Nokian Tyres plc Financial Statement Release 2024, February 4, 2025 at 1:00 p.m. EET

Nokian Tyres plc Financial Statement Release 2024:
Solid growth driven by Central Europe in 2024, North America challenging causing a soft Q4, Romanian factory getting ready for tire deliveries

October–December 2024

- Net sales were EUR 415.0 million (October–December 2023: 368.0) and increased by 12.8%. With comparable currencies, net sales increased by 13.1%.
- Segments operating profit was EUR 35.9 million (44.5). Operating profit was EUR 15.4 million (33.1). EUR -20.5 million (-11.3) was booked as non-IFRS exclusions.
- Earnings per share were EUR 0.04 (0.19).
- Cash flow from operating activities was EUR 314.8 million (297.6).

January–December 2024

- Net sales were EUR 1,289.8 million (January–December 2023: 1,173.6) and increased by 9.9%. With comparable currencies, net sales increased by 10.6%.
- Segments operating profit was EUR 71.4 million (65.1). Operating profit was EUR 1.8 million (32.1). EUR -69.6 million (-33.0) 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 -0.17 (-2.36).
- Cash flow from operating activities was EUR 77.4 million (82.4).
- The Romanian factory is progressing on schedule and within budget. 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 President and CEO Jukka Moisio, who retired from the company in the end of 2024.
- The Board of Directors proposes a dividend of EUR 0.25 per share for the financial year 2024 to be paid in May (dividend for the financial year 2023: 0.55).

Guidance for 2025

In 2025, Nokian Tyres' net sales are expected to grow and segments operating profit as a percentage of net sales to improve compared to the previous year.

Assumptions for 2025

Tire demand in Nokian Tyres' markets is expected to remain at the previous year's level in 2025. Development of global economy and geopolitical uncertainties may cause volatility to the company's business environment.

Nokian Tyres' sales growth is based on increasing capacity in the Romanian and US factories as well as good availability of finished goods inventories.

Paolo Pompei, President and CEO:

"In 2024, we continued our journey to rebuild Nokian Tyres. We advanced our growth strategy through strategic investments to increase capacity and strong innovation efforts to launch new products. Key milestones included opening the world's first full-scale zero CO2 emission tire factory in Romania, which is getting ready for tire deliveries, completing the investment phase at our US factory, and introducing new sustainable materials to our tires.

The net sales of Passenger Car Tyres increased in 2024 driven by a robust growth in Central Europe. In the Nordic countries, we continue in a strong position while further improvement is required in our North

American business where the fourth quarter was particularly soft. Heavy Tyres performed well in a weak OE market.

In 2025, we continue to focus on growth, driven by new innovative products and an even greater focus on generating value for consumers. At the same time, we will further sharpen our operations to increase productivity and efficiency while maintaining strict cost control. In recent years, we have invested significantly in advanced manufacturing technologies. By leveraging these assets and our strong innovation capabilities, we continue to deliver safe, sustainably manufactured and high-performing tires that meet the evolving consumer needs. The recent announcements of trade tariffs are causing uncertainty. We are analyzing the possible impacts of the tariffs and creating a strategy how to address them.

I am excited and honored to lead Nokian Tyres together with our talented personnel into our next phase of development."

Key figures

EUR million	10–12/2024	10–12/2023	2024	2023
Net sales	**415.0**	368.0	**1,289.8**	1,173.6
Net sales change, %	**12.8%**	1.7%	**9.9%**	-13.1%
Net sales change in comparable currencies, %	**13.1%**	6.3%	**10.6%**	-9.2%
Operating profit	**15.4**	33.1	**1.8**	32.1
Operating profit, %	**3.7%**	9.0%	**0.1%**	2.7%
Result before tax	**4.4**	27.1	**-31.5**	14.2
Result for the period	**6.0**	26.2	**-22.8**	-325.5
EPS, EUR	**0.04**	0.19	**-0.17**	-2.36
Segments EBITDA	**67.1**	71.9	**185.2**	170.5
Segments EBITDA, %	**16.2%**	19.5%	**14.4%**	14.5%
Segments operating profit	**35.9**	44.5	**71.4**	65.1
Segments operating profit, %	**8.7%**	12.1%	**5.5%**	5.5%
Segments ROCE, %			**3.9%**	4.0%
Equity ratio, %			**52.5%**	58.0%
Gearing, %			**48.2%**	16.6%
Interest-bearing net debt			**613.1**	223.6
Capital expenditure	**90.1**	95.5	**350.1**	252.1
Cash flow from operating activities	**314.8**	297.6	**77.4**	82.4

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 OCTOBER–DECEMBER 2024

Net sales in October−December 2024 totaled EUR 415.0 million (October−December 2023: 368.0) and increased by 12.8%. With comparable currencies, net sales increased by 13.1% driven by Central Europe. Currency exchange rates affected net sales negatively by EUR 8.0 million.

Net sales by geographical area

EUR million	10–12 /2024	10–12 /2023	Change	CC* Change	% of total net sales in 10−12 /2024	% of total net sales in 10−12 /2023
Nordics	**235.7**	232.5	1.4%	1.6%	**56.8%**	63.2%
Other Europe	**111.6**	67.5	65.4%	66.9%	**26.9%**	18.3%
Americas	**67.4**	67.2	0.2%	-0.2%	**16.2%**	18.3%
Other countries	**0.3**	0.8	-58.6%	-58.6%	**0.1%**	0.2%
Total	**415.0**	368.0	12.8%	13.1%	**100.0%**	100.0%

*Comparable currencies

Net sales by business unit

EUR million	10–12 /2024	10–12 /2023	Change	CC* Change	% of total net sales in 10−12 /2024**	% of total net sales in 10−12 /2023**
Passenger Car Tyres	**238.2**	197.9	20.3%	20.7%	**57.4%**	53.8%
Heavy Tyres	**61.8**	61.8	0.0%	0.4%	**14.9%**	16.8%
Vianor	**134.1**	126.0	6.4%	6.7%	**32.3%**	34.2%
Other operations and eliminations	**-19.1**	-17.8	-7.6%			
Total	**415.0**	368.0	12.8%	13.1%		

*Comparable currencies
**Includes internal sales

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, increased by 3% year-over-year, containing currency impact. Raw material unit costs increased by 3% from the third quarter of 2024.

Operating profit was EUR 15.4 million (33.1). Non-IFRS exclusions were EUR -20.5 million (-11.3), of which EUR -9.5 million (-10.3) were related to the US factory ramp-up and EUR -10.6 million (-1.0) to the preparations for the Romanian factory ramp-up.

