

Nokian Tyres plc Half Year Financial Report January–June 2024, July 19, 2024 at 1:00 p.m. EEST

Nokian Tyres plc Half Year Financial Report January–June 2024: Improved tire availability driving sales growth in a challenging environment

April–June 2024

- Net sales were EUR 324.6 million (April–June 2023: 293.1). With comparable currencies, net sales increased by 11.2%.
- Segments operating profit was EUR 20.1 million (15.2). Operating profit was EUR 8.4 million (9.5). EUR -11.7 million (-5.7) was booked as non-IFRS exclusions.
- In the second quarter, the political strikes in Finland caused loss of production, and delays in shipments.
- Earnings per share were EUR 0.01 (0.01).
- Cash flow from operating activities was EUR -57.9 million (-66.7).

January–June 2024

- Net sales were EUR 561.2 million (January–June 2023: 529.5). With comparable currencies, net sales increased by 6.8%.
- Segments operating profit was EUR 5.0 million (1.1). Operating profit was EUR -17.8 million (-9.4). EUR -22.8 million (-10.4) was booked as non-IFRS exclusions.
- During the first half of the year, there was negative impact coming from the Red Sea crisis and the political strikes in Finland, causing loss of production, delays in shipments, and increased logistics costs.
- Earnings per share were EUR -0.18 (-2.58).
- Cash flow from operating activities was EUR -145.2 million (-124.3).
- In March, Nokian Tyres' President & CEO Jukka Moisio informed Nokian Tyres' Board of Directors of his intention to retire from his position during 2024. The Board of Directors has initiated the process of finding a successor for Moisio.

Guidance for 2024 (unchanged)

In 2024, Nokian Tyres' net sales with comparable currencies and segments operating profit are expected to grow significantly compared to the previous year.

Jukka Moisio, President and CEO:

"In April–June 2024, our net sales increased clearly driven especially by Central Europe. Sales growth in Passenger Car Tyres continued as a result of improved product availability and higher sales volume. Vianor delivered a solid sales performance, while the weak OE market continued to impact Heavy Tyres' net sales negatively. Segments operating profit improved driven by sales volume growth and lower raw material costs.

The car and tire market continues to be demanding due to economic uncertainties and low consumer confidence. The political strikes in Finland had a negative impact still in the second quarter. Due to the strikes in February–April, we lost in total approximately three weeks of production in Passenger Car Tyres and one week in Heavy Tyres. The negative financial impact of the political strikes and the Red Sea crisis on H1 EBITDA was approximately EUR 20 million, of which more than half was in Q1.

We continue building the new Nokian Tyres, and in early July we manufactured the first tire in our new factory in Romania - right on schedule and according to our plans. This is an important and great achievement from the whole Nokian Tyres team. In the US, we opened a finished goods warehouse next to our factory, completing the US investment phase. This year, we are also celebrating the 90th anniversary of our innovation, the winter tire, while at the same time continuing strong innovation work to launch new products to the markets.

We are taking firm steps forward in sustainability. During the quarter, we introduced an innovative concept tire made with a fully renewable lignin raw material, which has potential to replace a significant part of the carbon black currently used in tire production, reducing the need for fossil materials and lowering carbon emissions in tire manufacturing. This is once again a concrete step on the way to reach our target of increasing the share of recycled and renewable raw materials in our tires to 50% by 2030.

Tire sell-in is expected to grow in 2024, and with our increasing capacity and competitive product portfolio, we are ready to seize this opportunity. Due to seasonality, the sales growth and segments operating profit are expected to be generated in the second half of the year. Our strong balance sheet enables us to both continue executing on our clear growth strategy toward EUR 2 billion net sales with strong profits and reward our shareholders.”

Key figures

EUR million	4–6/2024	4–6/2023	1–6/2024	1–6/2023	2023
Net sales	324.6	293.1	561.2	529.5	1,173.6
Net sales change, %	10.7%	-11.8%	6.0%	-19.2%	-13.1%
Net sales change in comparable currencies, %	11.2%	-7.3%	6.8%	-16.1%	-9.2%
Operating profit	8.4	9.5	-17.8	-9.4	32.1
Operating profit, %	2.6%	3.2%	-3.2%	-1.8%	2.7%
Result before tax	1.3	6.4	-30.3	-16.1	14.2
Result for the period	0.8	1.8	-24.6	-355.9	-325.5
EPS, EUR	0.01	0.01	-0.18	-2.58	-2.36
Segments EBITDA	46.8	41.3	59.3	52.5	170.5
Segments EBITDA, %	14.4%	14.1%	10.6%	9.9%	14.5%
Segments operating profit	20.1	15.2	5.0	1.1	65.1
Segments operating profit, %	6.2%	5.2%	0.9%	0.2%	5.5%
Segments ROCE, %*			3.6%	-0.5%	4.0%
Equity ratio, %			55.0%	60.0%	58.0%
Gearing, %			46.8%	16.2%	16.6%
Interest-bearing net debt			600.4	219.6	223.6
Capital expenditure	89.2	52.8	158.9	87.2	252.1
Cash flow from operating activities	-57.9	-66.7	-145.2	-124.3	82.4

* Rolling 12 months

In addition to IFRS figures, Nokian Tyres publishes alternative non-IFRS segments figures, which exclude the ramp-up of the US factory, the preparations for the Romanian factory ramp-up and other possible items that are not indicative of the Group's underlying business performance.

Following the completion of the Russia exit in March 2023, Nokian Tyres has excluded Russia from its IFRS and non-IFRS segments figures as of January 1, 2023.

FINANCIAL RESULTS IN APRIL–JUNE 2024

Net sales in April–June 2024 totaled EUR 324.6 million (April–June 2023: 293.1) and increased 10.7%. With comparable currencies, net sales increased by 11.2% driven especially by Central Europe. Currency exchange rates affected net sales negatively by EUR 1.4 million.

