Nokian Tyres plc Interim Report January–September 2024, October 29, 2024 at 1:00 p.m. EET

**Nokian Tyres plc Interim Report January–September 2024:**
**Market share gains driving sales growth in a weak market, Romanian factory progressing on schedule**

**July–September 2024**

- Net sales were EUR 313.6 million (July–September 2023: 276.1) and increased by 13.6%. With comparable currencies, net sales increased by 14.4%.
- Segments operating profit was EUR 30.4 million (19.6). Operating profit was EUR 4.1 million (8.3). EUR -26.3 million (-11.3) was booked as non-IFRS exclusions.
- Earnings per share were EUR -0.03 (0.03).
- Cash flow from operating activities was EUR -92.2 million (-90.8).
- The Romanian factory is progressing on schedule and within budget. Commercial production will start in early 2025. In August, the European Commission approved a EUR 99.5 million Romanian state aid measure to be paid to support the establishment of the Romanian factory.
- In July, Paolo Pompei was appointed Nokian Tyres' President and CEO, effective as of January 1, 2025. Pompei succeeds the current President and CEO Jukka Moisio, who will retire from the company in the end of 2024.
- In October, the Board decided on the second divided installment of 0.20 per share to be paid in December 2024.

**January–September 2024**

- Net sales were EUR 874.8 million (January–September 2023: 805.6) and increased by 8.6%. With comparable currencies, net sales increased by 9.4%.
- Segments operating profit was EUR 35.4 million (20.7). Operating profit was EUR -13.6 million (-1.0). EUR -49.1 million (-21.7) 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 -0.21 (-2.55).
- Cash flow from operating activities was EUR -237.4 million (-215.2).

**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 July–September 2024, our net sales increased clearly, and we gained market share. This is a strong sign that customers continue choosing Nokian Tyres as we now have improved passenger car tire availability, both in Central Europe and the Nordics. Segments operating profit improved driven by sales volume growth and lower raw material costs. However, the car and tire market is weak, and the current economic uncertainties make it difficult to estimate the market and consumer behavior.

In September, only 16 months from the groundbreaking, we reached a significant milestone as we celebrated the opening of our new zero $CO_2$ emission tire factory in Romania. The construction process was exceptionally efficient, and I would like to thank the entire Nokian Tyres team who made this achievement possible, as well as the Romanian government and authorities for their invaluable support. The new capacity enables us to better serve our customers and helps strengthen our position, especially in Central Europe. In the US, we have finalized the investment phase in the Dayton factory, enhancing our capabilities to produce tires tailored for North American consumers.

This year, we celebrate the 90th anniversary of our innovation, the winter tire, while continuing strong innovation work to launch new products to the markets. With increasing capacity and a strong innovation pipeline, we have a firm foundation for future success. Despite the market uncertainties, our team has done an excellent job, and we continue building the new Nokian Tyres as planned."

## Key figures

| EUR million | 7–9/2024 | 7–9/2023 | 1–9/2024 | 1–9/2023 | 2023 |
|---|---|---|---|---|---|
| Net sales | **313.6** | 276.1 | **874.8** | 805.6 | 1,173.6 |
| Net sales change, % | **13.6%** | -17.2% | **8.6%** | -18.5% | -13.1% |
| Net sales change in comparable currencies, % | **14.4%** | 12.7% | **9.4%** | -14.9% | -9.2% |
| Operating profit | **4.1** | 8.3 | **-13.6** | -1.0 | 32.1 |
| Operating profit, % | **1.3%** | 3.0% | **-1.6%** | -0.1% | 2.7% |
| Result before tax | **-5.6** | 3.3 | **-35.9** | -12.8 | 14.2 |
| Result for the period | **-4.2** | 4.2 | **-28.9** | -351.7 | -325.5 |
| EPS, EUR | **-0.03** | 0.03 | **-0.21** | -2.55 | -2.36 |
| | | | | | |
| Segments EBITDA | **58.8** | 46.1 | **118.1** | 98.6 | 170.5 |
| Segments EBITDA, % | **18.8%** | 16.7% | **13.5%** | 12.2% | 14.5% |
| Segments operating profit | **30.4** | 19.6 | **35.4** | 20.7 | 65.1 |
| Segments operating profit, % | **9.7%** | 7.1% | **4.1%** | 2.6% | 5.5% |
| Segments ROCE, %* | | | **4.2%** | 1.4% | 4.0% |
| | | | | | |
| Equity ratio, % | | | **49.6%** | 60.1% | 58.0% |
| Gearing, % | | | **64.0%** | 28.2% | 16.6% |
| Interest-bearing net debt | | | **801.3** | 386.2 | 223.6 |
| Capital expenditure | **101.1** | 69.5 | **260.0** | 156.6 | 252.1 |
| Cash flow from operating activities | **-92.2** | -90.8 | **-237.4** | -215.2 | 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 JULY–SEPTEMBER 2024

Net sales in July−September 2024 totaled EUR 313.6 million (July−September 2023: 276.1) and increased by 13.6%. With comparable currencies, net sales increased by 14.4% driven especially by Central Europe. Currency exchange rates affected net sales negatively by EUR 2.4 million.