Segments operating profit was EUR 35.9 million (44.5). The decrease was due to lower Average Sales Price mainly related to mix, and higher operating expenses.

Segments operating profit by business unit

EUR million	10–12/2024	10–12/2023
Passenger Car Tyres	**13.6**	22.0
Heavy Tyres	**8.5**	7.3
Vianor	**11.2**	12.1
Other operations and eliminations	**2.6**	3.1
Segments operating profit total	**35.9**	44.5
Non-IFRS exclusions	**-20.5**	-11.3

Financial items and taxes

Net financial expenses were EUR 11.0 million (6.0), including net interest expenses of EUR 10.1 million (5.1). Net financial expenses include an expense of EUR 0.9 million (0.9) due to exchange rate differences. Result before tax was EUR 4.4 million (27.1) and taxes were EUR 1.6 million (-0.8). Segments result before tax was EUR 24.9 million (38.4). Result for the period was EUR 6.0 million (26.2). Segments result for the period was EUR 22.0 million (34.4). Earnings per share were EUR 0.04 (0.19).

Cash flow

In October−December 2024, cash flow from operating activities was EUR 314.8 million (297.6). Working capital decreased by EUR 275.6 million (decreased by 244.5). Inventories decreased by EUR 25.4 million (decreased by 23.8) and receivables decreased by EUR 206.1 million (decreased by 174.2). Payables increased by EUR 44.1 million (increased by 46.4).

Investments

Investments totaled EUR 90.1 million (95.5). Depreciations and amortizations were EUR 34.2 million (30.2).

FINANCIAL RESULTS IN 2024

In 2024, Nokian Tyres continued its growth strategy by advancing strategic investments to increase capacity and maintaining strong innovation efforts to launch new products. Several important milestones were achieved, including opening the world's first full-scale zero CO2 emission tire factory in Romania and completing the investment phase at the US factory.

The car and tire market was demanding in 2024 due to economic uncertainties and low consumer confidence. The Red Sea crisis and political strikes in Finland impacted negatively in the first half of the year. Despite the headwind, Nokian Tyres steadily improved sales volume and enhanced its market share in the key markets.

At the same time, Nokian Tyres advanced its sustainability efforts on several fronts. The Science Based Targets initiative approved the company's new greenhouse gas emissions reduction targets, aligning with the latest climate science to limit global warming to 1.5°C. Reaching a Platinum Medal in the EcoVadis assessment reflects the continuous improvement of the company's sustainability work, placing Nokian Tyres in the top one percent of companies assessed by EcoVadis in the past 12 months.

Strategy implementation and progress toward financial targets

Nokian Tyres' strategy centers on organic growth in the key markets in the Nordic countries, North America and Central Europe. Focus continues to be on high value segments, especially on premium winter tires. Expanding capacity together with market relevant high-quality products and enhancing commercial capabilities will boost topline growth. Margin improvement will be driven by increasing sales volume and average sales price. The objective is to increase shareholder value through sales growth and improved profitability.

With respect to passenger car tires, the company's growth strategy is divided into two phases. The investment phase is expected to run from 2023 to 2025 and the growth phase from 2026 onwards. In 2023, passenger car tire sales volumes decreased significantly due to the sale of the Russia operations. Therefore, rebuilding production capacity during the investment phase is integral to achieving the EUR 2 billion net sales target. During the growth phase, expanding capacity combined with the introduction of new top-performing products and enhanced operational capabilities will underpin the company's progress toward the financial targets. In the Heavy Tyres business, the focus is on expanding capacity and strengthening distribution in Central Europe and North America. Widening product portfolio and enhanced digital capabilities support long-term growth. Vianor supports the sales and premium brand position in the Nordic countries.

In 2024, the company continued its strategic investments to increase capacity. The new passenger car tire factory in Romania reached the planned milestones on time and within budget and will start to support passenger car tire sales from 2025 onwards. In addition, the investment phase at the US factory was finalized in 2024, enhancing the company's capabilities to produce tires tailored for North American consumers.

Nokian Tyres' competitive position is based on its ability to continually develop new, innovative and sustainably manufactured products. In 2024, Nokian Tyres launched several upgraded tires with safety, sustainability, and performance being the key drivers of the product development. With market relevant product offerings and a robust innovation pipeline, Nokian Tyres is well-positioned to meet evolving consumer expectations. Macro trends, such as the increasing number of new car models, growing SUV and CUV penetration, and climate change, are driving demand for sustainably produced, innovative tires.

Long-term financial targets

Nokian Tyres' long-term financial targets, set in 2023, focus on growth, profitability and capital structure. Nokian Tyres aims for EUR 2 billion net sales and segments operating profit of approximately 15%. Furthermore, the company aims to maintain net debt to segments EBITDA ratio between 1 and 2.

The target of the Nokian Tyres' dividend policy is to pay a dividend of at least 50% of the net earnings.

	Long-term financial targets	Status in 2024	Status in 2023
Organic growth	Net sales EUR 2 billion	EUR 1.29 billion	EUR 1.17 billion
Profitability	Segments operating profit ~15%	5.5%	5.5%
Capital structure	Net debt/Segments EBITDA 1−2	3.3	1.3

Net sales and operating profit

Net sales in 2024 totaled EUR 1,289.8 million (2023: 1,173.6; 2022: 1,350.5) and increased by 9.9%. With comparable currencies, net sales increased by 10.6% driven by Central Europe. Currency exchange rates affected net sales negatively by EUR 8.0 million.

Net sales by geographical area

EUR million	2024	2023	Change	CC* Change	% of total net sales in 2024	% of total net sales in 2023
Nordics	**696.2**	671.7	3.6%	4.0%	**54.0%**	57.2%
Other Europe	**319.6**	226.0	41.4%	43.0%	**24.8%**	19.3%
Americas	**270.3**	268.7	0.6%	1.2%	**21.0%**	22.9%
Other countries	**3.7**	7.2	-48.9%	-48.9%	**0.3%**	0.6%
Total	**1,289.8**	1,173.6	9.9%	10.6%	**100.0%**	100.0%

*Comparable currencies

Net sales by business unit

EUR million	2024	2023	Change	CC* Change	% of total net sales in 2024**	% of total net sales in 2023**
Passenger Car Tyres	**779.9**	653.4	19.4%	20.2%	**60.5%**	55.7%
Heavy Tyres	**235.1**	257.1	-8.6%	-8.0%	**18.2%**	21.9%
Vianor	**354.9**	344.0	3.2%	3.6%	**27.5%**	29.3%
Other operations and eliminations	**-80.1**	-80.9	1.1%			
Total	**1,289.8**	1,173.6	9.9%	10.6%		

*Comparable currencies
**Includes internal sales

Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, decreased by 5% year-over-year, containing currency impact.

