki Allonen, Kari Jordan, Raimo Lind, Veronica Lindholm, Inka Mero, George Rietbergen and Pekka Vauramo were re-elected to the Board of Directors. Jukka Hienonen was elected as a new member to the Board of Directors.

The AGM elected audit firm KPMG Oy Ab as auditor.

Remuneration of the Members of the Board of Directors

The meeting decided that the monthly fee paid to the Chairman of the Board shall be EUR 7,917 or EUR 95,000 per year, the monthly fee paid to the Deputy Chairman of the Board and to the Chairman of the Audit Committee shall be EUR 5,833 or EUR 70,000 per year, and the monthly fee paid to Members of the Board shall be EUR 3,958 or EUR 47,500 per year.

60% of the annual fee is to be paid in cash and 40% in Company shares, to the effect that in the period from May 6 to June 5, 2020, EUR 38,000 worth of shares in Nokian Tyres plc will be purchased at the stock exchange on behalf of the Chairman of the Board, EUR 28,000 worth of shares in Nokian Tyres plc will be purchased at the stock exchange on behalf of the Deputy Chairman of the Board and Chairman of the Audit committee, and EUR 19,000 worth of shares will be purchased on behalf of other members of the Board. The Company is liable to pay any asset transfer taxes, which may arise from the acquisition of the Company shares.

Furthermore, each member of the Board will receive EUR 600 for meetings held in their home country and EUR 1,200 for meetings held outside their home country. If a member participates in a meeting via telephone or video connection, the remuneration will be EUR 600. Travel expenses will be compensated in accordance with the company's travel policy.

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 corresponded to approximately 9.9% of all shares in the company at the time of the proposal. The authorization will be effective until the next AGM, however at most until June 30, 2021.

The AGM 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 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, 2021. This authorization will invalidate all other Board authorizations regarding share issues and special rights.

Establishment of a Shareholders' Nomination Board

The AGM decided to establish a Shareholders' Nomination Board to prepare proposals to the Annual General Meeting and, when necessary, to the Extraordinary General Meeting concerning the number of members, the composition, the Chairman and possible Deputy Chairman of the Board of Directors as well as the remuneration of the Board of Directors and Committees as well as to identify possible successor candidates for the members of the Board of Directors. In addition, the AGM decided to approve the Charter of the Shareholders' Nomination Board.

Amendments of the articles of association

In 2020, the Annual General Meeting resolved to amend the Articles of Association §4 and §11 as follows:

§4 Board of Directors

The Company's administration and proper organization of operations shall be the responsibility of the Board of Directors, consisting of a minimum of four and a maximum of nine members, in accordance with the decision made by the General Meeting of the Shareholders. The term of office of the members of the Board of Directors ends at the closing of the first Annual General Meeting following the election.

§11 Annual General Meeting

The Annual General Meeting shall be held annually on a day fixed by the Board of Directors, by the end of May. The Meeting shall be held either at the Company's registered place of business or in either the city of Tampere or Helsinki, as decided by the Board of Directors.

The Annual General Meeting shall review:

1. the financial statements, which include the consolidated financial statements, and annual report;
2. the auditor's report;

shall resolve:

3. the adoption of the financial statements;
4. the use of the profit shown on the balance sheet;
5. granting discharge from personal liability to the members of the Board of Directors and the Managing Director;
6. adoption of the remuneration policy, when necessary;
7. adoption of the remuneration report;
8. the remuneration payable to the members of the Board of Directors and the auditor;
9. the number of the members of the Board of Directors;

shall elect:

10. the members of the Board of Directors;
11. an auditor; and

shall deal with:

12. any other matters mentioned in the notice of the meeting.

BOARD OF DIRECTORS' WORKING ARRANGEMENTS

In the Board meeting on April 2, 2020, Jukka Hienonen was elected Chairman of the Board and Kari Jordan was elected Deputy Chairman of the Board. The Board elected Kari Jordan (Chairman), Veronica Lindholm and Jukka Hienonen as members of the Personnel and Remuneration Committee. The Board elected Raimo Lind (Chairman), Heikki Allonen, Inka Mero and Pekka Vauramo as members of the Audit Committee.