Net sales by geographical area

EUR million	4–6/2024	4–6/2023	Change	CC* Change	2023
Nordics	174.8	168.3	3.9%	3.6%	671.7
Other Europe	70.6	52.7	34.0%	36.8%	226.0
Americas	77.1	69.9	10.3%	10.9%	268.7
Other countries	2.1	2.3	-8.4%	-8.4%	7.2
Total	324.6	293.1	10.7%	11.2%	1,173.6

* Comparable currencies

Net sales by business unit

EUR million	4–6/2024	4–6/2023	Change	CC* Change	2023
Passenger Car Tyres	188.8	152.6	23.7%	24.3%	653.4
Heavy Tyres	60.2	67.5	-10.7%	-10.3%	257.1
Vianor	95.5	94.4	1.2%	1.3%	344.0
Other operations and eliminations	19.9	-21.3	6.6%		-80.9
Total	324.6	293.1	10.7%	11.2%	1,173.6

* Comparable currencies

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, decreased by 10% year-over-year, containing currency impact. Raw material unit costs were at the same level as in the first quarter of 2024.

Operating profit was EUR 8.4 million (9.5). Non-IFRS exclusions were EUR -11.7 million (-5.7), of which EUR -8.6 million (-5.7) were related to the US factory ramp-up and EUR -3.1 million (0.0) to the preparations for the Romanian factory ramp-up.

Segments operating profit was EUR 20.1 million (15.2), driven by sales volume growth and lower raw material costs.

In the second quarter, the political strikes in Finland caused loss of production, and delays in shipments.

Segments operating profit by business unit

EUR million	4–6/2024	4–6/2023	2023
Passenger Car Tyres	7.1	0.5	36.7
Heavy Tyres	7.6	8.7	32.8
Vianor	7.5	9.5	3.4
Other operations and eliminations	-2.1	-3.6	-7.8
Segments operating profit total	20.1	15.2	65.1
Non-IFRS exclusions	-11.7	-5.7	-33.0

Financial items and taxes

Net financial expenses were EUR 7.1 million (3.1), including net interest expenses of EUR 6.6 million (3.0). Net financial expenses include an expense of EUR 0.6 million (0.1) due to exchange rate differences. Result before tax was EUR 1.3 million (6.4) and taxes were EUR -0.5 million (-5.6). Segments result before tax was EUR 13.0 million (12.1). Result for the period was EUR 0.8 million (1.8). Segments result for the period was EUR 10.7 million (6.2). Earnings per share were EUR 0.01 (0.01).

Cash flow

In April–June 2024, cash flow from operating activities was EUR -57.9 million (-66.7). Working capital increased by EUR 76.6 million (increased by 94.9). Inventories decreased by EUR 21.4 million (increased by 13.4) and receivables increased by EUR 78.7 million (increased by 82.4). Payables decreased by EUR 19.2 million (increased by 0.9).

Investments

Investments in April–June 2024 totaled EUR 89.2 million (52.8). Depreciations and amortizations totaled EUR 29.0 million (28.2).

FINANCIAL RESULTS IN JANUARY–JUNE 2024

Net sales in January–June 2024 totaled EUR 561.2 million (January–June 2023: 529.5) and increased by 6.0%. With comparable currencies, net sales increased by 6.8% driven by Central Europe. Currency exchange rates affected net sales negatively by EUR 4.3 million.

Net sales by geographical area

EUR million	1–6/2024	1–6/2023	Change	CC* Change	2023
Nordics	301.7	295.9	2.0%	2.5%	671.7
Other Europe	119.8	93.5	28.1%	30.4%	226.0
Americas	137.1	134.8	1.7%	2.3%	268.7
Other countries	2.6	5.4	-51.5%	-51.5%	7.2
Total	561.2	529.5	6.0%	6.8%	1,173.6

* Comparable currencies

Net sales by business unit

EUR million	1–6/2024	1–6/2023	Change	CC* Change	2023
Passenger Car Tyres	331.9	285.9	16.1%	17.0%	653.4
Heavy Tyres	115.3	135.7	-15.0%	-14.4%	257.1
Vianor	151.4	149.9	1.0%	1.7%	344.0
Other operations and eliminations	-37.4	-42.0	11.0%		-80.9
Total	561.2	529.5	6.0%	6.8%	1,173.6

* Comparable currencies

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, decreased by 13% year-over-year, containing currency impact.

Operating profit was EUR -17.8 million (-9.4). Non-IFRS exclusions were EUR -22.8 million (-10.4), of which EUR -17.6 million (-4.7) were related to the US factory ramp-up and EUR -5.2 million (0.0) to the preparations for the Romanian factory ramp-up.

Segments operating profit was EUR 5.0 million (1.1).

In January–June 2024, there was negative impact coming from the Red Sea crisis and the political strikes in Finland, causing loss of production, delays in shipments, and increased logistics costs.

Segments operating profit by business unit

EUR million	1–6/2024	1–6/2023	2023
Passenger Car Tyres	4.2	-4.0	36.7
Heavy Tyres	14.0	18.3	32.8
Vianor	-8.4	-4.0	3.4
Other operations and eliminations	-4.8	-9.2	-7.8
Segments operating profit total	5.0	1.1	65.1
Non-IFRS exclusions	-22.8	-10.4	-33.0

Financial items and taxes

Net financial expenses were EUR 12.5 million (6.7), including net interest expenses of EUR 11.1 million (5.1). Net financial expenses include an expense of EUR 1.4 million (1.7) due to exchange rate differences. Result before tax was EUR -30.3 million (-16.1) and taxes were EUR 5.7 million (-1.9). Segments result before tax was EUR -7.5 million (-5.6). Result for the period was EUR -24.6 million (-355.9, including the result for discontinued operations, i.e. Russian exit). Segments result for the period was EUR -6.0 million (-345.5). Earnings per share were EUR -0.18 (-2.58).

Cash flow

In January–June 2024, cash flow from operating activities was EUR -145.2 million (-124.3). Working capital increased by EUR 165.8 million (increased by 161.7). Inventories increased by EUR 2.1 million (increased by 49.8) and receivables increased by EUR 104.9 million (increased by 72.7). Payables decreased by EUR 58.8 million (decreased by 39.2).

Investments

Investments in January–June 2024 totaled EUR 158.9 million (87.2). Depreciations and amortizations totaled EUR 59.3 million (55.5).

Nokian Tyres is building a new passenger car tire factory in Romania to expand its manufacturing footprint and rebuild capacity. The factory will be the world's first zero CO2 emission tire factory. The construction work is proceeding as planned, and the first tire was produced at the factory in early July. Commercial tire production is expected to start in early 2025. The annual capacity of the factory will be 6 million tires with an expansion potential in the future. The site will also house a distribution facility for storage and distribution of tires. The total investment is estimated to be approximately EUR 650 million.