### Net sales by geographical area

| EUR million | 7–9/2024 | 7–9/2023 | Change | CC* Change | 2023 |
|---|---|---|---|---|---|
| Nordics | **158.8** | 143.3 | 10.8% | 11.2% | 671.7 |
| Other Europe | **88.2** | 65.1 | 35.6% | 36.3% | 226.0 |
| Americas | **65.8** | 66.7 | -1.3% | 0.7% | 268.7 |
| Other countries | **0.7** | 1.0 | -27.5% | -27.5% | 7.2 |
| Total | **313.6** | 276.1 | 13.6% | 14.4% | 1,173.6 |

* Comparable currencies

### Net sales by business unit

| EUR million | 7–9/2024 | 7–9/2023 | Change | CC* Change | 2023 |
|---|---|---|---|---|---|
| Passenger Car Tyres | **209.9** | 169.6 | 23.8% | 24.9% | 653.4 |
| Heavy Tyres | **57.9** | 59.7 | -2.9% | -2.3% | 257.1 |
| Vianor | **69.4** | 68.1 | 2.0% | 2.4% | 344.0 |
| Other operations and eliminations | **-23.6** | -21.2 | -11.4% | | -80.9 |
| Total | **313.6** | 276.1 | 13.6% | 14.4% | 1,173.6 |

* Comparable currencies

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, decreased by 6% year-over-year, containing currency impact. Raw material unit costs increased by 1.5% from the second quarter of 2024.

Operating profit was EUR 4.1 million (8.3). Non-IFRS exclusions were EUR -26.3 million (-11.3), of which EUR -6.7 million (-9.1) were related to the US factory ramp-up, EUR -6.3 million (-2.2) to the preparations for the Romanian factory ramp-up, and EUR -13.3 million to the other exclusions mainly related to the inventory write-downs of contract manufacturing products that arrived late for the 2024 summer season due to the Red Sea crisis.

Segments operating profit was EUR 30.4 million (19.6). The increase was driven by sales volume growth and lower raw material costs.

### Segments operating profit by business unit

| EUR million | 7–9/2024 | 7–9/2023 | 2023 |
|---|---|---|---|
| Passenger Car Tyres | **34.4** | 18.8 | 36.7 |
| Heavy Tyres | **7.5** | 7.2 | 32.8 |
| Vianor | **-6.6** | -4.8 | 3.4 |
| Other operations and eliminations | **-4.8** | -1.7 | -7.8 |
| Segments operating profit total | **30.4** | 19.6 | 65.1 |
| Non-IFRS exclusions | **-26.3** | -11.3 | -33.0 |

### Financial items and taxes

Net financial expenses were EUR 9.8 million (5.1), including net interest expenses of EUR 9.5 million (3.9). Net financial expenses include an expense of EUR 0.3 million (1.2) due to exchange rate differences. Result before tax was EUR -5.6 million (3.3) and taxes were EUR 1.4 million (0.9). Segments result before tax was EUR 20.7 million (14.5). Result for the period was EUR -4.2 million (4.2). Segments result for the period was EUR 15.4 million (13.0). Earnings per share were EUR -0.03 (0.03).

### Cash flow

In July−September 2024, cash flow from operating activities was EUR -92.2 million (-90.8). Working capital increased by EUR 123.3 million (increased by 126.3). Inventories increased by EUR 7.0 million (increased by 14.4) and receivables increased by EUR 164.9 million (increased by 105.6). Payables increased by EUR 48.6 million (decreased by 6.3).

### Investments

Investments totaled EUR 101.1 million (69.5). Depreciations and amortizations were EUR 30.7 million (29.1).

## FINANCIAL RESULTS IN JANUARY–SEPTEMBER 2024

Net sales in January−September 2024 totaled EUR 874.8 million (January−September 2023: 805.6) and increased by 8.6%. With comparable currencies, net sales increased by 9.4% driven by Central Europe. Currency exchange rates affected net sales negatively by EUR 6.7 million.

### Net sales by geographical area

| EUR million | 1–9/2024 | 1–9/2023 | Change | CC* Change | 2023 |
|---|---|---|---|---|---|
| Nordics | **460.5** | 439.2 | 4.9% | 5.3% | 671.7 |
| Other Europe | **208.0** | 158.6 | 31.2% | 32.9% | 226.0 |
| Americas | **202.9** | 201.5 | 0.7% | 1.7% | 268.7 |
| Other countries | **3.4** | 6.4 | -47.7% | -47.7% | 7.2 |
| Total | **874.8** | 805.6 | 8.6% | 9.4% | 1,173.6 |

* Comparable currencies

### Net sales by business unit

| EUR million | 1–9/2024 | 1–9/2023 | Change | CC* Change | 2023 |
|---|---|---|---|---|---|
| Passenger Car Tyres | **541.8** | 455.5 | 18.9% | 20.0% | 653.4 |
| Heavy Tyres | **173.2** | 195.3 | -11.3% | -10.7% | 257.1 |
| Vianor | **220.8** | 218.0 | 1.3% | 1.9% | 344.0 |
| Other operations and eliminations | **-61.0** | -63.2 | 3.5% | | -80.9 |
| Total | **874.8** | 805.6 | 8.6% | 9.4% | 1,173.6 |

* Comparable currencies

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, decreased by 10.5% year-over-year, containing currency impact.

Operating profit was EUR -13.6 million (-1.0). Non-IFRS exclusions were EUR -49.1 million (-21.7), of which EUR -24.3 million (-19.9) were related to the US factory ramp-up, EUR -11.5 million (-2.2) to the preparations for the Romanian factory ramp-up, and EUR -13.3 million to the other exclusions mainly related to the inventory write-downs of contract manufacturing products that arrived late for the 2024 summer season due to the Red Sea crisis.

