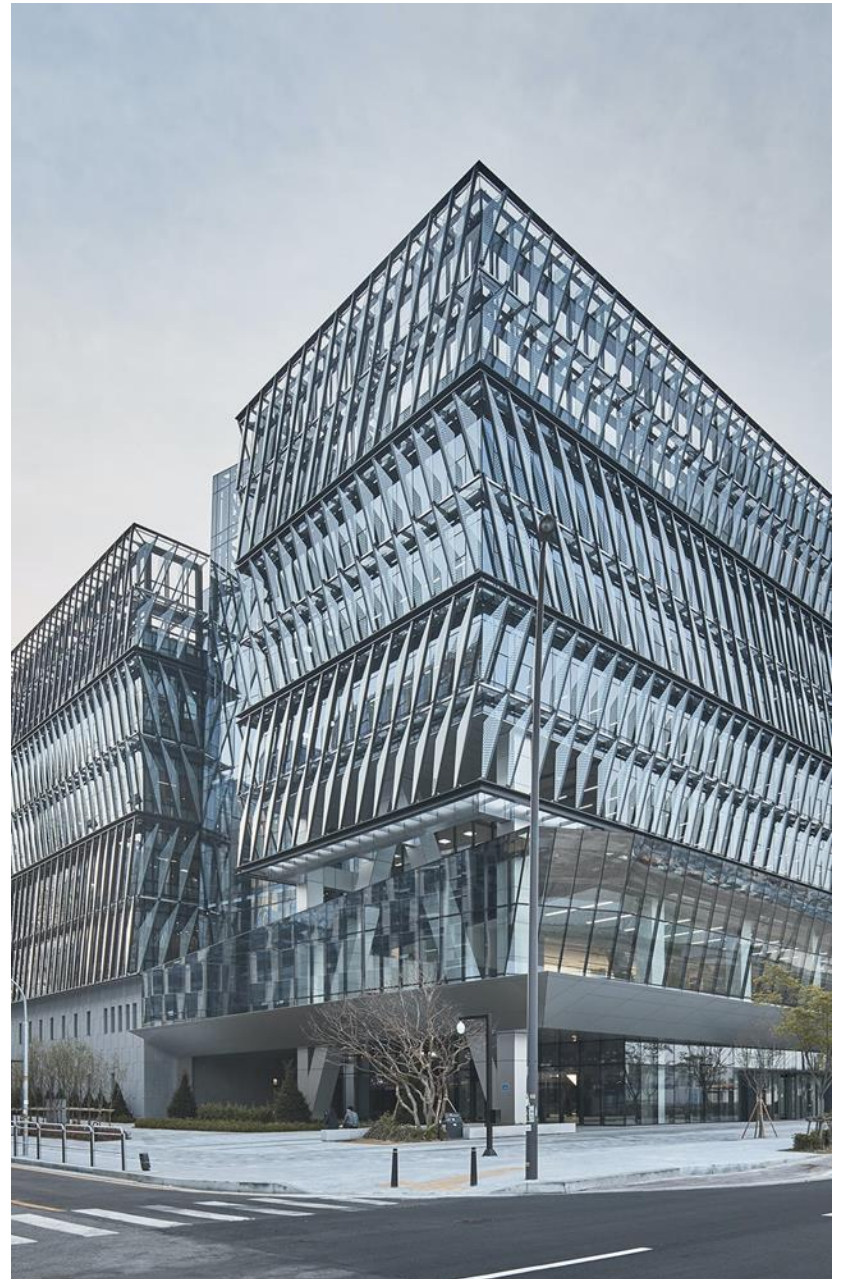


NEXEN NEXEN TIRE

IR PRESENTATION

2023.Q4

January 31, 2024



Disclaimer

The financial and business information in this document are consolidated earnings results based on K-IFRS.

Please note that some of the contents provided in this document are for the convenience of investors only before the external review on our Q4 2023 financial results is completed. Some of the information presented in this document may be subject to change during the external review process.

This document is based on the facts as of the date of its preparation and should not be used as legal evidence for the investment outcomes under any circumstances.