SHAREHOLDERS' NOMINATION BOARD

The 2020 Annual General Meeting decided to establish a Shareholders' Nomination Board. The Nomination Board consists of five members of which four members represent the company's four largest shareholders, and one member is the Chairman of the Board. In June 2020, the following members were appointed to the Board:

- Antti Mäkinen (CEO, Solidium Oy), appointed by Solidium Oy
- Heikki Westerlund (board professional), appointed by Bridgestone Corporation
- Mikko Mursula (Chief Investment Officer, Ilmarinen Mutual Pension Insurance Company), appointed by Ilmarinen Mutual Pension Insurance Company
- Timo Sallinen (Senior Vice President, Investments, Varma Mutual Pension Insurance Company), appointed by Varma Mutual Pension Insurance Company
- Jukka Hienonen, Chairman of the Board, Nokian Tyres plc

The Shareholders' Nomination Board proposes to the 2021 Annual General Meeting that the Board consist of nine members, the Chairman and the Deputy Chairman included, and that of the current Board members, Heikki Allonen, Jukka Hienonen, Raimo Lind, Veronica Lindholm, Inka Mero, George Rietbergen and Pekka Vauramo be re-elected and Christopher Ostrander and Jouko Pölönen be elected as new members to the Board of Directors for a term ending at the end of the 2022 Annual General Meeting.

Jukka Hienonen is proposed to be elected as Chairman and Pekka Vauramo as Deputy Chairman of the Board of Directors. Of the current members, Kari Jordan has informed that he is not available for re-election to the Board of Directors.

The Shareholders' Nomination Board proposes that the annual remuneration to be paid to the members of the Board of Directors elected at the Annual General Meeting 2021 be as follows:

- Chairman of the Board of Directors EUR 102,500 per year
- Deputy Chairman and the Chairman of the Audit Committee EUR 72,500 per year
- members EUR 50,000 per year

The Shareholders' Nomination Board further proposes that 60% of the annual fee be paid in cash and 40% in Company shares. For each Board and Board Committee meeting the fee is proposed to be EUR 700. 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 proposed to be EUR 700. Travel expenses are proposed to be compensated in accordance with the Company's travel policy.

CHANGES IN MANAGEMENT

In May 2020, Nokian Tyres' Board of Directors announced the appointment of Jukka Moisio as the new President and CEO of Nokian Tyres plc effective May 27, 2020. Jukka Moisio succeeds Hille Korhonen, who led the company for three years as the President and CEO, and prior to that as a member of the Board of Directors.

The members of Nokian Tyres Management Team as of January 2021 are:

Jukka Moisio, President & CEO

Andrei Pantioukhov, Executive Vice President, Russia, Asia and Global Marketing

Päivi Antola, Senior Vice President, Corporate Communications and Investor Relations

Anna Hyvönen, Executive Vice President, North America, Nordics and Vianor

Adrian Kaczmarczyk, Senior Vice President, Supply Operations

Teemu Kangas-Kärki, CFO

Jukka Kasi, Senior Vice President, Products & Innovations

Bahri Kurter, Executive Vice President, Central Europe

Päivi Leskinen, Senior Vice President, Human Resources as of May 2021, interim SVP HR Tarja Kaipio

Manu Salmi, Executive Vice President, Heavy Tyres and Nokia Factory

CORPORATE SUSTAINABILITY

In the first quarter of 2020, Nokian Tyres updated its Sustainability Strategy and Sustainability Road Map to guide the company's work on sustainability.

In May 2020, Nokian Tyres announced that its emissions reduction targets had been approved by the Science Based Targets initiative (SBTi) as the first tire company in the world. The targets covering greenhouse gas emissions from Nokian Tyres' operations (scopes 1 and 2) are consistent with reductions required to keep climate warming to below 2°C.

By 2030, Nokian Tyres commits to reduce scope 1 and 2 GHG emissions by 52% per ton of tires from a 2015 base year and scope 3 GHG emissions from purchased goods and services and upstream and downstream transportation and distribution by 25% per ton of tires from a 2018 base year. Nokian Tyres also commits to reduce scope 3 GHG emissions from the use of sold products by 25% per ton of tires by 2030 from a 2018 base year.