Segments operating profit was EUR 35.4 million (20.7). The increase was driven by sales volume growth and lower raw material costs.

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.

**Segments operating profit by business unit**

| EUR million | 1–9/2024 | 1–9/2023 | 2023 |
|---|---|---|---|
| Passenger Car Tyres | **38.6** | 14.8 | 36.7 |
| Heavy Tyres | **21.5** | 25.5 | 32.8 |
| Vianor | **-15.0** | -8.8 | 3.4 |
| Other operations and eliminations | **-9.6** | -10.9 | -7.8 |
| Segments operating profit total | **35.4** | 20.7 | 65.1 |
| Non-IFRS exclusions | **-49.1** | -21.7 | -33.0 |

## Financial items and taxes

Net financial expenses were EUR 22.3 million (11.8), including net interest expenses of EUR 20.6 million (9.0). Net financial expenses include an expense of EUR 1.7 million (2.8) due to exchange rate differences. Result before tax was EUR -35.9 million (-12.8) and taxes were EUR 7.1 million (-1.0). Segments result before tax was EUR 13.1 million (8.9). Result for the period was EUR -28.9 million (-351.7, including the result for discontinued operations, i.e. Russian exit). Segments result for the period was EUR 9.4 million (-332.6). Earnings per share were EUR -0.21 (-2.55).

## Cash flow

In January−September 2024, cash flow from operating activities was EUR -237.4 million (-215.2). Working capital increased by EUR 289.1 million (increased by 288.0). Inventories increased by 9.1 million (increased by 64.3) and receivables increased by EUR 269.8 million (increased by 178.2). Payables decreased by EUR 10.2 million (decreased by 45.5).

## Investments

Investments totaled EUR 260.0 million (156.6). Depreciations and amortizations were EUR 90.0 million (84.7).

Nokian Tyres is building a new passenger car tire factory in Romania to expand its manufacturing footprint and rebuild capacity. The production facility is the world's first full-scale zero CO2 emission tire factory. The first tire was produced at the factory in July 2024, and the opening ceremony took place in September. Commercial tire production will start in early 2025 with the manufacture of winter and all-season tires for the Central European market. The factory is expected to reach full capacity of 6 million tires in 2027, 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 July, Nokian Tyres signed a EUR 150 million loan agreement with the European Investment Bank to finance the new production facility. The loan was withdrawn in August. The European Commission approved in August a EUR 99.5 million Romanian state aid measure to be paid to support the establishment of the factory.

Nokian Tyres has 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 run rate by the end of 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 | Sept 30, 2024 | Sept 30, 2023 | Dec 31, 2023 |
|---|---|---|---|
| Cash and cash equivalents | **160.4** | 248.1 | 414.9 |
| Interest-bearing liabilities | **961.8** | 634.3 | 638.5 |
| of which current interest-bearing liabilities | **218.5** | 140.8 | 142.9 |
| Interest-bearing net debt | **801.3** | 386.2 | 223.6 |
| Unused credit limits | **629.0** | 810.0 | 831.3 |
| of which committed | **305.3** | 305.3 | 330.3 |
| Gearing, % | **64.0%** | 28.2% | 16.6% |
| Equity ratio, % | **49.6%** | 60.1% | 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. A EUR 150 million bilateral 8-year term loan with the European Investment Bank (EIB) was withdrawn in August to support Nokian Tyres' strategic factory investment in Romania.

The average interest rate of interest-bearing financial liabilities was 4.7%.

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

| | 1–9/2024 | 1–9/2023 | 2023 |
|---|---|---|---|
| Group employees | | | |
| on average | **3,768** | 3,758 | 3,754 |
| at the end of the review period | **4,007** | 3,660 | 3,433 |
| in Finland, at the end of the review period | **1,963** | 1,914 | 1,767 |
| in North America, at the end of the review period | **603** | 546 | 558 |
| Vianor (own) employees, at the end of the review period | **1,719** | 1,632 | 1,387 |

Employee figures are based on the total headcount, including both full-time and part-time employees. Vianor employees are included in Group figures.

# BUSINESS UNIT REVIEWS

## Passenger Car Tyres

| EUR million | 7−9/2024 | 7−9/2023 | 1−9/2024 | 1−9/2023 | 2023 |
|---|---|---|---|---|---|
| Net sales | **209.9** | 169.6 | **541.8** | 455.5 | 653.4 |
| Net sales change, % | **23.8%** | -21.3% | **18.9%** | -27.0% | -19.4% |
| Net sales change in comparable currencies, % | **24.9%** | -16.6% | **20.0%** | -23.7% | -15.8% |
| Operating profit | **8.3** | 7.6 | **-9.0** | -6.9 | 4.1 |
| Operating profit, % | **3.9%** | 4.5% | **-1.7%** | -1.5% | 0.6% |
| Segment operating profit | **34.4** | 18.8 | **38.6** | 14.8 | 36.7 |
| Segment operating profit, % | **16.4%** | 11.1% | **7.1%** | 3.2% | 5.6% |

### July−September 2024

In July−September 2024, net sales of Passenger Car Tyres totaled EUR 209.9 million (169.6). With comparable currencies, net sales increased by 24.9% driven by Central Europe. Average Sales Price with comparable currencies decreased.