In January–June 2024, Nokian Tyres completed the ramp-up of the US factory and opened a new warehouse adjacent to the factory. The US factory is expected to reach its full capacity in 2024.

The company has initiated a review of alternative ownership structures of its test center in Spain, where Nokian Tyres intends to remain an important user also going forward.

Financial position

EUR million	June 30, 2024	June 30, 2023	Dec 31, 2023
Cash and cash equivalents	175.3	420.2	414.9
Interest-bearing liabilities	775.7	639.8	638.5
of which current interest-bearing liabilities	181.0	143.1	142.9
Interest-bearing net debt	600.4	219.6	223.6
Unused credit limits	672.1	807.8	831.3
of which committed	305.3	305.2	330.3
Gearing, %	46.8%	16.2%	16.6%
Equity ratio, %	55.0%	60.0%	58.0%

In March 2024, one-year extension options were exercised for a total of EUR 300 million in long-term bilateral sustainability-linked term loans. Consequently, the maturity dates for these facilities were extended from April 2025 to April 2026. Additionally, the EUR 100 million bilateral sustainability-linked term loan due in May 2024 was refinanced with a similar three-year term loan that includes extension options of up to two years.

The average interest rate of interest-bearing financial liabilities was 4.9%.

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.

Personnel

	1–6/2024	1–6/2023	2023
Group employees			
on average	3,748	3,874	3,754
at the end of the review period	3,667	3,428	3,433
in Finland, at the end of the review period	1,830	1,809	1,767
in North America, at the end of the review period	594	496	558
Vianor (own) employees, at the end of the review period*	1,450	1,464	1,387

* Included in Group employee figures

BUSINESS UNIT REVIEWS
Passenger Car Tyres

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	2023
Net sales	188.8	152.6	331.9	285.9	653.4
Net sales change, %	23.7%	-17.6%	16.1%	-30.0%	-19.4%
Net sales change in comparable currencies, %	24.3%	-13.6%	17.0%	-27.5%	-15.8%
Operating profit	-3.8	-5.2	-17.3	-14.4	4.1
Operating profit, %	-2.0%	-3.4%	-5.2%	-5.1%	0.6%
Segment operating profit	7.1	0.5	4.2	-4.0	36.7
Segment operating profit, %	3.7%	0.4%	1.3%	-1.4%	5.6%

April-June 2024

In April-June 2024, net sales of Passenger Car Tyres totaled EUR 188.8 million (152.6). With comparable currencies, net sales increased by 24.3% driven by Central Europe. Average Sales Price with comparable currencies increased slightly.

Operating profit was EUR -3.8 million (-5.2). Segment operating profit was EUR 7.1 million (0.5). The increase was mainly due to higher sales volumes, better price/mix and lower costs.

January-June 2024

In January-June 2024, net sales of Passenger Car Tyres totaled EUR 331.9 million (285.9). With comparable currencies, net sales increased by 17.0% driven by Central Europe.

During the review period, there was negative impact coming from the Red Sea crisis and the political strikes in Finland, causing loss of production of 19 days in Passenger Car Tyres, delays in shipments, and increased logistics costs.

The share of sales volume of winter tires was 46% (49%), the share of summer tires was 25% (21%), and the share of all-season tires was 29% (30%).

Operating profit was EUR -17.3 million (-14.4). Segment operating profit was EUR 4.2 million (-4.0). The increase was mainly due to higher sales volumes, better price/mix and lower costs.

To expand its manufacturing footprint and rebuild capacity, the company is building a new passenger car tire factory in Romania. The construction work at the world's first zero CO2 emission tire factory in Romania is proceeding as planned. The first tire was produced at the factory in early July 2024. Commercial tire production is expected to start in early 2025. In North America, the company completed the ramp-up process at its US factory, allowing the factory to reach its full capacity in 2024. Contract manufacturing complements own production.

During the review period, the company launched a comprehensive range of summer and all-season tires to the Central European market, including Nokian Tyres Wetproof 1 and Nokian Tyres Powerproof 1 summer tires and Nokian Tyres Seasonproof 1 all-season tire.

Heavy Tyres

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	2023
Net sales	60.2	67.5	115.3	135.7	257.1
Net sales change, %	-10.7%	-8.4%	-15.0%	-1.7%	-5.1%
Net sales change in comparable currencies, %	-10.3%	-6.4%	-14.4%	-0.4%	-3.4%
Operating profit	7.6	8.7	14.0	18.3	32.8
Operating profit, %	12.7%	13.0%	12.1%	13.5%	12.8%
Segment operating profit	7.6	8.7	14.0	18.3	32.8
Segment operating profit, %	12.7%	13.0%	12.1%	13.5%	12.8%

April-June 2024

In April-June 2024, net sales of Heavy Tyres totaled EUR 60.2 million (67.5). With comparable currencies, net sales decreased by 10.3% due to weak market.

Operating profit was EUR 7.6 million (8.7). Segment operating profit was EUR 7.6 million (8.7). The decrease was mainly caused by lower volumes.

Production was temporarily adapted during the summer break to meet the soft demand.

January-June 2024

In January-June 2024, net sales of Heavy Tyres totaled EUR 115.3 million (135.7). With comparable currencies, net sales decreased by 14.4% due to weak market.

Operating profit was EUR 14.0 million (18.3). Segment operating profit was EUR 14.0 million (18.3). The decrease was mainly caused by lower volumes.

In January-June 2024, the political strikes in Finland caused loss of production of 5 days in Heavy Tyres, delays in shipments, and increased logistics costs.

During the review period, Heavy Tyres introduced an upgraded Nokian Tyres Noktop 21 range and launched new sizes to the Nokian Tyres Tractor King tire range designed for forestry, earthmoving and road construction jobs.

Vianor, own operations

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	2023
Net sales	95.5	94.4	151.4	149.9	344.0
Net sales change, %	1.2%	-4.7%	1.0%	-4.0%	-5.0%
Net sales change in comparable currencies, %	1.3%	3.4%	1.7%	3.1%	1.8%
Operating profit	7.5	9.5	-8.4	-4.0	3.4
Operating profit, %	7.8%	10.1%	-5.6%	-2.7%	1.0%
Segment operating profit	7.5	9.5	-8.4	-4.0	3.4
Segment operating profit, %	7.8%	10.1%	-5.6%	-2.7%	1.0%
Number of own service centers at period end	175	173			174

April-June 2024

In April-June 2024, net sales of Vianor totaled EUR 95.5 million (94.4). With comparable currencies, net sales increased by 1.3%.