Contents

1. Financial Results

2. Business Highlights

3. Market Status

4. Appendix

1. Financial Results

Y2023 Financial Results

- Reach record-high Revenue with 2.7tn KRW (YoY +4.0%) and Operating Profit 186.7bn KRW (YoY TB)
 - Sales by major region all grew evenly in OE⁽¹⁾/RE⁽²⁾, showing relatively slow improvement of RE sales due to delay of consumption recovery in major regions
- Target in 2024 is 2.9tn KRW (YoY +7.4%) of revenue and upwards of 10% of OPM based on 2nd phase expansion in Europe

(Unit: bn KRW)	2021	2022	2023	YoY
Revenue	2,079.4	2,597.4	2,701.7	+4.0%
Cost of Sales	1,639.8	2,165.9	1,960.2	-9.5%
(%)	78.9%	83.4%	72.6%	-10.8%p
Operating Profit	4.4	-54.3	186.7	TB
(%)	0.2%	-	6.9%	-
Net Income	4.6	-27.5	110.6	TB
(%)	0.2%	-	4.1%	-
EBITDA	188.5	135.1	388.7	+173.3%
(%)	9.1%	5.2%	14.4%	+8.9%p

Sales by Region (Y2023)



17%



37%



27%

Others

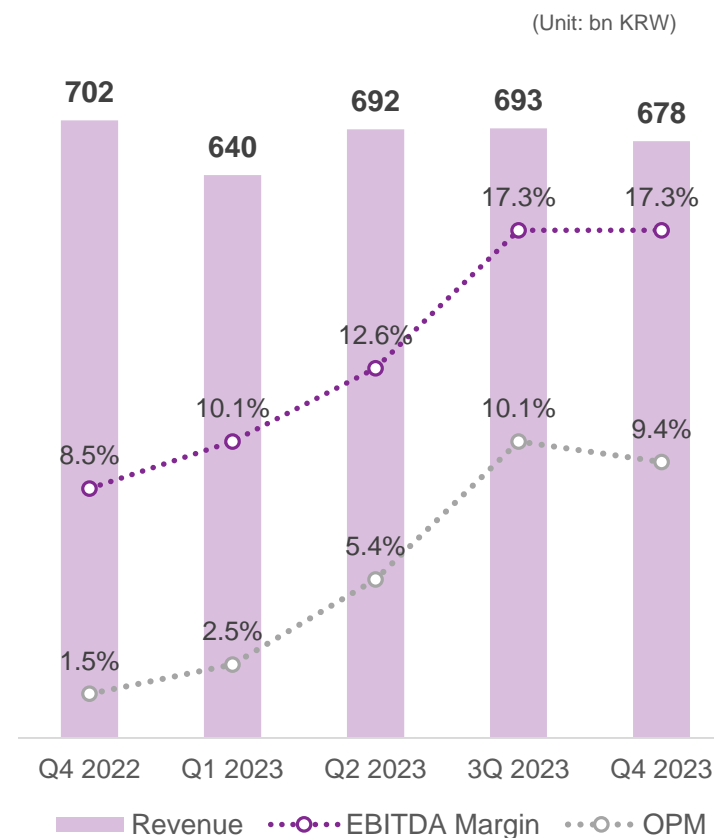
19%

⁽¹⁾ Original Equipment ⁽²⁾ Replacement Equipment

Q4 2023 Financial Results

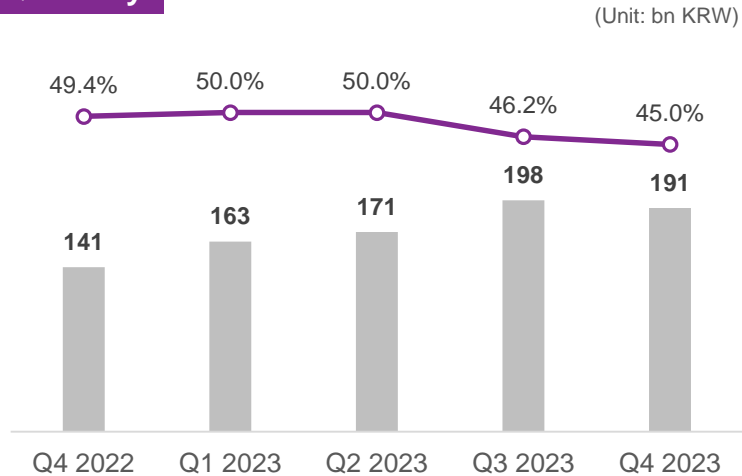
- Revenue 678.1bn KRW through stable sales volume and ASP, achieving stable level of revenue from Q2 2023 consecutively
 - Sales by region: Europe 39%, North America 28%, Korea 17%, Others 16%
- Continuous cost reduction based on competitiveness in purchasing raw materials and the transportation cost, despite year-end one-off expenses and the recognition of depreciation cost of 2nd phase expansion in Europe