Operating profit was EUR 1.8 million (2023: 32.1; 2022: 56.7). Non-IFRS exclusions were EUR -69.6 million (-33.0), of which EUR -33.7 million (-30.2) were related to the US factory ramp-up, EUR -22.1 million (-3.2) to the preparations for the Romanian factory ramp-up, and EUR -13.7 million to the other exclusions mainly related to the inventory write-downs of manufacturing partners' products that arrived late for the 2024 summer season due to the Red Sea crisis.

Segments operating profit was EUR 71.4 million (2023: 65.1; 2022: 17.8). The increase was driven by sales volume growth and lower raw material costs. Segments operating profit percentage was 5.5% (2023: 5.5%; 2022: 1.3%). Segments ROCE was 3.9% (4.0%).

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	2024	2023
Passenger Car Tyres	**52.2**	36.7
Heavy Tyres	**30.0**	32.8
Vianor	**-3.8**	3.4
Other operations and eliminations	**-7.0**	-7.8
Segments operating profit total	**71.4**	65.1
Non-IFRS exclusions	**-69.6**	-33.0

Financial items and taxes

Net financial expenses were EUR 33.3 million (17.8), including net interest expenses of EUR 30.7 million (14.1). Net financial expenses include an expense of EUR 2.6 million (3.8) due to exchange rate differences. Result before tax was EUR -31.5 million (14.2) and taxes were EUR 8.7 million (-1.7). Segments result before tax was EUR 38.1 million (47.4). Result for the period was EUR -22.8 million (-325.5, including the result for discontinued operations, i.e. Russian exit). Segments result for the period was EUR 31.4 million (-298.1). Earnings per share were EUR -0.17 (-2.36).

Return on equity was -1.7% (2023: -23.4%; 2022: -11.5%).

Guidance given for 2024

In Nokian Tyres' financial statement release for 2023 published on February 6, 2024, the company published the following outlook for 2024:

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

Cash flow

In 2024, cash flow from operating activities was EUR 77.4 million (82.4). Working capital increased by EUR 13.6 million (increased by 43.5). Inventories decreased by 16.2 million (increased by 40.5) and receivables increased by EUR 63.8 million (increased by 4.0). Payables increased by EUR 33.9 million (increased by 1.0).

Investments

Investments totaled EUR 350.1 million (252.1). Depreciations and amortizations were EUR 124.2 million (114.9).

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. The factory is technically ready to start tire deliveries in 2025. The full capacity of 6 million tires is expected to be reached in 2027, with potential for further expansion 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.

In 2024, Nokian Tyres completed the ramp-up of the US factory, allowing the factory to reach its full capacity run rate by the end of 2024. In addition, a new warehouse was opened adjacent to the factory.

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	Dec 31, 2024	Dec 31, 2023
Cash and cash equivalents	**176.1**	414.9
Interest-bearing liabilities	**789.2**	638.5
of which current interest-bearing liabilities	**47.3**	142.9
Interest-bearing net debt	**613.1**	223.6
Unused credit limits	**803.3**	831.3
of which committed	**304.4**	330.3
Gearing, %	**48.2%**	16.6%
Equity ratio, %	**52.5%**	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. In November 2024, one-year extension option was exercised for a EUR 200 million sustainability-linked revolving credit facility. Thus, the maturity date for the facility was extended from January 2027 to January 2028.

The average interest rate of interest-bearing financial liabilities was 4.4%.

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

	2024	2023	2022
Group employees			
on average	**3,850**	3,754	3,517
at the end of the review period	**3,810**	3,433	3,313
in Finland, at the end of the review period	**1,770**	1,767	1,728
in North America, at the end of the review period	**618**	558	458
Vianor (own) employees, at the end of the review period	**1,428**	1,387	1,400

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

Salaries, incentives, and other related costs in 2024 were EUR 256.3 million (2023: 232.2; 2022: 237.5).

Research and development

Nokian Tyres' competitive position is based on its ability to continually develop new, innovative and sustainable products. The company's R&D team closely monitors market trends and consumer demands, ensuring that Nokian Tyres' products meet the evolving customer needs. In 2024, Nokian Tyres introduced several new tire models with safety, sustainability, and performance being the key drivers of the product development. Approximately 50% of R&D investments is allocated to product testing. Nokian Tyres' R&D costs in 2024 totaled EUR 24.8 million (2023: 24.3; 2022: 29.6), which is 10.7% (2023: 11.6%; 2022: 12.0%) of the operating expenses.

BUSINESS UNIT REVIEWS

Passenger Car Tyres

EUR million	10−12/2024	10−12/2023	2024	2023
Net sales	**238.2**	197.9	**779.9**	653.4
Net sales change, %	**20.3%**	6.1%	**19.4%**	-19.4%
Net sales change in comparable currencies, %	**20.7%**	10.6%	**20.2%**	-15.8%
Operating profit	**-6.6**	11.0	**-15.6**	4.1
Operating profit, %	**-2.8%**	5.6%	**-2.0%**	0.6%
Segment operating profit	**13.6**	22.0	**52.2**	36.7
Segment operating profit, %	**5.7%**	11.1%	**6.7%**	5.6%

October−December 2024

In October−December 2024, net sales of Passenger Car Tyres totaled EUR 238.2 million (197.9). With comparable currencies, net sales increased by 20.7% driven by Central Europe.

Operating profit was EUR -6.6 million (11.0). Segment operating profit was EUR 13.6 million (22.0). The decrease was due to lower Average Sales Price mainly related to mix, and higher operating expenses.

January−December 2024

In 2024, net sales of Passenger Car Tyres totaled EUR 779.9 million (653.4). With comparable currencies, net sales increased by 20.2% driven by Central Europe. Average Sales Price with comparable currencies decreased mainly due to mix.

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 55% (63%), the share of summer tires was 17% (12%), and the share of all-season tires was 28% (25%).

Operating profit was EUR -15.6 million (4.1). Segment operating profit was EUR 52.2 million (36.7). 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. The factory is technically ready to start tire deliveries in 2025. The full capacity of 6 million tires is expected to be reached in 2027, with potential for further expansion in the future. In North America, the company completed the ramp-up of its US factory, allowing the factory to reach the full capacity run rate by the end of 2024.