Operating profit was EUR 8.3 million (7.6). Segment operating profit was EUR 34.4 million (18.8). The increase was mainly due to higher sales volumes and lower material costs.

### January−September 2024

In January−September 2024, net sales of Passenger Car Tyres totaled EUR 541.8 million (455.5). With comparable currencies, net sales increased by 20% driven by Central Europe. Average Sales Price with comparable currencies decreased.

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 of 19 days in Passenger Car Tyres, delays in shipments, and increased logistics costs.

The share of sales volume of winter tires was 49% (58%), the share of summer tires was 24% (16%), and the share of all-season tires was 27% (26%).

Operating profit was EUR -9.0 million (-6.9). Segment operating profit was EUR 38.6 million (14.8). The increase was mainly due to higher sales volumes and lower material costs.

To expand its manufacturing footprint and rebuild capacity, the company is building a new passenger car tire factory in Romania. The production facility is the world’s first full-scale zero CO2 emission tire factory. The first tire was produced at the factory in July 2024, and the opening ceremony took place in September. Commercial tire production will start in early 2025 with the production of winter and all-season tires for the Central European market. The factory is expected to reach full capacity of 6 million tires in 2027, with an expansion potential in the future. In North America, the company has completed the ramp-up of its US factory, allowing the factory to reach the full capacity run rate by the end of 2024.

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 | 7−9/2024 | 7−9/2023 | 1−9/2024 | 1−9/2023 | 2023 |
|---|---|---|---|---|---|
| Net sales | **57.9** | 59.7 | **173.2** | 195.3 | 257.1 |
| Net sales change, % | **-2.9%** | -12.7% | **-11.3%** | -5.3% | -5.1% |
| Net sales change in comparable currencies, % | **-2.3%** | -10.1% | **-10.7%** | -3.6% | -3.4% |
| Operating profit | **7.5** | 7.2 | **21.5** | 25.5 | 32.8 |
| Operating profit, % | **12.9%** | 12.1% | **12.4%** | 13.1% | 12.8% |
| Segment operating profit | **7.5** | 7.2 | **21.5** | 25.5 | 32.8 |
| Segment operating profit, % | **12.9%** | 12.1% | **12.4%** | 13.1% | 12.8% |

### July−September 2024

In July−September 2024, net sales of Heavy Tyres totaled EUR 57.9 million (59.7). With comparable currencies, net sales decreased by 2.3% due to weak OEM market.

Operating profit was EUR 7.5 million (7.2). Segment operating profit was EUR 7.5 million (7.2).

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

### January−September 2024

In January−September 2024, net sales of Heavy Tyres totaled EUR 173.2 million (195.3). With comparable currencies, net sales decreased by 10.7% due to weak market.

Operating profit was EUR 21.5 million (25.5). Segment operating profit was EUR 21.5 million (25.5). The decrease was mainly caused by lower volumes.

During the first half of the year, 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 and Forest King F2 tire ranges.

## Vianor, own operations

| EUR million | 7−9/2024 | 7−9/2023 | 1−9/2024 | 1−9/2023 | 2023 |
|---|---|---|---|---|---|
| Net sales | **69.4** | 68.1 | **220.8** | 218.0 | 344.0 |
| Net sales change, % | **2.0%** | -11.0% | **1.3%** | -6.3% | -5.0% |
| Net sales change in comparable currencies, % | **2.4%** | -4.2% | **1.9%** | 0.7% | 1.8% |
| Operating profit | **-6.6** | -4.8 | **-15.0** | -8.8 | 3.4 |
| Operating profit, % | **-9.5%** | -7.0% | **-6.8%** | -4.0% | 1.0% |
| Segment operating profit | **-6.6** | -4.8 | **-15.0** | -8.8 | 3.4 |
| Segment operating profit, % | **-9.5%** | -7.0% | **-6.8%** | -4.0% | 1.0% |
| Number of own service centers at period end | **175** | 174 | | | 174 |

### July−September 2024

In July−September 2024, net sales of Vianor totaled EUR 69.4 million (68.1). With comparable currencies, net sales increased by 2.4%.

Operating profit was EUR -6.6 million (-4.8). Segment operating profit was EUR -6.6 million (-4.8). Profit was impacted by increased costs due to inflation, and weak B2B market. The third quarter is seasonally low in Vianor. The winter season starts in the fourth quarter.

### January−September 2024

In January−September 2024, net sales of Vianor totaled EUR 220.8 million (218.0). With comparable currencies, net sales increased by 1.9%.

Operating profit was EUR -15.0 million (-8.8). Segment operating profit was EUR -15.0 million (-8.8). Profit was impacted by increased costs due to inflation, and weak B2B market.

At the end of the review period, Vianor had 175 (174) 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.