(Unit: bn KRW)	Q4 2022	Q3 2023	Q4 2023	QoQ	YoY
Revenue	701.8	692.6	678.1	-2.1%	-3.4%
Cost of Sales	564.3	488.9	457.9	-6.3%	-18.9%
(%)	80.4%	70.6%	67.5%	-3.1%p	-12.9%p
Operating Profit	10.9	69.7	63.9	-8.3%	+486.7%
(%)	1.6%	10.1%	9.4%	-0.6%p	+7.9%p
Net Profit	-8.9	52.8	18.0	-65.9%	TB
(%)	-	7.6%	2.7%	-5.0%p	-
EBITDA	59.6	120.1	117.0	-2.5%	+96.3%
(%)	8.5%	17.3%	17.3%	0%p	+8.8%p

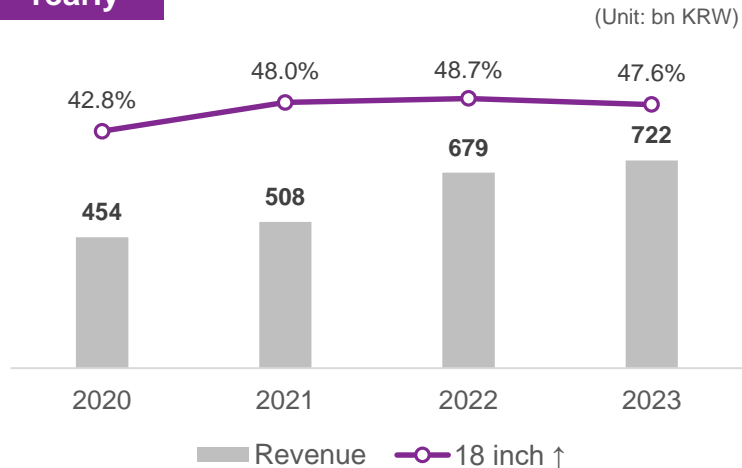


Financial Results by Region (1) North America

Quarterly



Yearly



Market Status

- Strengthening market power of large retailers through M&A
- Modest demand recovery expected in 2024 through de-stocking from H2 2023 and the anticipation of gradual fall in interest rates

Q4 2023

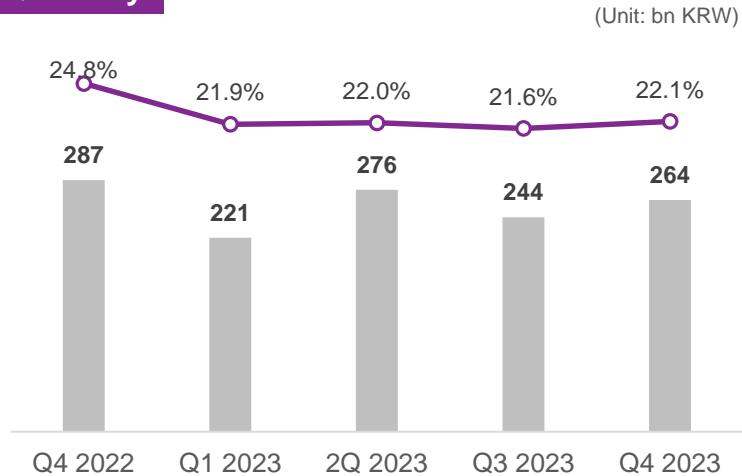
- [OE] YoY revenue growth by expanding new supply models, despite United Auto Workers(UAW) strike
- [RE] Establishing a stable supply/sales base with Walmart after the start of supply in 2H 2023
- Advanced response to prevent possible delay of ETA on Panama Canal issues