In 2024, the company launched a comprehensive range of summer and all-season passenger car tires for the Central European market, including Nokian Tyres Wetproof 1 and Nokian Tyres Powerproof 1 summer tires and Nokian Tyres Seasonproof 1 all-season tire. In addition, the company introduced its renewed van tire offering for Central Europe and an all-weather tire Nokian Tyres Remedy WRG5 for North America.

Heavy Tyres

EUR million	10−12/2024	10−12/2023	2024	2023
Net sales	**61.8**	61.8	**235.1**	257.1
Net sales change, %	**0.0%**	-4.4%	**-8.6%**	-5.1%
Net sales change in comparable currencies, %	**0.4%**	-2.6%	**-8.0%**	-3.4%
Operating profit	**8.5**	7.3	**30.0**	32.8
Operating profit, %	**13.8%**	11.8%	**12.8%**	12.8%
Segment operating profit	**8.5**	7.3	**30.0**	32.8
Segment operating profit, %	**13.8%**	11.8%	**12.8%**	12.8%

October−December 2024

In October−December 2024, net sales of Heavy Tyres were at previous year’s level and totaled EUR 61.8 million (61.8).

Operating profit was EUR 8.5 million (7.3). Segment operating profit was EUR 8.5 million (7.3).

January−December 2024

In 2024, net sales of Heavy Tyres totaled EUR 235.1 million (257.1). With comparable currencies, net sales decreased by 8.0% due to weak market.

Operating profit was EUR 30.0 million (32.8). Segment operating profit was EUR 30.0 million (32.8). 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, Forest King F2 and Soil King VF tire ranges.

Vianor, own operations

EUR million	10−12/2024	10−12/2023	2024	2023
Net sales	**134.1**	126.0	**354.9**	344.0
Net sales change, %	**6.4%**	-2.6%	**3.2%**	-5.0%
Net sales change in comparable currencies, %	**6.7%**	3.7%	**3.6%**	1.8%
Operating profit	**11.2**	12.1	**-3.8**	3.4
Operating profit, %	**8.3%**	9.6%	**-1.1%**	1.0%
Segment operating profit	**11.2**	12.1	**-3.8**	3.4
Segment operating profit, %	**8.3%**	9.6%	**-1.1%**	1.0%
Number of own service centers at period end			**174**	174

October−December 2024

In October−December 2024, net sales of Vianor totaled EUR 134.1 million (126.0). With comparable currencies, net sales increased by 6.7%.

Operating profit was EUR 11.2 million (12.1). Segment operating profit was EUR 11.2 million (12.1). Profit was impacted by increased costs due to inflation, and a weak B2B market.

January−December 2024

In 2024, net sales of Vianor totaled EUR 354.9 million (344.0). With comparable currencies, net sales increased by 3.6%.

Operating profit was EUR -3.8 million (3.4). Segment operating profit was EUR -3.8 million (3.4). Profit was impacted by increased costs due to inflation, and a weak B2B market.

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

Segments Total to Nokian Tyres Total reconciliation 10−12/2024

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.

EUR million	Net sales	Cost of sales	SGA	Other operating income/ expenses	Operating profit	Financial income/ expenses	Taxes	Result for the period
Segments Total	**415.0**	**-312.1**	**-66.7**	**-0.2**	**35.9**	**-11.0**	**-2.9**	**22.0**
US factory ramp-up		-9.2	-0.3		-9.5		1.5	-7.9
Romanian factory preparations		-9.8	-0.9	0.0	-10.6		2.1	-8.5
Other exclusions		0.0	-0.4		-0.4		0.9	0.4
Total non-IFRS exclusion		-18.9	-1.6	0.0	-20.5	0.0	4.5	-16.0
Nokian Tyres Total	**415.0**	**-331.0**	**-68.3**	**-0.2**	**15.4**	**-11.0**	**1.6**	**6.0**

Segments Total to Nokian Tyres Total reconciliation in 1−12/2024

EUR million	Net sales	Cost of sales	SGA	Other operating income/ expenses	Operating profit	Financial income/ expenses	Taxes	Result for the period
Segments Total	**1,289.8**	**-991.8**	**-228.1**	**1.4**	**71.4**	**-33.3**	**-6.7**	**31.4**
US factory ramp-up		-32.0	-1.8		-33.7		7.4	-26.4
Romanian factory preparations		-19.5	-2.7	0.0	-22.1		4.4	-17.7
Other exclusions		-12.7	-1.0		-13.7		3.5	-10.2
Total non-IFRS exclusion	0.0	-64.1	-5.4	0.0	-69.6	0.0	15.3	-54.3
Nokian Tyres Total	**1,289.8**	**-1,056.0**	**-233.5**	**1.4**	**1.8**	**-33.3**	**8.7**	**-22.8**

SHARES AND SHAREHOLDERS

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

Number of shares (million units)*	Dec 31, 2024	Dec 31, 2023
at the end of period	**137.87**	137.87
in average	**137.87**	137.98
in average, diluted	**137.87**	137.98

*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 installments, with the first installment paid in 2024 and the second installment to be paid in 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 December 31, 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 December 31, 2024, the number of these shares was 1,052,242, reported as treasury shares (December 31, 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 149,557,916 (223,641,182) Nokian Tyres' shares were traded in Nasdaq Helsinki in 2024, representing 108% (161%) of the company's overall share capital. The average daily volume in 2024 was 595,848 shares (891,001). Nokian Tyres' shares are also traded on alternative exchanges.

Nokian Tyres' share price was EUR 7.35 (8.26) at the end of 2024. The volume weighted average share price in 2024 was EUR 8.24 (8.40), the highest was EUR 9.63 (11.63) and the lowest was EUR 7.07 (6.18). The company's market capitalization at the end of 2024 was EUR 1.0 billion (1.1 billion).

At the end of 2024, the company had 102,389 (94,092) registered shareholders. The percentage of Finnish shareholders was 70.5% (61.5%), and 29.5% (38.5%) were non-Finnish holders and foreign shareholders registered in the nominee register. Public sector entities owned 18.1% (17.5%), financial and insurance corporations 4.6% (5.4%), households 38.9% (30.7%), non-profit institutions 2.1% (2.2%), and private companies 6.8% (5.8%).