### 7−9/2024

| EUR million | Net sales | Cost of sales | SGA | Other operating income/ expenses | Operating profit | Financial income/ expenses | Taxes | Result for the period |
|---|---|---|---|---|---|---|---|---|
| **Segments Total** | **313.6** | **-232.6** | **-51.0** | **0.5** | **30.4** | **-9.8** | **-5.3** | **15.4** |
| US factory ramp-up | | -6.3 | -0.4 | | -6.7 | | 1.6 | -5.1 |
| Romanian factory preparations | | -5.4 | -0.9 | | -6.3 | | 2.4 | -3.9 |
| Other exclusions | | -12.7 | -0.6 | | -13.3 | | 2.7 | -10.6 |
| Total non-IFRS exclusion | | -24.5 | -1.9 | | -26.3 | | 6.7 | -19.6 |
| **Nokian Tyres Total** | **313.6** | **-257.0** | **-52.9** | **0.5** | **4.1** | **-9.8** | **1.4** | **-4.2** |

### 1−9/2024

| EUR million | Net sales | Cost of sales | SGA | Other operating income/ expenses | Operating profit | Financial income/ expenses | Taxes | Result for the period |
|---|---|---|---|---|---|---|---|---|
| **Segments Total** | **874.8** | **-679.7** | **-161.4** | **1.7** | **35.4** | **-22.3** | **-3.7** | **9.4** |
| US factory ramp-up | | -22.8 | -1.5 | | -24.3 | | 5.8 | -18.4 |
| Romanian factory preparations | | -9.7 | -1.8 | | -11.5 | | 2.3 | -9.2 |
| Other exclusions | | -12.7 | -0.6 | | -13.3 | | 2.7 | -10.6 |
| Total non-IFRS exclusion | | -45.2 | -3.9 | | -49.1 | | 10.8 | -38.3 |
| **Nokian Tyres Total** | **874.8** | **-724.9** | **-165.2** | **1.7** | **-13.6** | **-22.3** | **7.1** | **-28.9** |

## SHARES AND SHAREHOLDERS

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

| Number of shares (million units)* | Sept 30, 2024 | Sept 30, 2023 |
|---|---|---|
| at the end of period | **137,87** | 137,87 |
| in average | **137,87** | 138,02 |
| in average, diluted | **137,87** | 138,02 |

* 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 September 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 September 30, 2024, the number of these shares was 1,052,242, reported as treasury shares (September 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 110,553,031 (178,026,601) Nokian Tyres' shares were traded in Nasdaq Helsinki in January−September 2024, representing 80% (128%) of the company's overall share capital. The average daily volume in January−September 2024 was 581,858 shares (941,940). Nokian Tyres' shares are also traded on alternative exchanges.

Nokian Tyres' share price was EUR 8.86 (7.45) at the end of September 2024. The volume weighted average share price in January−September 2024 was EUR 8.41 (8.59), the highest was EUR 9.63 (11.63) and the lowest was EUR 7.57 (7.11). The company's market capitalization at the end of September 2024 was EUR 1.2 billion (1.0 billion).

At the end of September 2024, the company had 100,752 (92,774) registered shareholders. The percentage of Finnish shareholders was 66.6% (61.0%), and 33.4% (39.0%) were non-Finnish holders and foreign shareholders registered in the nominee register. Public sector entities owned 17.4% (17.3%), financial and insurance corporations 4.8% (6.1%), households 36.0% (30.0%), non-profit institutions 2.0% (2.1%), and private companies 6.3% (5.6%).

### Changes in ownership

In January−September 2024, Nokian Tyres plc received seven notifications of change in shareholding pursuant to Chapter 9, Section 5 of the Securities Markets Act. The details of the notifications are available at https://company.nokiantyres.com/news-and-media/press-releases/

### Managers' transactions

Nokian Tyres announced managers' transactions on May 6, July 22 and July 24, 2024. The details of the transactions are available at https://company.nokiantyres.com/news-and-media/press-releases/

## 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 https://company.nokiantyres.com/investors/corporate-governance/annual-general-meeting/agm-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 October 2024, the Board of Directors made a decision on the payment of a second dividend installment of EUR 0.20 per share based on the authorization given by the AGM 2024. The second dividend installment will be paid on December 4, 2024 to shareholders who are registered in the company's shareholders' register maintained by Euroclear Finland Oy on the dividend record date of October 31, 2024.

### 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 percent of the annual fee will be paid in cash and 40 percent 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.

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## BOARD OF DIRECTORS' WORKING ARRANGEMENTS

In its organizing meeting on April 30, 2024, the Board of Directors decided to establish the Board's 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

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

Paolo Pompei was appointed Nokian Tyres' President and CEO as of January 1, 2025. Pompei succeeds the current President and CEO Jukka Moisio, who will retire from the company in the end of 2024.

Anna Hyvönen, EVP Passenger Car Tyres and Vianor, has decided to leave Nokian Tyres. Hyvönen will continue in the company until July 2025.

## 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 https://company.nokiantyres.com/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.

In August 2024, Nokian Tyres' factory in Nokia, Finland obtained the International Sustainability and Carbon Certification (ISCC) PLUS. With the certification, Nokian Tyres is able to introduce new sustainable, ISCC PLUS certified raw materials in its tires. Nokian Tyres will introduce the certified raw materials when new flagship products are launched.

In September 2024, Nokian Tyres signed a development agreement with a Swedish biomaterial science company Reselo AB to further develop their renewable material Reselo Rubber as a potential new raw material in tires. Reselo Rubber is a completely renewable material made from birch bark sourced from the residue of the global pulp, paper and plywood industry. The aim of the cooperation agreement is to develop the material further to adapt it for commercial tire production.