Yearly

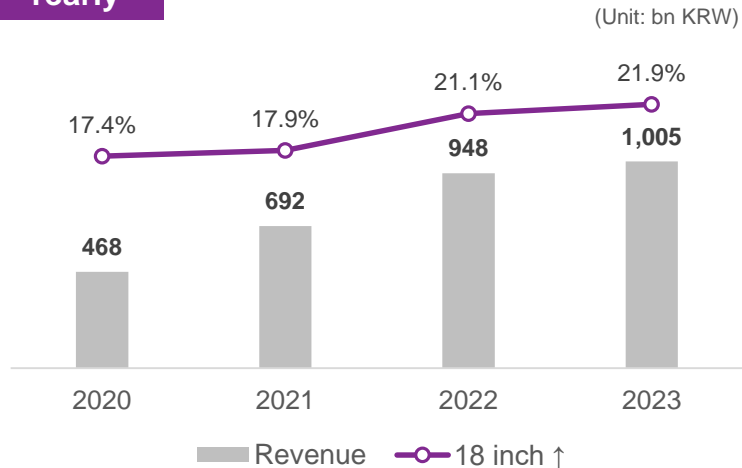
- [OE] Commenced the first supply for JEEP
- [RE] The proportion of sales from RDC (Regional Distribution Center) increased +20%p YoY. Continued expansion of distribution base before establishing a plant in U.S.

Financial Results by Region (2) Europe

Quarterly



Yearly



Market Status

- Market growth expected as demand shifts slightly to an upward trend in Q4 despite geopolitical risks and delayed consumption recovery
- Paying attention to the supply disruption of auto parts from Suez Canal issues

Q4 2023

- [OE] Increasing demand due to elimination of parts' supply disruption caused by flood
- [RE] More customer orders compared to the Company's production capacity → More flexible response to customer orders from 2024, based on the facility expansion in Czech

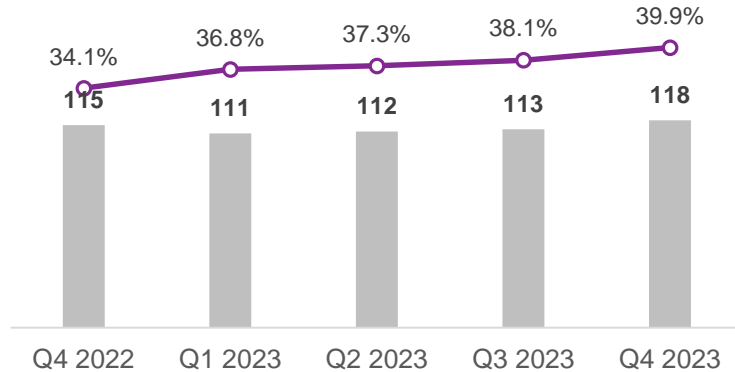
Yearly

- [OE]
 - Strong revenue growth thanks to expanding premium OE supply to PORSCHE CAYENNE E3 PA , BMW(X1/5 Series), AUDI A3, etc.
 - Carrying out the expansion volume in Czech by increasing the supply to EV and premium car models
- [RE] Strengthens sales capabilities through additional RDC operations from 2024 (in Germany, Italy, France, Czech, Poland)

Financial Results by Region (3) Korea

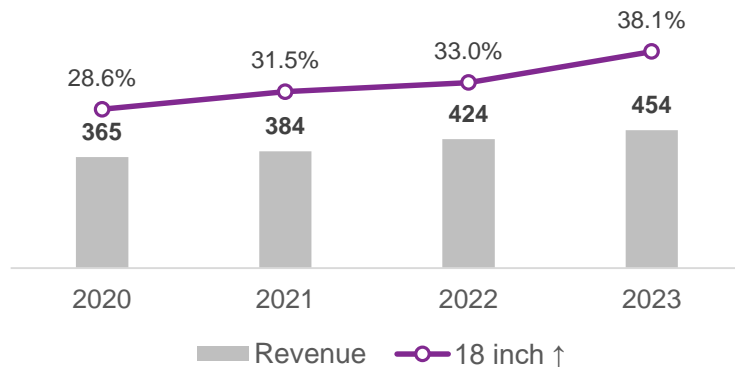
Quarterly

(Unit: bn KRW)