Major shareholders on December 31, 2024
(Does not include nominee registered shareholders or treasury shares)

	Number of shares	% of share capital
1. Solidium Oy	14,031,000	10.10
2. Varma Mutual Pension Insurance Company	5,167,384	3.72
3. Ilmarinen Mutual Pension Insurance Company	2,626,395	1.89
4. Elo Mutual Pension Insurance Company	2,047,000	1.47
5. Nordea Nordic Small Cap Fund	1,209,160	0.87
6. Nordea Finland Fund	982,255	0.71
7. The State Pension Fund	900,000	0.65
8. OP-Henkivakuutus Ltd.	527,170	0.38
9. Barry Staines Linoleum Ltd.	510,000	0.37
10. Samfundet Folkhälsan i Svenska Finland	441,100	0.32

Changes in ownership

In 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 company.nokiantyres.com/news-and-media/press-releases.

Shares owned by the Board members on December 31, 2024
(Including own holdings and controlled entities)

Board of Directors	Number of shares
Jukka Hienonen, Chair	52,100
Pekka Vauramo, Deputy Chair	12,863
Elina Björklund, member	3,767
Susanne Hahn, member	13,679
Markus Korsten, member	5,037
Elisa Markula, member	2,651
Christopher Ostrander, member	8,427
Jouko Pölönen, member	32,457
Reima Rytsölä	10,037
Total	**141,018**

Shares owned by the President and CEO on December 31, 2024
(Including own holdings and controlled entities)

President and CEO	Number of shares
Jukka Moisio	**22,921**

On December 31, 2024, Nokian Tyres' Board members and the President and CEO held a total of 163,939 Nokian Tyres shares. The shares represent 0.12% of the total number of votes.

Shares owned by the Management Team members on December 31, 2024
(Including own holdings and controlled entities)

Management Team	Number of shares
Päivi Antola, Communications, Investor Relations and Brand	5,799
Elisa Erkkilä, Legal and Compliance	0
Niko Haavisto, Finance	11,250
Anna Hyvönen, Passenger Car Tyres and Vianor	22,010
Adrian Kaczmarczyk, Supply Operations	3,420
Jukka Kasi, Products and Innovations	48,616
Päivi Leskinen, Human Resources	1,182
Manu Salmi, Heavy Tyres and Nokia Factory	31,657
Total	**123,934**

Managers' transactions

Nokian Tyres announced managers' transactions on May 6, July 22 and July 24, 2024. The details of the transactions are available at 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 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 shareholder register maintained by Euroclear Finland Oy on the dividend record date of 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 was paid on December 4, 2024 to shareholders who were registered in the company's shareholder 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 is 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 the Deputy Chair of the Board of Directors.

The AGM decided to re-elect authorized 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 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

The following members have been appointed to Nokian Tyres' Shareholders' Nomination Board 2024:

- Mr. Petter Söderström (Investment Director, Solidium Oy), appointed by Solidium Oy (since January 7, 2025)
- 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

After the review period, on January 17, 2025, the Nomination Board submitted to Nokian Tyres' Board of Directors its proposals for the 2025 Annual General Meeting.

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 President and CEO Jukka Moisio, who retired from the company in the end of 2024.

In October, Nokian Tyres announced that 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 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.

In November 2024, the Science Based Targets initiative (SBTi) approved Nokian Tyres' new greenhouse gas (GHG) emissions reduction targets, including both near-term targets for 2030 and long-term targets to reach net-zero GHG emissions across the value chain by 2050. The SBTi approval means that Nokian Tyres' targets are considered to be in line with what the latest climate science deems necessary to limit global warming to 1.5°C.

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

Several uncertainties can impact Nokian Tyres’ business and financial performance. 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 risk management process aims to identify and evaluate threats and opportunities and to plan and implement practical measures for each risk. Nokian Tyres describes the overview of its risk management systems in the Corporate Governance Statement.

For example, the following risks could potentially have an impact on Nokian Tyres’ business:

Economic and geopolitical uncertainty

Nokian Tyres is exposed to risks related to consumer confidence and macroeconomic and geopolitical conditions. Political tensions and increasing global uncertainty may lead to economic recession, create trade barriers, and cause global or regional crises that may significantly affect product demand or cause widespread disruptions in production and supply chain. These factors may adversely affect Nokian Tyres’ financial performance and the collection of trade receivables.

Risk mitigation measures: continuous monitoring of the operating environment and markets. The company’s ability to respond quickly and adapt its operations to a changing environment. Acting in accordance with the contingency plan.

Changes in consumer behavior

The tire wholesale and retail landscape is evolving with digitalization to meet changing consumer needs. Nokian Tyres aims to adapt to changes in the sales channel and to innovate and develop new products and services that appeal to customers and consumers. Despite extensive testing of products, issues related to product quality and inability to meet customer needs or demands of performance and safety can harm Nokian Tyres' reputation and brand, thereby negatively affecting the company's financial profitability and growth opportunities.

Risk mitigation measures: ensuring high-quality research and development activities. Continuous monitoring of the markets and customer needs. Sufficient resources for product testing. Developing distribution channels and network.

Implementation of the investment project in Romania

To ensure tire availability, Nokian Tyres is investing in new zero CO2 emission production capacity in Romania. Delay in the planned start of commercial production and the ramp-up of production processes may negatively affect Nokian Tyres' financial performance and growth opportunities, especially in Central Europe.

Risk mitigation measures: close monitoring and management of the investment project. Preparation and continuous follow-up of a risk management plan. Ability to quickly react to significant changes. Retention and recruitment of skilled personnel.

Currency market

Nokian Tyres' operations are exposed to currency risks arising from currency transactions and the translation of subsidiary financial statements, which may affect Nokian Tyres' results and profitability. The most significant currency risks are caused by the Swedish and Norwegian krona and the US and Canadian dollar. Approximately 60 percent of the Group's sales are generated outside the euro-zone.

Risk mitigation measures: hedging against the effects of exchange rate fluctuations.

Information technology and cybersecurity

The availability of information systems and network services is crucial to Nokian Tyres. Unplanned interruption in critical information systems and network services may cause disruption to the continuity of operations. These systems and services may also be exposed to cyberattacks, which may lead to a leakage of confidential information, violation of data privacy regulations or intellectual property rights, production and delivery interruptions, or reputational damage. Risk analyses and projects related to cybersecurity, data protection, and customer information are continuously a special focus area for the company.

Risk mitigation measures: sufficient investments and resources in IT infrastructure and capabilities, as well as cybersecurity. Appropriate plans to respond to disruptions in information systems and network services, including backup systems and recovery plans. Continuous monitoring of cybersecurity and data protection and vulnerability management. Employee training.

Diversified customer base

Building a diversified customer base and fostering strong customer relationships help reduce sales risk and create long-term business stability. Excessive concentration of the customer base can make the company dependent on a limited number of large customers, exposing the business to risks and potentially leading to a decline in sales and profitability.