Operating profit was EUR 7.5 million (9.5). Segment operating profit was EUR 7.5 million (9.5).

January-June 2024

In January-June 2024, net sales of Vianor totaled EUR 151.4 million (149.9). With comparable currencies, net sales increased by 1.7%.

Operating profit was EUR -8.4 million (-4.0). Segment operating profit was EUR -8.4 million (-4.0).

At the end of the review period, Vianor had 175 (173) own service centers in Finland, Sweden and Norway.

Segments Total to Nokian Tyres Total reconciliation

In addition to IFRS figures, Nokian Tyres publishes alternative non-IFRS segments figures, which exclude the ramp-up of the US factory, the preparations for the Romanian factory ramp-up and other possible items that are not indicative of the Group's underlying business performance.

4–6/2024

EUR million	Net sales	Cost of sales	SGA	Other operating income/ expenses	Operating profit	Financial income/ expenses	Taxes	Result for the period
Segments Total	324.6	-250.0	-55.3	0.9	20.1	-7.1	-2.3	10.7
US factory ramp-up		-8.0	-0.5		-8.6		2.1	-6.5
Romanian factory preparations		-2.4	-0.7		-3.1		-0.2	-3.3
Total non-IFRS exclusion		-10.5	-1.2		-11.7		-1.8	-9.9
Nokian Tyres Total	324.6	-260.5	-56.6	0.9	8.4	-7.1	-0.5	0.8

1–6/2024

EUR million	Net sales	Cost of sales	SGA	Other operating income/ expenses	Operating profit	Financial income/ expenses	Taxes	Result for the period
Segments Total	561.2	-447.1	-110.3	1.2	5.0	-12.5	1.6	-6.0
US factory ramp-up		-16.5	-1.1		-17.6		4.2	-13.3
Romanian factory preparations		-4.3	-0.9		-5.2		-0.1	-5.3
Total non-IFRS exclusion		-20.8	-2.0		-22.8		4.1	-18.7
Nokian Tyres Total	561.2	-467.9	-112.3	1.2	-17.8	-12.5	5.7	-24.6

SHARES AND SHAREHOLDERS

At the end of June 2024, the number of shares was 138,921,750.

Number of shares (million units)*	June 30, 2024	June 30, 2023
at the end of period	137,87	137,87
in average	137,87	138,10
in average, diluted	137,87	138,10

* Excluding treasury shares

Authorizations

In April 2024, 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 per cent of all shares in the company. The authorization will be effective until the next Annual General Meeting, however, at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023. The Board did not utilize these authorizations during the review period.

In April 2024, 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 per cent of all shares in the company. The authorization will be effective until the next Annual General Meeting, however at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023. The Board did not utilize these authorizations during the review period.

In April 2024, 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. 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 authorization will be effective until the next Annual General Meeting, however at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023.

In April 2024, the Board of Directors decided to donate EUR 200,000 to Aalto University School of Business in Finland to be used as Nokian Tyres and Jukka Moisio scholarships for masters students going on exchange programs abroad. The funds will be donated in two equal instalments in 2024 and 2025 based on the authorization given by Nokian Tyres Annual General Meeting.

Own shares

No share repurchases were made during the review period, and the company did not possess any own shares on June 30, 2024.

Nokian Tyres has an agreement with a third-party service provider concerning the share-based incentive program for key personnel. The third party owns Nokian Tyres' shares related to the incentive program until the shares are given to the participants of the program. On June 30, 2024, the number of these shares was 1,052,242, reported as treasury shares (June 30, 2023: 1,054,507). This number of shares corresponded to 0.76% (0.76%) of the total shares and voting rights in the company.

Trading in shares

A total of 81,491,466 (145,994,823) Nokian Tyres' shares were traded in Nasdaq Helsinki in January–June 2024, representing 59% (105%) of the company's overall share capital. The average daily volume in January–June 2024 was 657,189 shares (1,177,378). Nokian Tyres' shares are also traded on alternative exchanges.

Nokian Tyres' share price was EUR 7.69 (7.98) at the end of June 2024. The volume weighted average share price in January–June 2024 was EUR 8.49 (8.71), the highest was EUR 9.63 (11.62) and the lowest was EUR 7.59 (7.31). The company's market capitalization at the end of June 2024 was EUR 1.1 billion (1.1 billion).

At the end of June 2024, the company had 99,271 (89,056) registered shareholders. The percentage of Finnish shareholders was 65.5% (57.7%), and 34.5% (42.3%) were non-Finnish holders and foreign shareholders registered in the nominee register. Public sector entities owned 17.5% (17.2%), financial and insurance corporations 4.6% (5.5%), households 35.1% (27.8%), non-profit institutions 2.1% (2.0%), and private companies 6.3% (5.2%).

Changes in ownership

In January–June 2024, Nokian Tyres plc received three notifications of change in shareholding pursuant to Chapter 9, Section 5 of the Securities Markets Act. The details of the notifications are available at www.nokiantyres.com/company/publications/releases/2024/flaggingNotifications/.

Managers' transactions

Nokian Tyres announced managers' transactions on May 6, 2024. Further information at www.nokiantyres.com/company/publications/releases/2024/managementTransactions/.

THE ANNUAL GENERAL MEETING 2024

On April 30, 2024, the Annual General Meeting adopted the financial statements for 2023, discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2023 and adopted the Company's Remuneration Report and Remuneration Policy for governing bodies. Further information is available at www.nokiantyres.com/company/investors/corporate-governance/annual-general-meeting/2024/.

Dividend

The AGM decided that a dividend of EUR 0.35 per share shall be paid. The dividend was paid on May 15, 2024 to shareholders who were registered in the company's shareholders' register maintained by Euroclear Finland Oy on the dividend record date on May 2, 2024.

In addition, the AGM decided to authorize the Board of Directors to resolve on a dividend of a maximum of EUR 0.20 to be paid in December 2024. The Board of Directors will resolve on the matter in its meeting scheduled for October 29, 2024. The company will announce the Board of Directors' decision on the possible second instalment and simultaneously confirm the relevant dividend record and payment date.