Yearly

(Unit: bn KRW)



Market Status

- Slowdown in recovery due to depletion of waiting demand in automobile market and high interest rates
- Intensifying competition based on diversification of on/off distribution channels in tire market

Q4 2023

- [OE] Commenced supply for Torres EV, the first EV of KGM
- [RE] Improved profitability by operating rental biz and expanding sales of 18 inch (or higher) and value-added products (NF Supreme)

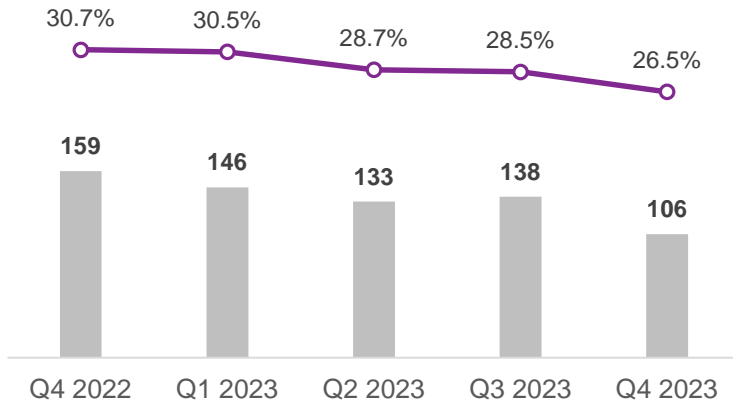
Yearly

- [OE] Increasing supply for eco-friendly cars (11 models of EV, 9 models of HEV)
- [RE] Growing sales from rental business

Financial Results by Region (4) others

Quarterly

(Unit: bn KRW)

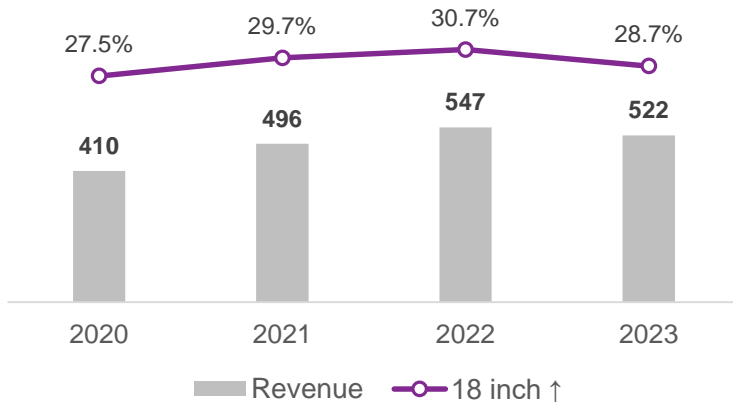


Market Status

- [China]
 - Strong car sales drive tire sales growth
 - Sales recovery in RE to pre-pandemic level based on SUV market growth
- [Middle East · North Africa]
 - Geopolitical risks such as Israel– Hamas conflict and civil war in Syria/Yemen/Sudan
 - Excessive inventory and payment issues in major markets
 - Intensifying competition as an alternative market for Russia and U.S. customs issues

Yearly

(Unit: bn KRW)



Q4 2023

- [OE] Demand increase by export-focused strategy of KIA's Chinese plant
- [RE] Expanding online sales by cooperation with TUHU in China