Risk mitigation measures: continuous monitoring of the markets and proactive response to changes in the customer base. Deepening cooperation with existing key customers, for example, in the development of new products. Expanding the customer base geographically and in selected segments within current markets. Developing the distribution network and services, especially in key growth areas.

Environment, social responsibility and governance

Various aspects of corporate sustainability, including product quality, safety, the environment, and human rights, are increasingly important. Legislation and regulation, particularly around environmental, social responsibility and governance (ESG) issues, are increasing and affecting all actors in the value chain. Non-compliance with laws, regulations, or standards by Nokian Tyres or its suppliers, customers, or partners, neglecting new and tightening requirements, or incorrectly interpreting them may result in additional costs for Nokian Tyres or lead to fines and damage the company's reputation and brand. Over-reliance on individual suppliers increases the risk related to the availability of sustainable raw materials.

Risk mitigation measures: active monitoring of upcoming laws and regulations. Development and implementation of internal guidance, processes and training to ensure compliance. Strong commitment to achieving ESG targets. Expanding the supplier network. Regular environmental, human rights, and quality audits.

Climate change

Tire industry may be subject to risks caused by climate change, such as changes in consumer tire preferences and regulatory changes. Extreme weather events may also affect natural rubber production, and fluctuations in raw material prices as well as new environmental fees may increase, potentially impacting profitability. Nokian Tyres is committed to reducing GHG emissions from its operations to combat climate change. The company calculates the GHG emissions from its operations annually and reduces them systematically.

Risk mitigation measures: increasing use of recyclable and renewable raw materials. Membership in industry associations helps identify new sustainable product development and business opportunities.

Employee retention and competence

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

Risk mitigation measures: creating an attractive and safe workplace, including modern work tools and competitive salaries and other benefits. Developing employer brand to attract the best talent. Ensuring critical competencies and targeted recruitment.

Legal proceedings

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.

Lawsuits in the United States and Canada followed the news of the European Commission inspection. Nokian Tyres was named as a defendant in these lawsuits, along with other tire manufacturers. The lawsuits allege violations by the defendants of antitrust laws with respect to new replacement tires for passenger cars, vans, trucks and busses sold in the relevant jurisdictions. The U.S. lawsuits have been consolidated to a multidistrict litigation in the U.S. District Court for the Northern District of Ohio. Nokian Tyres considers the lawsuits to be without merit, however, the ultimate outcome of which cannot be predicted at this time.

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.

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.

MATTERS AFTER THE REVIEW PERIOD

On January 23, 2025, Nokian Tyres plc received a notification of change in shareholding pursuant to Chapter 9, Section 5 of the Securities Markets Act. The details of the notification are available at company.nokiantyres.com/news-and-media/press-releases.

On February 4, 2025, Nokian Tyres announced changes to the Management Team to increase consumer focus, global synergies and operational excellence. New members joining the Management Team are Tommi Alhola (Passenger Car Tyres, Central Europe) and Lauri Halme (Passenger Car Tyres, North America). The new Management Team structure will enable a dedicated focus on Nokian Tyres' growth regions to achieve the company's long-term objectives. As part of the organizational changes, the company will reorganize all manufacturing facilities under one leadership and combine Marketing and Communications in one strategic global function.

Nokian Tyres' Management Team as of March 1, 2025:
Paolo Pompei, President and CEO
Niko Haavisto, CFO
Tommi Alhola, SVP, Passenger Car Tyres, Central Europe
Elisa Erkkilä, SVP, Legal and Compliance, General Counsel
Lauri Halme, SVP, Passenger Car Tyres, North America
Adrian Kaczmarczyk, SVP, Operations
Jukka Kasi, SVP, Products and Innovations
Päivi Leskinen, SVP, Human Resources
Manu Salmi, EVP, Heavy Tyres; SVP, Manufacturing (interim)

Päivi Antola, SVP, Communications, Investor Relations and Brand, is leaving Nokian Tyres to join another company.

GUIDANCE FOR 2025

In 2025, Nokian Tyres' net sales are expected to grow and segments operating profit as a percentage of net sales to improve compared to the previous year.

ASSUMPTIONS FOR 2025

Tire demand in Nokian Tyres' markets is expected to remain at the previous year's level in 2025. Development of global economy and geopolitical uncertainties may cause volatility to the company's business environment.

Nokian Tyres' sales growth is based on increasing capacity in the Romanian and US factories as well as good availability of finished goods inventories.

THE PROPOSAL FOR THE USE OF PROFITS BY THE BOARD OF DIRECTORS

The distributable funds in the Parent company total EUR 773.2 million.

The Board of Directors proposes to the 2025 Annual General Meeting that the distributable funds are to be used as follows:

a dividend of	0.25 EUR/share
be paid out, totaling	EUR 34.5 million
retained in equity	EUR 738.7 million
Total	**EUR 773.2 million**

The Board of Directors proposes that a dividend of EUR 0.25 per share shall be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the dividend record date of May 9, 2025. The payment date proposed by the Board of Directors is May 20, 2025.

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

Notice to the 2025 Annual General Meeting will be published during the week commencing March 17, 2025.

CORPORATE GOVERNANCE STATEMENT, REMUNERATION REPORT AND SUSTAINABILITY STATEMENT

Nokian Tyres will publish the Corporate Governance Statement and the Sustainability Statement as part of the 2024 Report by the Board of Directors on its website at company.nokiantyres.com during the week commencing March 3, 2025.

The Remuneration Report will be published on the website at company.nokiantyres.com during the week commencing March 3, 2025.

Helsinki, February 4, 2025

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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Condensed consolidated financial statements

This financial statements release has been prepared in accordance with IAS 34 Interim Reports standard. The company has adopted certain new or revised IFRS standards and IFRIC interpretations at the beginning of the financial period as described in the Financial Statements 2023. However, the adaptation of these new or amended standards has not had a significant effect on the reported figures. On the other respects, the same accounting policies have been followed as in the previous Financial Statements. The figures in the financial statements release are unaudited.