In October 2020, Nokian Tyres announced that its US factory's production building had earned LEED v4 Silver certification for green building leadership. The facility earned the certification due to a wide range of sustainable elements, including smart building automation designed to save energy, eco-friendly building materials, efficient water and waste management systems, electric vehicle charging stations in the parking lot and renewable energy generation via onsite solar panels.

In November 2020, Nokian Tyres was selected in Dow Jones' World Sustainability index for the fourth consecutive year. The company was also selected in the more strictly defined DJSI Europe index. The company received full 100 points in Product Quality & Recall Management, Environmental Reporting, Environmental Policy & Management and Social Reporting.

Nokian Tyres will publish its Corporate Sustainability Report for 2020 during the first quarter of 2021.

OTHER MATTERS

SHARE-BASED LONG-TERM INCENTIVE SCHEME 2020–2022 FOR THE MANAGEMENT AND SELECTED KEY EMPLOYEES OF NOKIAN TYRES PLC

On February 4, 2020, 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 2020–2022 as a continuation to the earlier plans decided in 2019. The decision includes Performance Share Plan 2020 ("PSP 2020") as the main structure and Restricted Share Plan 2020 ("RSP 2020") 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 2020

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 2020–2022) commences effective as of the beginning of 2020 and the potential share reward thereunder will be paid in the first half of 2023 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 2020–2022 are approximately 200 individuals, including the members of Nokian Tyres Management Team.

The potential share reward payable under the PSP 2020–2022 are based on the Earnings Per Share (EPS) and Return on Capital Employed (ROCE). The possible rewards paid based on the Performance Period of 2020–2022 will be a maximum of 569,260 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 2020

The purpose of the Restricted Share Plan is to serve as a complementary tool for individually selected key employees of Nokian Tyres in situations like new hires and retention needs. 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 the precondition described above, a financial performance criteria is applied to Nokian Tyres Management Team. A pre-set financial threshold value must be exceeded, for a payment or a share reward from the Restricted Share Plan 2020–2022 to take place. The financial performance threshold value is tied to Return on Capital Employed (ROCE).

The latest plan (RSP 2020–2022) within the Restricted Share Plan structure commenced effective as of the beginning of 2020 and the potential share reward thereunder will be paid in the first half of

2023. The possible rewards paid based on RSP 2020–2022 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. Of this amount, EUR 11.0 million were additional taxes and EUR 7.5 million were tax increases and interest. The company has paid and recorded them in full in the financial statements and results for 2013, 2014, and 2017. The company considers the decision unfounded and has appealed against it by filing a claim with the Supreme Administrative Court in July 2019.

COVID-19 – SUMMARY OF ACTIONS

Employee health and safety actions:

- Continuous monitoring and communication of COVID-19 status in the organization
- Implementing health and safety guidance/orders of each country
- Travel and visitor restrictions in the early phases of the pandemic starting late February
- Remote working launched mid-March for most white-collar employees
- Protective measures in the factories and service outlets like separation of teams, active cleaning and increased hygiene

Operational response actions:

- Working capital management: continuous production capacity adjustments to manage the inventory levels and secure availability, enhanced actions to monitor customer payments
- Labor cost reduction: working together with employee representatives, implemented temporary layoffs across the company for both white collar and blue-collar employees
- Temporary closures of the manufacturing facilities in Russia, Finland and the US during March-May
- Management Team salary reduction equivalent to one month's salary
- Cost efficiencies: cutting and delaying activities in 2020, reducing discretionary spending

Financial response actions:

- Dividend EUR 0.79/share (2019: EUR 1.58). Furthermore, the Annual General Meeting authorized the Board of Directors to decide on an additional dividend payment of a maximum of EUR 0.79/share to be distributed in one or several instalments at a later stage when Nokian Tyres is able to make a more reliable estimate on the impacts of the COVID-19 to the company's business. On October 27, 2020, the Board decided on the distribution of a second dividend instalment of EUR 0.35 per share.
- Capex reduction from approximately EUR 200 million to EUR 149.9 million for 2020.