Yearly

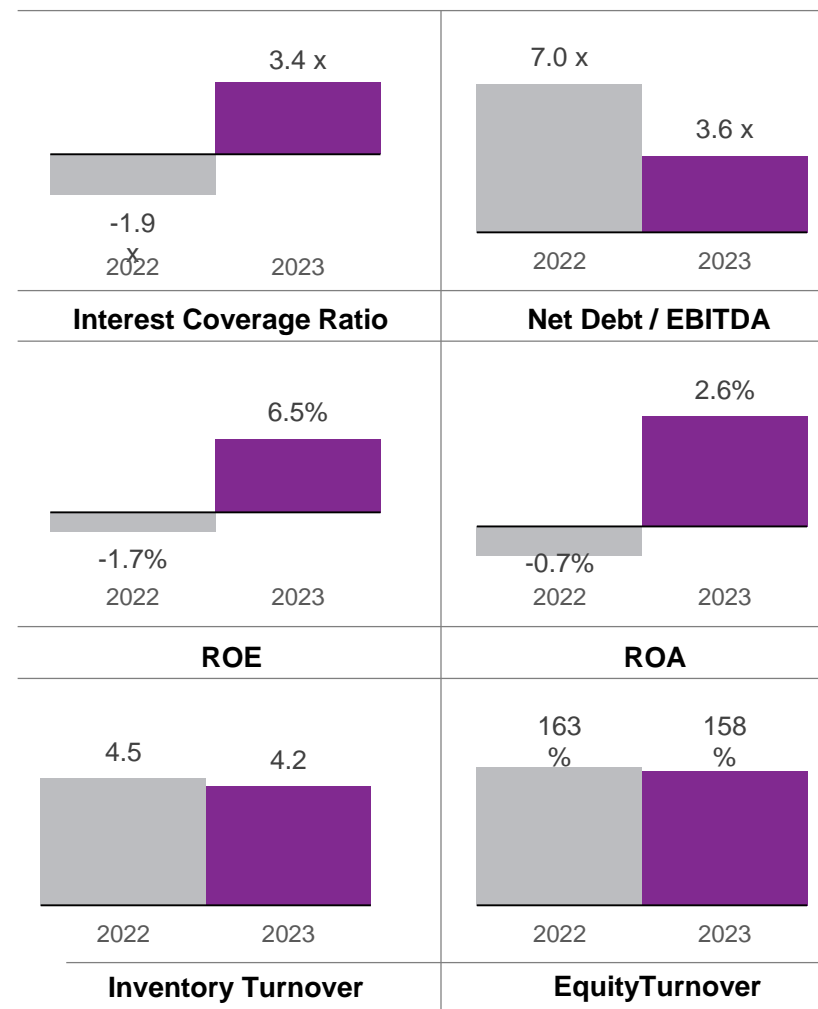
- [OE] Supply constraints by poor performance of major OEM cars (Hyundai/Kia) in China
- [RE] Opens JD.COM Flagship Store in China
 - Online store directly operated by Nexen

Financial Statements Summary

Consolidated Balance Sheet

(Unit: bn KRW)	2022	2023	Notes
Assets	3,944.3	4,237.4	
Current Assets	1,442.1	1,479.8	
Cash Equivalents	452.4	436.9	
Account Receivable	382.2	428.3	Sales increase
Inventories	649.2	643.0	
Non-current Assets	2,502.2	2,757.6	
Tangible Assets	2,135.0	2,325.1	2 nd phase ramp-up of facility in Europe
Liabilities	2,348.1	2,524.9	
Debt	1,639.6	1,749.5	2 nd phase expansion in Europe
Account Payable	166.5	102.2	
Equity	1,596.2	1,712.5	
Net Debt	1,187.2	1,312.6	

Financial Indicators



2. Business Highlights (2023~2024)

Expansion of Premium OE and Large Retail Network

- Supply expansion for premium car models (BMW, Mercedes-Benz, Audi, etc.)
- About 8% EV tires of total OE revenue in Y2023
- Sales through large retailer (Walmart) commenced and target to raise awareness in the U.S. market