Remuneration for members of the Board of Directors

The AGM decided that the members of the Board of Directors be paid the following remuneration:

- to the Chair of the Board of Directors EUR 115,000 per year;
- to the Deputy Chair and to the Chairs of the Committees EUR 76,000 per year each,
- to other members EUR 53,500 per year each.

60 per cent of the annual fee will be paid in cash and 40 per cent in company shares.

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

Members of the Board of Directors and Auditors

The AGM decided that the number of the members of the Board of Directors shall be nine. Susanne Hahn, Jukka Hienonen, Markus Korsten, Christopher Ostrander, Jouko Pölönen, Reima Rytsölä and Pekka Vauramo were re-elected as members of the Board of Directors, and Elina Björklund and Elisa Markula were elected as new members of the Board of Directors for a term ending at the closing of the Annual General Meeting 2025. Jukka Hienonen was re-elected as the Chair and Pekka Vauramo as Deputy Chair of the Board of Directors.

The AGM decided to re-elect authorised public accountant firm Ernst & Young Oy as the company's auditor for a term ending at the closing of the Annual General Meeting 2025.

Authorizations

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 per cent of all shares in the company. The authorization will be effective until the next Annual General Meeting, however, at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023.

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 per cent of all shares in the company. The authorization will be effective until the next Annual General Meeting, however at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023.

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. 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 authorization will be effective until the next Annual General Meeting, however at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023.

BOARD OF DIRECTORS' WORKING ARRANGEMENTS

In its organizing meeting on April 30, 2024, the Board of Directors decided to establish the Boards' Investment Committee. The Committee focuses on strategic investments to ensure that they maximize shareholder value. Furthermore, the Board elected members to the Board's People and Sustainability Committee, Audit Committee, and Investment Committee as follows:

- The People and Sustainability Committee: Elina Björklund (Chair), Susanne Hahn and Jukka Hienonen
- The Audit Committee: Jouko Pölönen (Chair), Reima Rytsölä and Elisa Markula
- The Investment Committee: Christopher Ostrander (Chair), Markus Korsten and Pekka Vauramo

SHAREHOLDERS' NOMINATION BOARD

In June 2024, the following members were appointed to Nokian Tyres' Shareholders' Nomination Board:

- Mr. Pauli Anttila (Investment Director, Solidium Oy), appointed by Solidium Oy
- Mr. Mikko Mursula (Deputy CEO, Investments, Ilmarinen Mutual Pension Insurance Company), appointed by Ilmarinen Mutual Pension Insurance Company
- Ms. Marie Karlsson (Chief Investment Officer, Nordic, Finnish and Swedish Equities at Nordea Asset Management) appointed by Nordea funds

- Mr. Timo Sallinen (Director, Head of Listed Securities, Varma Mutual Pension Insurance Company), appointed by Varma Mutual Pension Insurance Company
- Mr. Jukka Hienonen, Chair of the Board, Nokian Tyres plc

CHANGES IN MANAGEMENT

In March 2024, Nokian Tyres' President & CEO Jukka Moisio informed Nokian Tyres' Board of Directors of his intention to retire from his position during 2024. The Board of Directors has initiated the process of finding a successor for Moisio. Moisio has acted as the President & CEO of Nokian Tyres since 2020.

In May 2024, Elisa Erkkilä was appointed Nokian Tyres' new General Counsel and a member of the Group Management Team as of June 1, 2024.

CORPORATE SUSTAINABILITY

In February 2024, Nokian Tyres scored an A- from CDP for its actions aimed at reducing greenhouse gas emissions and mitigating climate change-related risks. Scores A and A- represent leadership level. This is the fourth consecutive year that Nokian Tyres has received an A- for its climate work.

In February 2024, Nokian Tyres announced that it had made a long-term purchase agreement for recovered carbon black with a tire recycling joint venture. The agreement will help Nokian Tyres reach one of its key sustainability targets, which is to increase the share of recycled and renewable raw materials in tires to 50 percent by 2030. Nokian Tyres started to use recovered carbon black in a commercial product line in 2022, and the made agreement enables its increased utilization in tires accelerating circularity and sustainability in the tire industry.

In March 2024, Nokian Tyres published its Sustainability Report for 2023. The report is available at www.nokiantyres.com/company/sustainability/.

In June 2024, Nokian Tyres introduced, in partnership with UPM, a concept tire made with a new renewable lignin raw material. The innovative material, called UPM BioMotion™ RFF, has potential to replace a significant part of the carbon black currently used in tire production, reducing the need for fossil materials and lowering carbon emissions in tire manufacturing.

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

In February 2024, the Board of Directors confirmed to continue with new performance periods for the share-based incentive plan for the Group's key employees. The aim is to align the objectives of the Nokian Tyres' 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 2024–2025 are based on EBITDA, increase in passenger car tire production volume and reduction in direct CO2 emissions. The possible reward will be paid during the first half of 2027 after a one-year retention period in case the targets set by the Board of Directors for Performance Period 2024–2025 are met.

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 2024–2025 will correspond to an approximate maximum total of 1,760,000 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 2024

The Board of Directors decided to continue the Restricted Share Plan, using the same structure as in the 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 criterion is applied to Nokian Tyres Management Team. The criterion 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 2024–2026.

The RSP 2024–2026 within the Restricted Share Plan structure commenced effective as of the beginning of 2024 and the potential share reward thereunder will be paid in the first half of 2027. The possible rewards paid based on RSP 2024–2026 correspond approximately to a maximum of 120,000 gross shares.

Payments for share-based plans that ended in 2023

The Board of Directors approved outcomes of the Performance and Restricted share plans 2021–2023.

Performance Share Plan 2021–2023

The performance measure for the Performance Share Plan 2021–2023 was based on segments Earnings Per Share (EPS) and segments Return on Capital Employed (ROCE), both with an equal weight of 50%. Both targets did not meet the minimum level and thereby, no payments were conducted.

Restricted Share Plan 2021–2023

The three-year restriction period of the Restricted Share Plan 2021–2023 ended after financial year 2023. Some key employees participate in the share-based incentive plan, including a member of the Management Team. The financial threshold value for segments Return on Capital Employed (ROCE) applied for the Management Team member was achieved. The rewards paid corresponded to a total of 4,600 Nokian Tyres plc gross shares. The rewards were paid at the end of March 2024. A precondition for the payment of the share reward based on the Restricted Share Plan was that the employment relationship of a participant with Nokian Tyres continued until the payment date of the reward.