- Actions implemented to strengthen Nokian Tyres' liquidity position, which as of December 31, 2020 amounted to EUR 709.6 million, including cash, cash equivalents and undrawn committed short- and long-term credit limits (EUR 424.3 million at the end of 2019)
- Strong balance sheet supporting in difficult times

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, %
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%

ASSUMPTIONS FOR 2021

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 additional uncertainty in 2021. The ruble has weakened in recent years and the average EUR/RUB was 72.5 in 2019, 82.7 in 2020 and 90.6 in January 2021. Raw material unit costs are estimated to increase in 2021 compared to 2020.

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.

The proposal for the use of profits by Board of Directors

The distributable funds in the Parent company total EUR 723.1 million.

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

A dividend of	1.20 EUR/share
be paid out, totaling	EUR 165.9 million
retained in equity	EUR 557.3 million
Total	EUR 723.1 million

The Board of Directors also proposes that the dividend shall be paid in two instalments, in April and in December 2021.

The first instalment of EUR 0.60 per share shall be paid to the shareholders who are registered in the shareholder register maintained by Euroclear Finland Oy on the dividend record date of April 1, 2021. The payment date proposed by the Board of Directors for the first instalment is April 15, 2021.

The second instalment of EUR 0.60 per share shall be paid in December. The second instalment of the dividend shall be paid to the shareholders who are registered in the shareholder register maintained by Euroclear Finland Oy on the dividend record date, which, together with the payment date, shall 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.

No material changes have taken place in the financial position of the company since the end of the financial year. The liquidity of the company is good, and the proposed distribution of profits does not compromise the financial standing of the company as perceived by the Board of Directors.

Notice to the Annual General Meeting will be published by March 9, 2021.

Helsinki, February 9, 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.

This financial statements release 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 2019. However, the adaptation of these new or amended standards has not had a significant effect on the reported figures. On the other respects, the same accounting policies have been followed as in the previous 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 has reviewed and updated 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 December, however the credit risk may increase if the current trading conditions deteriorate further. The impact of COVID-19 on Nokian Tyres' operating profit in 2020 is estimated to be approximately EUR -50 million. Actions have been implemented to strengthen Nokian Tyres' liquidity position, which as of December 31, 2020 amounted to EUR 709.6 million, including cash, cash equivalents and undrawn committed short- and long-term credit limits (EUR 424.3 million at the end of 2019).

The figures in the financial statements release are unaudited.

NOKIAN TYRES CONSOLIDATED

INCOME STATEMENT	10-12/20	10-12/19	1-12/20	1-12/19	Change %
Million euros					
Net sales	413.4	474.8	1,313.8	1,585.4	-12.9
Cost of sales	-277.4	-309.9	-913.4	-1,013.8	10.5
Gross profit	136.0	164.9	400.4	571.6	-17.5
Other operating income	1.3	2.5	4.8	3.5	-46.9
Sales, marketing and R&D expenses	-42.5	-46.5	-177.6	-175.1	8.7
Administration	-19.3	-15.2	-84.8	-75.2	-26.8
Other operating expenses	-4.2	-4.8	-22.8	-8.4	11.3
Operating profit	71.4	101.0	120.0	316.5	-29.3
Financial income	18.4	22.1	114.4	67.3	-16.9
Financial expenses (1)	-18.8	-28.0	-128.4	-47.0	32.8
Result before tax	70.9	95.1	106.0	336.7	-25.4
Tax expense (2)	-15.1	-14.0	-20.0	63.1	-7.8
Result for the period	55.9	81.1	86.0	399.9	-31.1
Attributable to:					
Equity holders of the parent	55.9	81.1	86.0	399.9	
Earnings per share from the result attributable to the equity holders of the parent:					
basic, euros	0.40	0.58	0.62	2.89	-30.9
diluted, euros	0.40	0.59	0.62	2.89	-31.2

CONSOLIDATED OTHER COMPREHENSIVE**INCOME**

	10-12/20	10-12/19	1-12/20	1-12/19
Million euros				
Profit for the period	55.9	81.1	86.0	399.9
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
Cash flow hedges	-0.1	2.6	-1.1	-1.2
Translation differences on foreign operations	-8.9	2.4	-168.7	86.6
Total other comprehensive income for the period, net of tax	-8.9	4.9	-169.7	85.4
Total comprehensive income for the period	46.9	86.0	-83.8	485.3
Total comprehensive income attributable to:				
Equity holders of the parent	46.9	86.0	-83.8	485.3

1) Financial expenses 1-12/19 contain EUR 34.4 million of returned punitive interest related to tax disputes that were booked in previous fiscal years based on tax reassessment decisions.