2023

Commenced Supply of Premium OE



New OE Supply Status

13 Car Makers, 24 Car Models

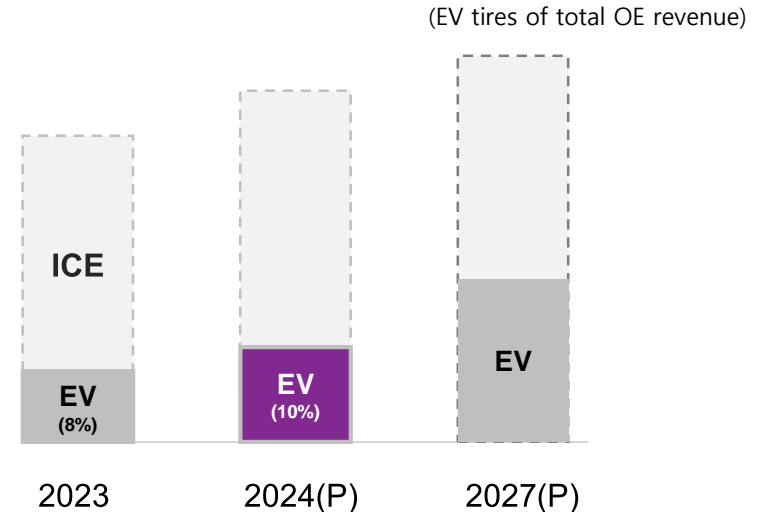
Q1	PORSCHE: CAYENNE E3 PA, AUDI: A3, BMW: X1, 5-Series HYUNDAI: IONIQ6, KONA SKODA: SCALA, KIA: NIRO EV COWIN: FX12
Q2	BMW: X1, VW: ATLAS HYUNDAI: KONA, Jeep: WRANGLER GLADIATOR
Q3	Mercedes-Benz: E-Class, FIAT: DUCATO HYUNDAI: TUCSON, KGM: REXTON, REXTON SPORTS, KIA: EV9, RAY, EV5, VGX: FP70
Q4	HYUNDAI: SANTAFE, KIA: SONET, KGM: TORRES EV

2024

Launch of Sales through Walmart

800,000 units annually in about 2,500 stores in U.S.