The total number of shares of the company did not change due to payments for share-based plans that ended in 2023.

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, 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 or those of its contract manufacturing partners 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 and availability of sustainable raw materials. 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. Risk analyses and projects related to information security, data protection, and customer information are continuously a special focus area at Nokian Tyres.
- 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 and 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.

- A new and more dangerous variant of COVID-19 or other similar pandemics may slow down economic activity, and thus have a negative impact on Nokian Tyres' operations and supply chain as well as the demand and pricing for the company's products.

- Building a diverse customer base and fostering strong relationships help mitigate sales risks associated with relying on a limited number of large customers and create long-term stability for the business.

- Nokian Tyres' success relies heavily on employing the right individuals in the right positions. Failing to attract competent and committed professionals, coupled with an inability to create a motivating work environment, may have an adverse impact on the implementation of Nokian Tyres' strategy and the achievement of its financial targets.

- Various aspects of corporate sustainability, including product quality, safety, the environment, and human rights, are increasingly important. Non-compliance with the growing number of new laws, regulations, and standards, particularly those related to environmental, social and governmental (ESG) issues, or a lack of full comprehension regarding their impact on the company's business and disclosure requirements, can potentially result in fines and cause damage to the company's reputation.

- In January 2024, the European Commission initiated an unannounced inspection at Nokian Tyres plc's headquarters in Nokia, Finland. The European Commission has expressed its concerns that the inspected tire manufacturing companies may have violated EU antitrust rules that prohibit cartels and restrictive business practices. Nokian Tyres does not have information on the outcome of the inspection, and it cannot comment on the ongoing investigation. Nokian Tyres is fully co-operating with the authorities.

Tax disputes

There are no ongoing tax disputes in Nokian Tyres entities. Routine tax audits in Nokian Tyres Group entities may possibly lead to a reassessment of taxes.

ASSUMPTIONS FOR 2024

Sell-in in the replacement tire market is expected to grow in 2024. However, weak economic development in Nokian Tyres' main markets is expected to continue, which together with the low consumer confidence may have a negative impact on tire demand. In heavy tires, OEM demand may decrease due to high interest rates, which have a negative impact on machinery investments.

Raw material cost is expected to start gradually increasing in the second half of 2024.

GUIDANCE FOR 2024 (UNCHANGED)

In 2024, Nokian Tyres' net sales with comparable currencies and segments operating profit are expected to grow significantly compared to the previous year.

Helsinki, July 19, 2024

Nokian Tyres plc
Board of Directors

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

Half year condensed consolidated financial statements

This Half Year Financial Report has been prepared in accordance with IAS 34 Interim Reports standard. The accounting policies adopted in the preparation of the half year condensed consolidated financial statements are consistent with those followed in the most recent annual statements, except for the adoption of new standards effective as of January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Half Year Financial Report figures are unaudited.

NOKIAN TYRES CONDENSED

CONSOLIDATED INCOME STATEMENT	4-6/24	4-6/23	1-6/24	1-6/23	1-12/23	Change %
EUR million						
Net sales	324.6	293.1	561.2	529.5	1,173.6	10.7
Cost of sales	-260.5	-232.4	-467.9	-430.9	-932.5	-12.1
Gross profit	64.1	60.8	93.3	98.6	241.1	5.4
Other operating income	1.0	0.7	1.7	1.3	3.7	47.5
Sales, marketing and R&D expenses	-37.9	-33.3	-75.3	-70.1	-143.1	-13.9
Administration	-18.6	-18.8	-37.0	-39.4	-71.1	0.8
Other operating expenses	-0.1	0.1	-0.5	0.3	1.4	-202.9
Operating profit	8.4	9.5	-17.8	-9.4	32.1	-10.8
Net financial items	-7.1	-3.1	-12.5	-6.7	-17.8	-131.5
Result before tax	1.3	6.4	-30.3	-16.1	14.2	-79.6
Tax expense	-0.5	-5.6	5.7	-1.9	-1.7	91.8
Result for the period, continuing operations	0.8	0.8	-24.6	-18.0	12.5	10.2
Result for the period, discontinued operations	0.0	1.0	0.0	-337.9	-338.0	-100.0
Result for the period	0.8	1.8	-24.6	-355.9	-325.5	-53.0
Attributable to:						
Equity holders of the parent	0.8	1.8	-24.6	-355.9	-325.5	
Earnings per share from the result attributable to the equity holders of the parent:						
basic, euros	0.01	0.01	-0.18	-2.58	-2.36	-52.9
diluted, euros	0.01	0.01	-0.18	-2.58	-2.36	-52.9
continuing operations, euros	0.01	0.01	-0.18	-0.13	0.09	10.4
discontinued operations, euros	0.00	0.01	0.00	-2.45	-2.45	-100.0

**CONSOLIDATED OTHER COMPREHENSIVE
INCOME**

	4-6/24	4-6/23	1-6/24	1-6/23	1-12/23
EUR million					
Profit for the period	0.8	1.8	-24.6	-355.9	-325.5
Other comprehensive income, items that may be reclassified subsequently to profit and loss, net of tax:					
Cash flow hedges	0.1	-0.5	-2.1	-6.3	-8.9
Translation differences on foreign operations	6.0	-0.6	13.5	-27.6	-33.5
Reclassification of discontinued operations				366.3	366.3
Total other comprehensive income for the period, net of tax	6.1	-1.2	11.4	-33.9	323.8
Total comprehensive income for the period	6.9	0.6	-13.2	-23.4	-1.7
Total comprehensive income attributable to:					
Equity holders of the parent	6.9	0.6	-13.2	-23.4	-1.7