Additionally, financial expenses 1-12/19 contain a gain of EUR 1.4 million of interest from returned taxes.

2) Tax expense 1-12/19 contains EUR 115.2 million of returned additional taxes and punitive increases that were booked in previous fiscal years based on tax reassessment decisions.

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

	31.12.20	31.12.19
Million euros		
Non-current assets		
Property, plant and equipment	824.9	885.0
Right of use assets	152.0	122.9
Goodwill	79.2	84.4
Other intangible assets	23.6	35.3
Investments in associates	0.1	0.1
Non-current financial investments	2.7	0.7
Other receivables	5.7	7.7
Deferred tax assets	21.6	15.9
Total non-current assets	1,110.0	1,152.0
Current assets		
Inventories	329.4	387.0
Trade receivables	321.5	498.3
Other receivables	61.3	60.8
Current tax assets	10.3	15.6
Cash and cash equivalents	504.2	218.8
Total current assets	1,226.7	1,180.5
Total assets	2,336.7	2,332.6
Equity		
Share capital	25.4	25.4
Share premium	181.4	181.4
Treasury shares	-18.2	-8.0
Translation reserve	-447.5	-278.8
Fair value and hedging reserves	-2.8	-1.8
Paid-up unrestricted equity reserve	238.2	238.2
Retained earnings	1,544.9	1,613.3
Non-controlling interest	-	-
Total equity	1,521.3	1,769.7
Non-current liabilities		
Deferred tax liabilities	32.6	36.4
Provisions	0.0	0.0
Interest-bearing liabilities	257.3	229.1
Other liabilities	0.9	1.0
Total non-current liabilities	290.8	266.5
Current liabilities		
Trade payables	98.1	89.4
Other current payables	183.2	166.5
Current tax liabilities	6.4	4.6
Provisions	7.1	5.0
Interest-bearing liabilities	229.7	30.9
Total current liabilities	524.5	296.4
Total equity and liabilities	2,336.7	2,332.6

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

Interest-bearing liabilities include EUR 129.3 million of non-current and EUR 25.4 million of current lease liabilities.

CONSOLIDATED STATEMENT OF CASH FLOWS	1-12/20	1-12/19
Million euros		
Result for the period	86.0	399.9
Adjustments for		
Depreciation, amortisation and impairment	156.0	125.2
Financial income and expenses	14.0	-20.3
Gains and losses on sale of intangible assets, other changes	4.9	6.4
Income Taxes	20.0	-63.1
Cash flow before changes in working capital	280.8	448.0
Changes in working capital		
Current receivables, non-interest-bearing, increase (-) / decrease (+)	121.9	-68.0
Inventories, increase (-) / decrease (+)	25.2	6.1
Current liabilities, non-interest-bearing, increase (+) / decrease (-)	22.8	-173.8
Changes in working capital	169.9	-235.7
Financial items and taxes		
Interest and other financial items, received	1.5	4.1
Interest and other financial items, paid	-7.8	-56.7
Income taxes paid	-22.0	60.1
Financial items and taxes	-28.3	7.4
Cash flow from operating activities (A)	422.4	219.8
Cash flows from investing activities		
Acquisitions of property, plant and equipment and intangible assets	-149.9	-290.1
Proceeds from sale of property, plant and equipment and intangible assets	8.7	2.3
Acquisitions of Group companies	-	-9.5
Acquisitions of other investments	0.0	0.0
Other cash flow from investing activities	0.6	-
Cash flows from investing activities (B)	-140.6	-297.2
Cash flow from financing activities:		
Proceeds from issue of share capital	-	15.6
Purchase of treasury shares	-10.2	-
Change in current financial receivables, increase (-) / decrease (+)	0.5	75.0
Change in non-current financial receivables, increase (-) / decrease (+)	-2.2	1.2
Change in current financial borrowings, increase (+) / decrease (-)	203.4	-125.8
Change in non-current financial borrowings, increase (+) / decrease (-)	-0.9	127.9
Payment of lease liabilities	-28.4	-30.7
Dividends received	0.0	0.3
Dividends paid	-151.6	-218.1
Cash flow from financing activities (C)	10.7	-154.5
Change in cash and cash equivalents, increase (+) / decrease (-) (A+B+C)	292.5	-231.9
Cash and cash equivalents at the beginning of the period	218.8	447.5
Effect of exchange rate fluctuations on cash held	-7.2	3.2
Cash and cash equivalents at the end of the period	504.2	218.8