In September 2024, Nokian Tyres celebrated the opening of its new passenger car tire factory in Romania. The factory operates without utilizing any fossil energy, making it the world's first full-scale tire factory with zero CO2 emissions. Part of the electricity used in the factory is generated by on-site solar power units. Steam used to cure the tires is generated by innovative electric boilers, which use fully CO2 emission free electricity. In addition, the tire manufacturing process is energy efficient as it utilizes the most modern technology and machinery.

In October 2024, Nokian Tyres was awarded a Platinum Medal in the EcoVadis corporate sustainability assessment for the second consecutive year. The rating means that the company is in the top one percent of companies assessed by EcoVadis in the past 12 months.

## 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**

In February 2024, 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 https://company.nokiantyres.com/sustainability/climate-and-the-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. The proceedings are ongoing in the Appeal 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.

## 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, October 29, 2024

Nokian Tyres plc
Board of Directors

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

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**Interim condensed consolidated financial statements**

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

The interim report figures are unaudited.

| **NOKIAN TYRES CONDENSED CONSOLIDATED INCOME STATEMENT** | **7-9/24** | 7-9/23 | **1-9/24** | 1-9/23 | 1-12/23 | Change % |
|---|---|---|---|---|---|---|
| EUR million | | | | | | |
| Net sales | **313.6** | 276.1 | **874.8** | 805.6 | 1,173.6 | 13.6 |
| Cost of sales | **-257.0** | -221.4 | **-724.9** | -652.3 | -932.5 | -16.1 |
| **Gross profit** | **56.6** | 54.7 | **149.9** | 153.3 | 241.1 | 3.4 |
| Other operating income | **0.6** | 0.5 | **2.3** | 1.8 | 3.7 | 35.0 |
| Sales, marketing and R&D expenses | **-35.7** | -32.1 | **-111.0** | -102.2 | -143.1 | -11.3 |
| Administration | **-17.2** | -14.7 | **-54.2** | -54.1 | -71.1 | -16.6 |
| Other operating expenses | **-0.1** | 0.0 | **-0.6** | 0.2 | 1.4 | -383.4 |
| **Operating profit** | **4.1** | 8.3 | **-13.6** | -1.0 | 32.1 | -50.3 |
| Net financial items | **-9.8** | -5.1 | **-22.3** | -11.8 | -17.8 | -92.4 |
| **Result before tax** | **-5.6** | 3.3 | **-35.9** | -12.8 | 14.2 | -272.2 |
| Tax expense | **1.4** | 0.9 | **7.1** | -1.0 | -1.7 | 48.6 |
| Result for the period, continuing operations | **-4.2** | 4.2 | **-28.9** | -13.8 | 12.5 | -201.3 |
| Result for the period, discontinued operations | **-** | 0.0 | **-** | -337.9 | -338.0 | 100.0 |
| **Result for the period** | **-4.2** | 4.2 | **-28.9** | -351.7 | -325.5 | -201.8 |
| | | | | | | |
| Attributable to: | | | | | | |
| Equity holders of the parent | **-4.2** | 4.2 | **-28.9** | -351.7 | -325.5 | |
| | | | | | | |
| Earnings per share from the result attributable to the equity holders of the parent: | | | | | | |
| basic, euros | **-0.03** | 0.03 | **-0.21** | -2.55 | -2.36 | -201.9 |
| diluted, euros | **-0.03** | 0.03 | **-0.21** | -2.55 | -2.36 | -201.9 |
| continuing operations, euros | **-0.03** | 0.03 | **-0.21** | -0.10 | 0.09 | -201.4 |
| discontinued operations, euros | **-** | 0.00 | **-** | -2.45 | -2.45 | 100.0 |

| CONSOLIDATED OTHER COMPREHENSIVE INCOME | **7-9/24** | 7-9/23 | **1-9/24** | 1-9/23 | 1-12/23 |
|---|---|---|---|---|---|
| EUR million | | | | | |
| | | | | | |
| **Profit for the period** | **-4.2** | 4.2 | **-28.9** | -351.7 | -325.5 |
| Other comprehensive income, items that may be reclassified subsequently to profit and loss, net of tax: | | | | | |
| Cash flow hedges | **-3.3** | -2.9 | **-5.4** | -9.2 | -8.9 |
| Translation differences on foreign operations | **-24.0** | 14.2 | **-10.5** | -13.4 | -33.5 |
| Reclassification of discontinued operations | | | | 366.3 | 366.3 |
| Total other comprehensive income for the period, net of tax | **-27.3** | 11.3 | **-16.0** | 343.7 | 323.8 |
| **Total comprehensive income for the period** | **-31.6** | 15.4 | **-44.8** | -8.0 | -1.7 |
| | | | | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the parent | **-31.6** | 15.4 | **-44.8** | -8.0 | -1.7 |