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

	30.6.24	30.6.23	31.12.23
EUR million			
Non-current assets			
Property, plant and equipment	1,014.4	761.3	885.2
Right of use assets	127.7	123.9	124.7
Goodwill	61.8	60.7	62.3
Other intangible assets	17.8	13.9	13.8
Investments in associates	0.1	0.1	0.1
Non-current financial investments	3.0	3.0	2.9
Other receivables	12.8	8.1	14.1
Deferred tax assets	64.5	31.1	55.0
Total non-current assets	1,302.1	1,002.1	1,158.1
Current assets			
Inventories	472.6	479.3	471.7
Trade receivables	317.0	289.7	224.2
Other receivables	66.8	68.7	56.3
Cash and cash equivalents	175.3	420.2	414.9
Total current assets	1,031.7	1,258.0	1,167.1
Total assets	2,333.8	2,260.1	2,325.2
Equity			
Share capital	25.4	25.4	25.4
Share premium	181.4	181.4	181.4
Treasury shares	-16.6	-16.7	-16.7
Translation reserve	-3.2	-10.8	-16.7
Fair value and hedging reserves	-0.5	4.3	1.6
Paid-up unrestricted equity reserve	238.2	238.2	238.2
Retained earnings	858.2	934.4	934.3
Total equity	1,282.9	1,356.2	1,347.6
Non-current liabilities			
Deferred tax liabilities	22.0	4.5	26.7
Interest-bearing liabilities	594.7	496.7	495.6
Other liabilities	0.4	0.8	0.5
Total non-current liabilities	617.0	502.0	522.7
Current liabilities			
Trade payables	109.1	111.8	155.9
Other current payables	142.0	142.1	154.4
Provisions	1.8	4.9	1.8
Interest-bearing liabilities	181.0	143.1	142.9
Total current liabilities	433.9	401.9	454.9
Total equity and liabilities	2,333.8	2,260.1	2,325.2

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

Interest-bearing liabilities include EUR 91.0 million of non-current and EUR 41.9 million of current lease liabilities.

CONDENCED CONSOLIDATED STATEMENT OF CASH FLOWS	1-6/24	1-6/23	1-12/23
EUR million			
Result for the period	-24.6	-18.0	12.5
Result for the discontinued operations	-	-337.9	-338.0
Adjustments for			
Loss on sale of discontinued operations	-	335.5	335.6
Depreciation, amortization and impairment	59.4	55.5	114.9
Financial income and expenses	12.6	6.8	17.9
Gains and losses on sale of intangible assets, other changes	-1.8	1.0	0.8
Income Taxes	-5.7	1.9	1.7
Cash flow before changes in working capital	39.8	44.7	145.4
Changes in working capital			
Current receivables, non-interest-bearing, increase (-) / decrease (+)	-104.9	-72.7	-4.0
Inventories, increase (-) / decrease (+)	-2.1	-49.8	-40.5
Current liabilities, non-interest-bearing, increase (+) / decrease (-)	-58.8	-39.2	1.0
Changes in working capital	-165.8	-161.7	-43.5
Financial items and taxes			
Interest and other financial items, received	5.0	5.1	10.8
Interest and other financial items, paid	-18.9	-8.9	-21.0
Income taxes paid	-5.2	-3.6	-9.3
Financial items and taxes	-19.1	-7.4	-19.5
Cash flow from operating activities (A)	-145.2	-124.3	82.4
Cash flow from investing activities			
Cashflow from discontinued operations	-	199.2	199.2
Acquisitions of property, plant and equipment and intangible assets	-158.4	-87.2	-252.1
Proceeds from sale of property, plant and equipment and intangible assets	0.4	0.1	0.3
Other cash flow from investing activities	0.0	-0.1	0.0
Cash flow from investing activities (B)	-158.0	111.9	-52.7
Cash flow from financing activities:			
Purchase of treasury shares	-	4.4	4.4
Change in current financial receivables, increase (-) / decrease (+)	0.2	1.4	1.2
Change in non-current financial receivables, increase (-) / decrease (+)	0.0	0.0	0.0
Change in current financial borrowings, increase (+) / decrease (-)	34.9	-159.1	-161.3
Change in non-current financial borrowings, increase (+) / decrease (-)	99.7	399.0	398.8
Payment of lease liabilities	-22.8	-20.2	-41.2
Dividends received	0.0	0.0	0.0
Dividends paid	-48.3	-48.4	-72.1
Cash flow from financing activities (C)	63.8	177.0	129.8
Change in cash and cash equivalents, increase (+) / decrease (-) (A+B+C)	-239.4	164.6	159.5
Cash and cash equivalents at the beginning of the period	414.9	259.0	259.0
Effect of exchange rate fluctuations on cash held	-0.1	-3.4	-3.6
Cash and cash equivalents at the end of the period	175.3	420.2	414.9

**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

EUR million	Equity attributable to equity holders of the parent							
	A	B	C	D	E	F	G	H
Equity, Jan 1, 2023	25.4	181.4	-16.6	-349.5	10.5	238.2	1,343.5	1,433.1
Result for the period							-355.9	-355.9
Other comprehensive income, net of tax:								
Cash flow hedges					-6.3			-6.3
Translation differences				338.7				338.7
Total comprehensive income for the period				338.7	-6.3		-355.9	-23.4
Dividends paid							-48.4	-48.4
Acquisition of treasury shares			-4.4					-4.4
Share-based payments			4.3				-4.8	-0.5
Other changes							-0.1	-0.1
Total transactions with owners for the period			-0.1				-53.3	-53.4
Equity, Jun 30, 2023	25.4	181.4	-16.7	-10.8	4.3	238.2	934.3	1,356.2
Equity, Jan 1, 2024	25.4	181.4	-16.7	-16.7	1.6	238.2	934.3	1,347.6
Result for the period							-24.6	-24.6
Other comprehensive income, net of tax:								
Cash flow hedges					-2.1			-2.1
Translation differences				13.5				13.5
Total comprehensive income for the period				13.5	-2.1		-24.6	-13.2
Dividends paid							-48.3	-48.3
Acquisition of treasury shares								-
Share-based payments			0.1				-0.3	-0.2
Other changes							-3.0	-3.0
Total transactions with owners for the period			0.1				-51.5	-51.4
Equity, Jun 30, 2024	25.4	181.4	-16.6	-3.2	-0.5	238.2	858.2	1,282.9