NOKIAN TYRES CONDENSED CONSOLIDATED INCOME STATEMENT	10-12/24	10-12/23	1-12/24	1-12/23	Change %
EUR million					
Net sales	**415.0**	368.0	**1,289.8**	1,173.6	12.8
Cost of sales	**-331.0**	-280.1	**-1,056.0**	-932.5	-18.2
Gross profit	**83.9**	87.9	**233.8**	241.1	-4.5
Other operating income	**0.1**	1.9	**2.4**	3.7	-95.0
Sales, marketing and R&D expenses	**-46.6**	-40.9	**-157.6**	-143.1	-14.0
Administration	**-21.7**	-17.0	**-75.9**	-71.1	-27.7
Other operating expenses	**-0.3**	1.2	**-1.0**	1.4	-129.0
Operating profit	**15.4**	33.1	**1.8**	32.1	-53.5
Net financial items	**-11.0**	-6.0	**-33.3**	-17.8	-81.3
Result before tax	**4.4**	27.1	**-31.5**	14.2	-83.6
Tax expense	**1.6**	-0.8	**8.7**	-1.7	297.8
Result for the period, continuing operations	**6.0**	26.3	**-22.8**	12.5	-77.1
Result for the period, discontinued operations	**-**	-0.1	**-**	-338.0	100.0
Result for the period	**6.0**	26.2	**-22.8**	-325.5	-77.0
Attributable to:					
Equity holders of the parent	**6.0**	26.2	**-22.8**	-325.5	
Earnings per share from the result attributable to the equity holders of the parent:					
basic, euros	**0.04**	0.19	**-0.17**	-2.36	-76.9
diluted, euros	**0.04**	0.19	**-0.17**	-2.36	-76.9
continuing operations, euros	**0.04**	0.19	**-0.17**	0.09	-77.0
discontinued operations, euros	**-**	0.00	**-**	-2.45	100.0

CONSOLIDATED OTHER COMPREHENSIVE INCOME	**10-12/24**	10-12/23	**1-12/24**	1-12/23
EUR million				
Profit for the period	**6.0**	26.2	**-22.8**	-325.5
Other comprehensive income, items that may be reclassified subsequently to profit and loss, net of tax:				
Cash flow hedges	**4.6**	0.3	**-0.8**	-8.9
Translation differences on foreign operations	**37.5**	-20.1	**27.0**	-33.5
Reclassification of discontinued operations				366.3
Total other comprehensive income for the period, net of tax	**42.1**	-19.9	**26.2**	323.8
Total comprehensive income for the period	**48.2**	6.3	**3.3**	-1.7
Total comprehensive income attributable to:				
Equity holders of the parent	**48.2**	6.3	**3.3**	-1.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**31.12.24**	31.12.23
EUR million		
Non-current assets		
Property, plant and equipment	**1,176.8**	885.2
Right of use assets	**124.5**	124.7
Goodwill	**61.5**	62.3
Other intangible assets	**16.7**	13.8
Investments in associates	**0.1**	0.1
Non-current financial investments	**3.1**	2.9
Other receivables	**21.0**	14.1
Deferred tax assets	**54.8**	55.0
Total non-current assets	**1,458.4**	1,158.1
Current assets		
Inventories	**452.1**	471.7
Trade receivables	**274.0**	224.2
Other receivables	**58.8**	48.8
Current tax assets	**4.4**	7.6
Cash and cash equivalents	**176.1**	414.9
Total current assets	**965.3**	1,167.1
Total assets	**2,423.7**	2,325.2
Equity		
Share capital	**25.4**	25.4
Share premium	**181.4**	181.4
Treasury shares	**-16.6**	-16.7
Translation reserve	**10.3**	-16.7
Fair value and hedging reserves	**0.8**	1.6
Paid-up unrestricted equity reserve	**238.2**	238.2
Retained earnings	**832.9**	934.3
Total equity	**1,272.4**	1,347.6
Non-current liabilities		
Deferred tax liabilities	**3.7**	26.7
Interest-bearing liabilities	**741.9**	495.6
Other liabilities	**1.2**	0.5
Total non-current liabilities	**746.8**	522.7
Current liabilities		
Trade payables	**160.6**	155.9
Other current payables	**187.1**	150.6
Current tax liabilities	**7.8**	3.8
Provisions	**1.6**	1.8
Interest-bearing liabilities	**47.3**	142.9
Total current liabilities	**404.5**	454.9
Total equity and liabilities	**2,423.7**	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 85.2 million of non-current and EUR 44.4 million of current lease liabilities.

CONDENCED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	**1-12/24**	1-12/23
Result for the period	**-22.8**	12.5
Result for the discontinued operations	**-**	-338.0
Adjustments for		
Loss on sale of discontinued operations	**-**	335.6
Depreciation, amortization and impairment	**124.2**	114.9
Financial income and expenses	**33.3**	17.9
Gains and losses on sale of intangible assets, other changes	**-1.1**	0.8
Income Taxes	**-8.7**	1.7
Cash flow before changes in working capital	**124.9**	145.4
Changes in working capital		
Current receivables, non-interest-bearing, increase (-) / decrease (+)	**-63.8**	-4.0
Inventories, increase (-) / decrease (+)	**16.2**	-40.5
Current liabilities, non-interest-bearing, increase (+) / decrease (-)	**33.9**	1.0
Changes in working capital	**-13.6**	-43.5
Financial items and taxes		
Interest and other financial items, received	**7.6**	10.8
Interest and other financial items, paid	**-36.3**	-21.0
Income taxes paid	**-5.2**	-9.3
Financial items and taxes	**-33.9**	-19.5
Cash flow from operating activities (A)	**77.4**	82.4
Cash flow from investing activities		
Cashflow from discontinued operations	**-**	199.2
Acquisitions of property, plant and equipment and intangible assets	**-350.1**	-252.1
Proceeds from sale of property, plant and equipment and intangible assets	**0.8**	0.3
Other cash flow from investing activities	**0.0**	0.0
Cash flow from investing activities (B)	**-349.3**	-52.7
Cash flow from financing activities:		
Purchase of treasury shares	**-**	4.4
Change in current financial receivables, increase (-) / decrease (+)	**0.0**	1.2
Change in non-current financial receivables, increase (-) / decrease (+)	**0.0**	0.0
Change in current financial borrowings, increase (+) / decrease (-)	**-102.1**	-161.3
Change in non-current financial borrowings, increase (+) / decrease (-)	**253.5**	398.8
Payments of lease liabilities	**-46.0**	-41.2
Dividends received	**0.0**	0.0
Dividends paid	**-72.0**	-72.1
Cash flow from financing activities (C)	**33.5**	129.8
Change in cash and cash equivalents, increase (+) / decrease (-) (A+B+C)	**-238.5**	159.5
Cash and cash equivalents at the beginning of the period	**414.9**	259.0
Effect of exchange rate fluctuations on cash held	**-0.3**	-3.6
Cash and cash equivalents at the end of the period	**176.1**	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							-325.5	-325.5
Other comprehensive income, net of tax:								
Cash flow hedges					-8.9			-8.9
Translation differences				332.8				332.8
Total comprehensive income for the period				**332.8**	**-8.9**		**-325.5**	**-1.7**
Dividends paid							-76.0	-76.0
Acquisition of treasury shares			-4.4					-4.4
Share-based payments			4.3				-5.1	-0.8
Other changes							-2.6	-2.6
Total transactions with owners for the period			**-0.1**				**-83.7**	**-83.8**
Equity, Dec 31, 2023	**25.4**	**181.4**	**-16.7**	**-16.7**	**1.6**	**238.2**	**934.3**	**1,347.5**
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							-22.8	-22.8
Other comprehensive income, net of tax:								
Cash flow hedges					-0.8			-0.8
Translation differences				27.0				27.0
Total comprehensive income for the period				**27.0**	**-0.8**		**-22.8**	**3.3**
Dividends paid							-75.8	-75.8
Acquisition of treasury shares								-
Share-based payments			0.1				-0.2	-0.1
Other changes							-2.5	-2.5
Total transactions with owners for the period			**0.1**				**-78.5**	**-78.5**
Equity, Dec 31, 2024	**25.4**	**181.4**	**-16.6**	**10.3**	**0.8**	**238.2**	**832.9**	**1,272.4**