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

Million euros	Equity attributable to equity holders of the parent								
	A	B	C	D	E	F	G	H	I
Equity, 1 Jan 2019	25.4	181.4	-11.4	-365.4	-0.6	222.6	1,434.2	-	1,486.1
Result for the period							399.9		399.9
Other comprehensive income, net of tax:									
Cash flow hedges					-1.2				-1.2
Net investment hedge									-
Translation differences				86.6					86.6
Total comprehensive income for the period				86.6	-1.2		399.9		485.3
Dividends paid							-218.1		-218.1
Exercised warrants						15.7			15.7
Acquisition of treasury shares									-
Share-based payments			3.4				-2.7		0.7
Total transactions with owners for the period			3.4			15.7	-220.7		-201.7
Equity, 31 Dec 2019	25.4	181.4	-8.0	-278.8	-1.8	238.2	1,613.3	-	1,769.8
Equity, 1 Jan 2020	25.4	181.4	-8.0	-278.8	-1.8	238.2	1,613.3	-	1,769.8
Result for the period							86.0		86.0
Other comprehensive income, net of tax:									
Cash flow hedges					-1.1				-1.1
Net investment hedge									-
Translation differences				-168.7					-168.7
Total comprehensive income for the period				-168.7	-1.1		86.0		-83.8
Dividends paid							-158.1		-158.1
Exercised warrants									-
Acquisition of treasury shares			-10.2						-10.2
Share-based payments							3.7		3.7
Total transactions with owners for the period			-10.2				-154.4		-164.6
Equity, 31 Dec 2020	25.4	181.4	-18.2	-447.5	-2.8	238.2	1,544.9	-	1,521.3

SEGMENT INFORMATION	10-12/20	10-12/19	1-12/20	1-12/19	Change %
Million euros					
Net sales					
Passenger car tyres	262.0	317.3	871.3	1,123.8	-17.4
Heavy tyres	53.2	54.5	194.6	202.7	-2.5
Vianor	115.4	120.0	318.1	336.5	-3.9
Other operations and eliminations	-17.2	-17.0	-70.1	-77.6	-0.8
Total	413.4	474.8	1,313.8	1,585.4	-12.9
Operating result					
Passenger car tyres	59.8	76.4	132.7	287.7	-21.7
Heavy tyres	3.0	10.1	21.7	35.7	-70.6
Vianor	14.0	14.1	-6.2	7.7	-1.0
Other operations and eliminations	-5.4	0.3	-28.2	-14.7	-1,849.7
Total	71.4	101.0	120.0	316.5	-29.3
Operating result, % of net sales					
Passenger car tyres	22.8	24.1	15.2	25.4	
Heavy tyres	5.6	18.6	11.1	17.6	
Vianor	12.1	11.8	-2.0	2.3	
Total	17.3	21.3	9.1	19.8	
NET SALES BY GEOGRAPHICAL AREA					
Million euros					
Nordics	202.7	203.6	592.2	613.2	-0.5
Other Europe	93.7	106.9	330.9	375.5	-12.3
Russia and Asia	60.7	80.1	188.7	324.3	-24.2
America	47.4	66.9	166.7	209.3	-29.1
Other	8.9	17.3	35.4	63.2	-48.8
Total	413.4	474.8	1,313.8	1,585.4	
CHANGES IN PROPERTY, PLANT AND EQUIPMENT	31.12.20	31.12.19			
Million euros					
Opening balance	885.0	647.3			
Capital expenditure	151.3	284.5			
Decrease	-13.0	-8.6			
Depreciation and impairment for the period	-99.8	-83.7			
Transfers between items	-8.0	0.0			
Other changes	1.6	7.8			
Exchange differences	-92.2	37.8			
Closing balance	824.9	885.0			