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 30.9.24 | 30.9.23 | 31.12.23 |
|---|---|---|---|
| EUR million | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | **1,080.1** | 824.2 | 885.2 |
| Right of use assets | **123.4** | 120.6 | 124.7 |
| Goodwill | **61.4** | 61.7 | 62.3 |
| Other intangible assets | **17.1** | 13.7 | 13.8 |
| Investments in associates | **0.1** | 0.1 | 0.1 |
| Non-current financial investments | **2.9** | 3.1 | 2.9 |
| Other receivables | **11.7** | 8.0 | 14.1 |
| Deferred tax assets | **49.5** | 38.7 | 55.0 |
| **Total non-current assets** | **1,346.1** | 1,070.1 | 1,158.1 |
| **Current assets** | | | |
| Inventories | **471.7** | 499.9 | 471.7 |
| Trade receivables | **473.0** | 401.1 | 224.2 |
| Other receivables | **73.6** | 62.0 | 56.3 |
| Cash and cash equivalents | **160.4** | 248.1 | 414.9 |
| **Total current assets** | **1,178.8** | 1,211.1 | 1,167.1 |
| **Total assets** | **2,524.8** | 2,281.2 | 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 | **-27.2** | 3.4 | -16.7 |
| Fair value and hedging reserves | **-3.8** | 1.3 | 1.6 |
| Paid-up unrestricted equity reserve | **238.2** | 238.2 | 238.2 |
| Retained earnings | **853.9** | 938.5 | 934.3 |
| **Total equity** | **1,251.3** | 1,371.6 | 1,347.6 |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | **2.2** | 4.7 | 26.7 |
| Interest-bearing liabilities | **743.2** | 493.5 | 495.6 |
| Other liabilities | **0.6** | 0.6 | 0.5 |
| **Total non-current liabilities** | **745.9** | 498.9 | 522.7 |
| **Current liabilities** | | | |
| Trade payables | **128.5** | 105.8 | 155.9 |
| Other current payables | **178.8** | 159.2 | 154.4 |
| Provisions | **1.8** | 4.9 | 1.8 |
| Interest-bearing liabilities | **218.5** | 140.8 | 142.9 |
| **Total current liabilities** | **527.6** | 410.7 | 454.9 |
| **Total equity and liabilities** | **2,524.8** | 2,281.2 | 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 86.6 million of non-current and EUR 41.8 million of current lease liabilities.

| CONDENCED CONSOLIDATED STATEMENT OF CASH FLOWS | 1-9/24 | 1-9/23 | 1-12/23 |
|---|---|---|---|
| EUR million | | | |
| **Result for the period** | **-28.9** | -13.8 | 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 | **90.0** | 84.7 | 114.9 |
| Financial income and expenses | **22.3** | 11.8 | 17.9 |
| Gains and losses on sale of intangible assets, other changes | **-2.4** | 1.6 | 0.8 |
| Income Taxes | **-7.1** | 1.0 | 1.7 |
| **Cash flow before changes in working capital** | **74.0** | 82.8 | 145.4 |
| Changes in working capital | | | |
| Current receivables, non-interest-bearing, increase (-) / decrease (+) | **-269.8** | -178.2 | -4.0 |
| Inventories, increase (-) / decrease (+) | **-9.1** | -64.3 | -40.5 |
| Current liabilities, non-interest-bearing, increase (+) / decrease (-) | **-10.2** | -45.5 | 1.0 |
| **Changes in working capital** | **-289.1** | -288.0 | -43.5 |
| Financial items and taxes | | | |
| Interest and other financial items, received | **6.3** | 8.4 | 10.8 |
| Interest and other financial items, paid | **-22.3** | -10.8 | -21.0 |
| Income taxes paid | **-6.2** | -7.6 | -9.3 |
| **Financial items and taxes** | **-22.3** | -10.0 | -19.5 |
| **Cash flow from operating activities (A)** | **-237.4** | -215.2 | 82.4 |
| Cash flow from investing activities | | | |
| Cashflow from discontinued operations | **-** | 199.2 | 199.2 |
| Acquisitions of property, plant and equipment and intangible assets | **-260.0** | -156.6 | -252.1 |
| Proceeds from sale of property, plant and equipment and intangible assets | **0.7** | 0.1 | 0.3 |
| Other cash flow from investing activities | **0.0** | -0.1 | 0.0 |
| **Cash flow from investing activities (B)** | **-259.3** | 42.5 | -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 (-) | **72.5** | -161.3 | -161.3 |
| Change in non-current financial borrowings, increase (+) / decrease (-) | **252.6** | 399.0 | 398.8 |
| Payment of lease liabilities | **-34.1** | -30.5 | -41.2 |
| Dividends received | **0.0** | 0.0 | 0.0 |
| Dividends paid | **-48.3** | -48.4 | -72.1 |
| **Cash flow from financing activities (C)** | **243.0** | 164.5 | 129.8 |
| **Change in cash and cash equivalents, increase (+) / decrease (-) (A+B+C)** | **-253.7** | -8.1 | 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 | **-0.7** | -2.7 | -3.6 |
| Cash and cash equivalents at the end of the period | **160.4** | 248.1 | 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

| | Equity attributable to equity holders of the parent | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| EUR million | 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 | | | | | | | -351.7 | -351.7 |
| **Other comprehensive income, net of tax:** | | | | | | | | |
| Cash flow hedges | | | | | -9.2 | | | -9.2 |
| Translation differences | | | | 352.9 | | | | 352.9 |
| **Total comprehensive income for the period** | | | | **352.9** | **-9.2** | | **-351.7** | **-8.0** |
| 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, Sep 30, 2023** | **25.4** | **181.4** | **-16.7** | **3.4** | **1.3** | **238.2** | **938.5** | **1,371.6** |
| | | | | | | | | |
| **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 | | | | | | | -28.9 | -28.9 |
| **Other comprehensive income, net of tax:** | | | | | | | | |
| Cash flow hedges | | | | | -5.4 | | | -5.4 |
| Translation differences | | | | -10.5 | | | | -10.5 |
| **Total comprehensive income for the period** | | | | **-10.5** | **-5.4** | | **-28.9** | **-44.8** |
| 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** | **-51.5** |
| **Equity, Sep 30, 2024** | **25.4** | **181.4** | **-16.6** | **-27.2** | **-3.8** | **238.2** | **853.9** | **1,251.3** |