SEGMENT INFORMATION	**10-12/24**	10-12/23	**1-12/24**	1-12/23	Change %
EUR million					
Net sales					
Passenger car tyres	**238.2**	197.9	**779.9**	653.4	20.3
Heavy Tyres	**61.8**	61.8	**235.1**	257.1	0.0
Vianor	**134.1**	126.0	**354.9**	344.0	6.4
Other operations and eliminations	**-19.1**	-17.8	**-80.1**	-80.9	-7.6
Total	**415.0**	368.0	**1,289.8**	1,173.6	12.8
Operating result					
Passenger car tyres	**-6.6**	11.0	**-15.6**	4.1	-159.8
Heavy Tyres	**8.5**	7.3	**30.0**	32.8	16.8
Vianor	**11.2**	12.1	**-3.8**	3.4	-7.8
Other operations and eliminations	**2.3**	2.7	**-8.8**	-8.2	-15.7
Total	**15.4**	33.1	**1.8**	32.1	-53.5
Operating result, % of net sales					
Passenger car tyres	**-2.8**	5.6	**-2.0**	0.6	-149.7
Heavy Tyres	**13.8**	11.8	**12.8**	12.8	16.8
Vianor	**8.3**	9.6	**-1.1**	1.0	-13.3
Total	**3.7**	9.0	**0.1**	2.7	-58.7

NET SALES BY GEOGRAPHICAL AREA	**10-12/24**	10-12/23	**1-12/24**	1-12/23	Change %
EUR million					
Nordics	**235.7**	232.5	**696.2**	671.7	1.4
Other Europe	**111.6**	67.5	**319.6**	226.0	65.4
Americas	**67.4**	67.2	**270.3**	268.7	0.2
Other countries	**0.3**	0.8	**3.7**	7.2	-58.6
Total	**415.0**	368.0	**1,289.8**	1,173.6	12.8

CHANGES IN PROPERTY, PLANT AND EQUIPMENT	**31.12.24**	31.12.23
EUR million		
Opening balance	**885.2**	775.0
Capital expenditure	**349.9**	254.3
Acquisitions of group companies		
Decrease	**-0.3**	-52.0
Depreciation and impairment for the period	**-74.0**	-68.8
Transfers between items	**-6.8**	-3.8
Other changes	**0.0**	-0.1
Exchange differences	**22.9**	-19.4
Closing balance	**1,176.8**	885.2

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 December 2024 was EUR 1.0 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 60.6 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	**31.12.24**	**31.12.23**
EUR million		
For own debt		
Pledged assets	**5.9**	5.9
Other own commitments		
Guarantees	**1.2**	0.3

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES	31.12.24		31.12.23	
EUR million	**Carrying amount**	**Fair value**	Carrying amount	Fair value
FINANCIAL ASSETS				
Fair value through profit or loss				
Derivatives held for trading	**1.9**	**1.9**	2.6	2.6
Derivatives designated as hedges*	**14.1**	**14.1**	3.3	3.3
Unquoted securities	**2.9**	**2.9**	2.7	2.7
Amortized cost				
Other non-current receivables	**-**	**-**	-	-
Trade and other receivables	**276.3**	**276.3**	226.6	226.6
Money market instruments	**-**	**-**	50.7	50.7
Cash in hand and at bank	**176.1**	**176.1**	364.2	364.2
Fair value through other comprehensive income				
Unquoted shares	**0.2**	**0.2**	0.2	0.2
Total financial assets	**471.5**	**471.5**	650.4	650.4
FINANCIAL LIABILITIES				
Fair value through profit or loss				
Derivatives held for trading	**1.1**	**1.1**	1.7	1.7
Derivatives designated as hedges*	**13.2**	**13.2**	1.0	1.0
Amortized cost				
Interest-bearing financial liabilities	**659.6**	**676.8**	508.2	518.6
Trade and other payables	**160.6**	**160.6**	155.9	155.9
Total financial liabilities	**834.6**	**851.7**	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	**31.12.24**	31.12.23
EUR million		
INTEREST RATE DERIVATIVES		
Interest rate swaps		
Notional amount	**300.0**	150.0
Fair value	**-4.0**	1.6
FOREIGN CURRENCY DERIVATIVES		
Currency forwards		
Notional amount	**318.6**	227.6
Fair value	**0.8**	1.1
Currency options, purchased		
Notional amount	**10.9**	6.7
Fair value	**0.1**	0.0
Currency options, written		
Notional amount	**29.4**	15.6
Fair value	**-0.1**	-0.3
ELECTRICITY DERIVATIVES		
Electricity forwards		
Notional amount	**9.0**	9.1
Fair value	**-1.2**	0.7
VPPA*, Romania		
Notional amount	**36.4**	-
Fair value	**6.1**	-

* Virtual Power Purchase Agreement

IFRS 16 LEASES

EUR million

Balance sheet effects	31.12.24	31.12.23
Fixed assets		
Right to use	**124.5**	124.7
Total	**124.5**	124.7
Equity & Liability		
Non-current liability	**85.2**	91.6
Current liability	**44.4**	38.7
Total	**129.6**	130.3

P&L effects	1-12/24	1-12/23	Change %
Reversed rents	**50.4**	45.1	11.7
Depreciations	**-45.6**	-41.4	-10.3
Finance costs	**-4.5**	-4.0	-13.5
Total	**0.3**	-0.2	280.7