SEGMENT INFORMATION	4-6/24	4-6/23	1-6/24	1-6/23	1-12/23	Change%
EUR million						
Net sales						
Passenger car tyres	188.8	152.6	331.9	285.9	653.4	23.7
Heavy Tyres	60.2	67.5	115.3	135.7	257.1	-10.7
Vianor	95.5	94.4	151.4	149.9	344.0	1.2
Other operations and eliminations	-19.9	-21.3	-37.4	-42.0	-80.9	6.6
Total	324.6	293.1	561.2	529.5	1,173.6	10.7
Operating result						
Passenger car tyres	-3.8	-5.2	-17.3	-14.4	4.1	27.0
Heavy Tyres	7.6	8.7	14.0	18.3	32.8	-12.6
Vianor	7.5	9.5	-8.4	-4.0	3.4	-21.3
Other operations and eliminations	-2.9	-3.6	-6.1	-9.2	-8.2	19.3
Total	8.4	9.5	-17.8	-9.4	32.1	-10.8
Operating result, % of net sales						
Passenger car tyres	-2.0	-3.4	-5.2	-5.1	0.6	41.0
Heavy Tyres	12.7	13.0	12.1	13.5	12.8	-2.1
Vianor	7.8	10.1	-5.6	-2.7	1.0	-22.2
Total	2.6	3.2	-3.2	-1.8	2.7	-19.5
NET SALES BY GEOGRAPHICAL AREA	4-6/24	4-6/23	1-6/24	1-6/23	1-12/23	Change%
EUR million						
Nordics	174.8	168.3	301.7	295.9	671.7	3.9
Other Europe	70.6	52.7	119.8	93.5	226.0	34.0
Americas	77.1	69.9	137.1	134.8	268.7	10.3
Other countries	2.1	2.3	2.6	5.4	7.2	-8.4
Total	324.6	293.1	561.2	529.5	1,173.6	10.7

**CHANGES IN PROPERTY, PLANT
AND EQUIPMENT**

	30.6.24	30.6.23	31.12.23
EUR million			
Opening balance	885.2	775.0	775.0
Capital expenditure	158.6	86.3	254.3
Decrease	-0.1	-51.6	-52.0
Depreciation and impairment for the period	-34.8	-32.7	-68.8
Transfers between items	-5.9	-2.0	-3.8
Other changes	0.0	-0.1	-0.1
Exchange differences	11.4	-13.6	-19.4
Closing balance	1,014.4	761.3	885.2

ADDITIONAL IMPAIRMENT TESTING OF CASH GENERATING UNIT PASSENGER CAR TYRES

The war in Ukraine severely impacted Nokian Tyres' operational environment and production capacity. The company also considers the relationship between its market capitalisation and its book value when reviewing for indicators of impairment. The company's market capitalization at the end of June 2024 was EUR 1.1 billion and it was below the amount of equity EUR 1.3 billion indicating a need for impairment testing.

The recoverable amount of the CGU was based on five-year cash flow projections. Cash flows beyond the five-year period were calculated using a terminal value method. The weighted average cost of capital (WACC) has been calculated in the same manner as described in the Financial Statements 2023. Future cash flows after the forecast period approved by the management have been capitalized as a terminal value using a steady 2% growth rate. The goodwill allocated to the CGU Passenger Car Tyres was EUR 60.9 million. The calculations have included the investment in the new production capacity in Europe in accordance with the Board of Directors' decision. The company has committed to the investment and the investment has been substantively commenced. Due to the nature of the investment, a significant amount of the recoverable amount of the cash flow is generated in the terminal value. The recoverable amount in Passenger Car Tyres significantly exceeds the carrying amount of the cash generating unit. As a result of the additional impairment testing, no goodwill impairments were recorded in the income statement.

CONTINGENT LIABILITIES	30.6.24	30.6.23	31.12.23
EUR million			
For own debt			
Pledged assets	5.7	5.8	5.9
Other own commitments			
Guarantees	0.3	0.5	0.3

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

	30.6.24		30.6.23		31.12.23	
EUR million	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS						
Fair value through profit or loss						
Derivatives						
held for trading	0.8	0.8	5.0	5.0	2.6	2.6
Derivatives						
designated as hedges*	3.1	3.1	8.0	8.0	3.3	3.3
Unquoted securities	2.8	2.8	2.8	2.8	2.7	2.7
Amortized cost						
Trade and other receivables	319.2	319.2	292.0	292.0	226.6	226.6
Money market instruments	6.0	6.0	143.6	143.6	50.7	50.7
Cash in hand and at bank	169.3	169.3	276.6	276.6	364.2	364.2
Fair value through other comprehensive income						
Unquoted shares	0.2	0.2	0.2	0.2	0.2	0.2
Total financial assets	501.4	501.4	728.1	728.1	650.4	650.4
FINANCIAL LIABILITIES						
Fair value through profit or loss						
Derivatives						
held for trading	1.8	1.8	2.3	2.3	1.7	1.7
Derivatives						
designated as hedges*	3.7	3.7	2.4	2.4	1.0	1.0
Amortized cost						
Interest-bearing financial liabilities	642.8	649.4	510.6	511.9	508.2	518.6
Trade and other payables	109.1	109.1	111.8	111.8	155.9	155.9
Total financial liabilities	757.4	764.0	627.1	628.4	666.8	677.2

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

In principle, 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.

DERIVATIVE FINANCIAL
INSTRUMENTS

30.6.24 30.6.23 31.12.23

EUR million

INTEREST RATE DERIVATIVES

Interest rate swaps

Notional amount 200.0 150.0 150.0

Fair value -0.1 3.4 1.6

FOREIGN CURRENCY DERIVATIVES

Currency forwards

Notional amount 286.1 319.5 227.6

Fair value -1.0 2.6 1.1

Currency options, purchased

Notional amount 6.8 4.9 6.7

Fair value 0.1 0.0 0.0

Currency options, written

Notional amount 17.0 11.8 15.6

Fair value -0.1 -0.1 -0.3

Interest rate and currency swaps

Notional amount - - -

Fair value - - -

ELECTRICITY DERIVATIVES

Electricity forwards

Notional amount 9.8 8.9 9.1

Fair value -0.5 2.2 0.7

IFRS 16 LEASES

EUR million

Balance sheet effects
Fixed assets

Right to use 127.7 123.9 124.7

Total 127.7 123.9 124.7

Equity & Liability

Non-current liability 91.0 92.5 91.6

Current liability 41.9 36.6 38.7

Total 132.9 129.1 130.3

P&L effects

Reversed rents 25.0 22.2 45.1 12.5

Depreciations -22.4 -20.3 -41.4 -10.1

Finance costs -2.2 -2.0 -4.0 -11.5

Total 0.4 -0.1 -0.2 473.8