| SEGMENT INFORMATION | 7-9/24 | 7-9/23 | 1-9/24 | 1-9/23 | 1-12/23 | Change % |
|---|---|---|---|---|---|---|
| EUR million | | | | | | |
| **Net sales** | | | | | | |
| Passenger car tyres | **209.9** | 169.6 | **541.8** | 455.5 | 653.4 | 23.8 |
| Heavy Tyres | **57.9** | 59.7 | **173.2** | 195.3 | 257.1 | -2.9 |
| Vianor | **69.4** | 68.1 | **220.8** | 218.0 | 344.0 | 2.0 |
| Other operations and eliminations | **-23.6** | -21.2 | **-61.0** | -63.2 | -80.9 | -11.4 |
| **Total** | **313.6** | 276.1 | **874.8** | 805.6 | 1,173.6 | 13.6 |
| **Operating result** | | | | | | |
| Passenger car tyres | **8.3** | 7.6 | **-9.0** | -6.9 | 4.1 | 9.3 |
| Heavy Tyres | **7.5** | 7.2 | **21.5** | 25.5 | 32.8 | 3.5 |
| Vianor | **-6.6** | -4.8 | **-15.0** | -8.8 | 3.4 | -38.4 |
| Other operations and eliminations | **-5.0** | -1.7 | **-11.1** | -10.9 | -8.2 | -197.9 |
| **Total** | **4.1** | 8.3 | **-13.6** | -1.0 | 32.1 | -50.3 |
| **Operating result, % of net sales** | | | | | | |
| Passenger car tyres | **3.9** | 4.5 | **-1.7** | -1.5 | 0.6 | -11.7 |
| Heavy Tyres | **12.9** | 12.1 | **12.4** | 13.1 | 12.8 | 6.6 |
| Vianor | **-9.5** | -7.0 | **-6.8** | -4.0 | 1.0 | -35.8 |
| **Total** | **1.3** | 3.0 | **-1.6** | -0.1 | 2.7 | -56.3 |

| NET SALES BY GEOGRAPHICAL AREA | 7-9/24 | 7-9/23 | 1-9/24 | 1-9/23 | 1-12/23 | Change % |
|---|---|---|---|---|---|---|
| EUR million | | | | | | |
| Nordics | **158.8** | 143.3 | **460.5** | 439.2 | 671.7 | 10.8 |
| Other Europe | **88.2** | 65.1 | **208.0** | 158.6 | 226.0 | 35.6 |
| Americas | **65.8** | 66.7 | **202.9** | 201.5 | 268.7 | -1.3 |
| Other countries | **0.7** | 1.0 | **3.4** | 6.4 | 7.2 | -27.5 |
| **Total** | **313.6** | 276.1 | **874.8** | 805.6 | 1,173.6 | 13.6 |

## 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 September 2024 was EUR 1.2 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 60.5 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.

| DERIVATIVE FINANCIAL INSTRUMENTS | **30.9.24** | 30.9.23 | 31.12.23 |
|---|---|---|---|
| EUR million | | | |
| | | | |
| **INTEREST RATE DERIVATIVES** | | | |
| Interest rate swaps | | | |
| Notional amount | **350.0** | 150.0 | 150.0 |
| Fair value | **-4.3** | 2.6 | 1.6 |
| | | | |
| **FOREIGN CURRENCY DERIVATIVES** | | | |
| Currency forwards | | | |
| Notional amount | **404.0** | 420.7 | 227.6 |
| Fair value | **1.3** | -1.7 | 1.1 |
| Currency options, purchased | | | |
| Notional amount | **10.9** | 4.9 | 6.7 |
| Fair value | **0.2** | 0.0 | 0.0 |
| Currency options, written | | | |
| Notional amount | **29.3** | 11.9 | 15.6 |
| Fair value | **-0.1** | -0.2 | -0.3 |
| | | | |
| **ELECTRICITY DERIVATIVES** | | | |
| Electricity forwards | | | |
| Notional amount | **9.2** | 9.4 | 9.1 |
| Fair value | **-0.3** | -0.7 | 0.7 |

**IFRS 16 LEASES**

EUR million

| **Balance sheet effects** | **30.9.24** | 30.9.23 | 31.12.23 |
|---|---|---|---|
| **Fixed assets** | | | |
| Right to use | **123.4** | 120.6 | 124.7 |
| **Total** | **123.4** | 120.6 | 124.7 |
| | | | |
| **Equity & Liability** | | | |
| Non-current liability | **86.6** | 89.4 | 91.6 |
| Current liability | **41.8** | 36.5 | 38.7 |
| **Total** | **128.4** | 125.9 | 130.3 |

| **P&L effects** | **1-9/24** | 1-9/23 | 1-12/23 | Change % |
|---|---|---|---|---|
| Reversed rents | **37.5** | 33.5 | 45.1 | 12.0 |
| Depreciations | **-33.7** | -30.6 | -41.4 | -10.0 |
| Finance costs | **-3.4** | -3.0 | -4.0 | -12.4 |
| **Total** | **0.4** | -0.2 | -0.2 | 371.0 |