CONTINGENT LIABILITIES	31.12.20	31.12.19
Million euros		
For own debt		
Mortgages	0.0	0.9
Enterprise mortgages	3.5	2.5
Pledged assets	2.2	2.2
On behalf of others		
Guarantees	0.0	0.4
Other own commitments		
Guarantees	3.0	29.9

**CARRYING AMOUNTS AND FAIR VALUES
OF FINANCIAL ASSETS AND LIABILITIES**

	31.12.20		31.12.19	
	Carrying amount	Fair value	Carrying amount	Fair value
Million euros				
FINANCIAL ASSETS				
Fair value through profit or loss				
Derivatives held for trading	19.6	19.6	2.9	2.9
Derivatives designated as hedges*	0.3	0.3	1.2	1.2
Unquoted securities	2.4	2.4	-	-
Amortized cost				
Other non-current receivables	5.2	4.7	7.6	7.2
Trade and other receivables	321.9	322.3	498.8	499.4
Bank deposits				
Cash in hand and at bank	504.2	504.2	218.8	218.8
Fair value through other comprehensive income				
Unquoted shares	0.3	0.3	0.7	0.7
Total financial assets	853.8	853.8	730.1	730.2
FINANCIAL LIABILITIES				
Fair value through profit or loss				
Derivatives held for trading	6.1	6.1	2.3	2.3
Derivatives designated as hedges*	3.9	3.9	6.3	6.3
Amortized cost				
Interest-bearing financial liabilities	332.3	334.9	135.2	138.1
Trade and other payables	98.1	98.1	89.4	89.4
Total financial liabilities	440.4	442.9	233.2	236.1

* 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	31.12.20	31.12.19
Million euros		
INTEREST RATE DERIVATIVES		
Interest rate swaps		
Notional amount	100.0	100.0
Fair value	-3.6	-3.2
FOREIGN CURRENCY DERIVATIVES		
Currency forwards		
Notional amount	391.6	396.8
Fair value	-2.5	0.5
Currency options, purchased		
Notional amount	12.9	20.3
Fair value	0.2	0.0
Currency options, written		
Notional amount	15.3	-
Fair value	-0.1	-
Interest rate and currency swaps		
Notional amount	75.0	75.0
Fair value	15.9	-2.7
ELECTRICITY DERIVATIVES		
Electricity forwards		
Notional amount	4.9	3.9
Fair value	0.0	0.9

BUSINESS COMBINATIONS

No new business combinations have been executed during the period.

IFRS 16 LEASES

The new standard became effective on 1 January 2019 and replaced the previous standard IAS 17. Nokian Tyres chose to apply the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

Nokian Tyres has chosen to use the exemption provided by the standard not to account lease liability for leases which have a lease term of 12 months or less and not to account lease liability for leases in which the underlying asset is not material to Nokian Tyres. The majority of leases recognized as Right-of-use assets under IFRS 16 are comprised of Vianor chain real estate and warehouses.

Below is a summary of the effects of the treatment of leases in accordance with IFRS 16 for the financial year.

Balance sheet effects	31.12.20	31.12.19	
Fixed assets			
Right to use	152.0	122.9	
Total	152.0	122.9	
Equity & Liability			
Non-current liability	129.3	94.8	
Current liability	25.4	30.0	
Total	154.7	124.8	
P&L effects	1-12/20	1-12/19	Change %
Reversed rents	31.3	32.2	-2.6
Depreciations	-29.5	-31.1	5.3
Finance costs	-3.0	-3.8	21.1
Total	-1.1	-2.7	58.8