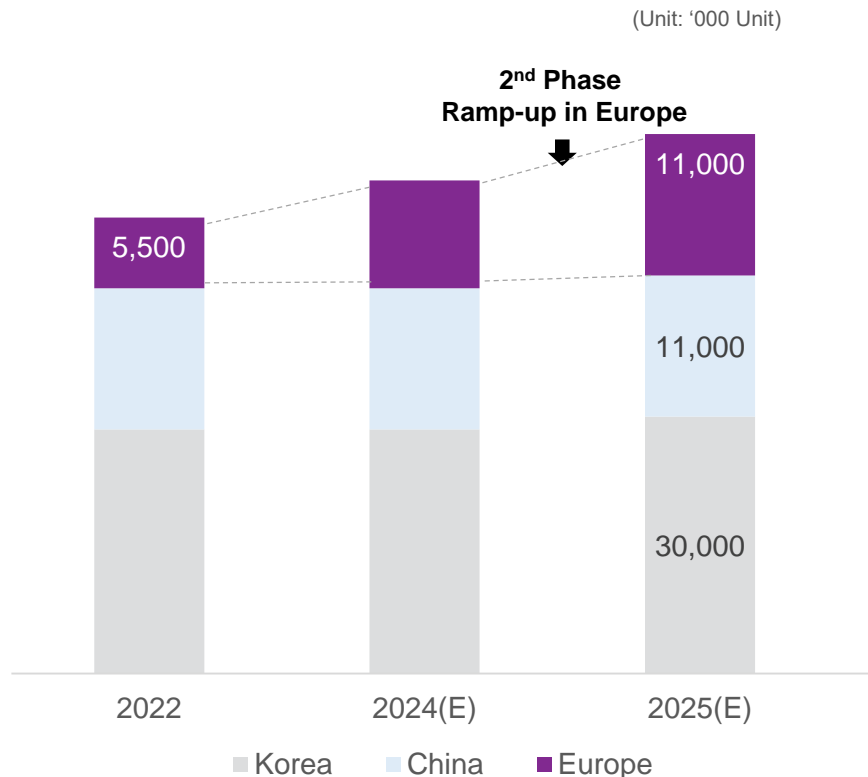
Gradual Growth of Supply for EV



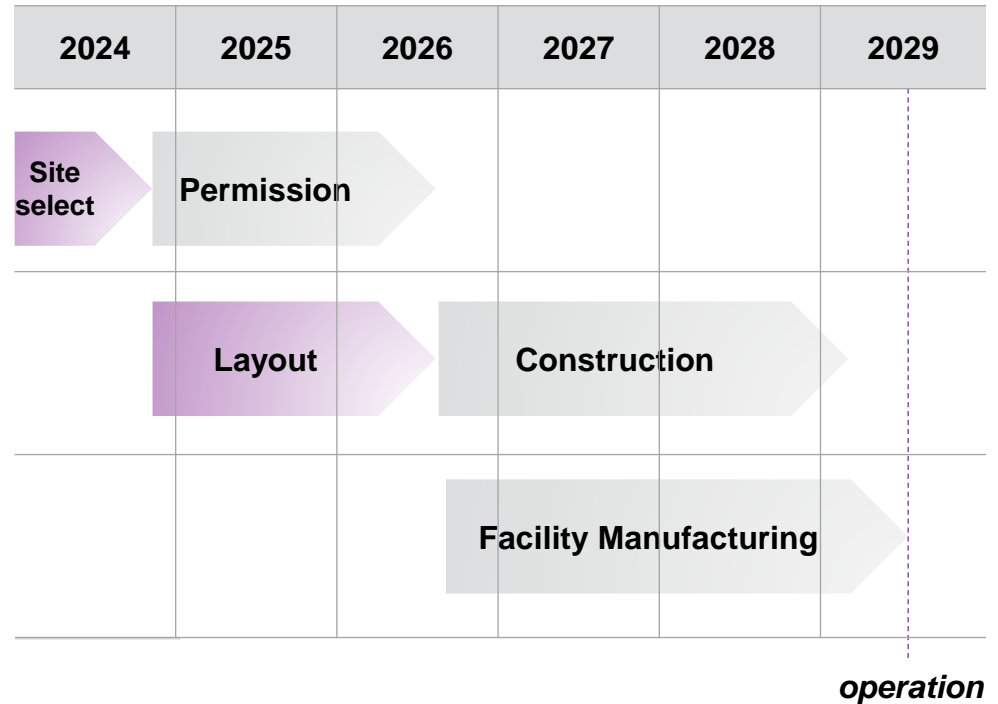
Optimized Multi-Factory Operations

- 2nd phase expansion completed in Europe and production commenced from early 2024 expecting quick operational stability
 - Improve customer satisfaction by stable inventory management and speed-up order response
- New U.S. facility Project
 - Enhances our product and supply capability through local facility
 - Project timeline to be in accordance with the global situation with close consideration

Production Capacity by Region



Timeline of U.S. Factory Project



Technical Competency

- 'Tire Maker Champions' in SUPERRACE Championship in just 3 years of developing racing tires, demonstrating NEXEN's own technology
- Plans to increase market competitiveness by strengthening R&D ability using VR and AI tech

Virtual Technology



- ✓ **Digital design process**
 - Establishment of a VR design simulator(review) system for the first time in the domestic tire industry
- ✓ **MOU with Korea Expressway Corporation's Road Traffic Research Institute**
 - Virtual tire performance evaluation using driving simulators

AI Technology



- ✓ **Tire noise prediction system⁽¹⁾ base on AI**
 - Prediction and pattern optimization
- ✓ **Tire performance prediction System⁽²⁾ based on AI**
 - Using machine-learning technology to predict key performances at concept design
 - Reduced Prototype quantity and development time
- ✓ **Analysis of road detection and barking distance with bigdata**

Motor Sports



- ✓ **Top of tire manufacturers in SUPERRACE in just 3 years**
 - Triple Podium⁽³⁾ & Tire Maker Champions⁽⁴⁾ in 'CJ Super Race'
 - Slick tire with ultra high performance, proving technical competency

Design Awards



- ✓ **Winning at the top 3 global design awards**
 - Main prize at 'iF Design Award 2023'⁽⁵⁾
 - 'International Design Excellence Award (IDEA) 2023'⁽⁶⁾ as a finalist for concept tire
- ✓ **Rewarded the 'Good Design Award 2023'⁽⁷⁾ in the mobility category**

⁽¹⁾ Industry-academia joint research for bigdata of NVH(Noise · Vibration · Harshness) with Hyundai Motor, KIA, and Inha Univ. / ⁽²⁾ Korea Univ. and Hanyang Univ. jointly developed

⁽³⁾ SUPER 6000 Class 5R / ⁽⁴⁾ The season's champions to the tire maker who scored the most points by adding the points earned in each round by the top five players

⁽⁵⁾ The most prestigious awards in design field (Germany), more than 11,000 items from 56 countries worldwide

⁽⁶⁾ Hosted by IDSA (U.S.), comprehensive evaluation of design innovation, UX and social contribution, etc.

⁽⁷⁾ The most prestigious international design contest hosted by JIDP (Japan), comprehensive evaluation of design, usability, innovation and eco-friendliness, etc.

Sports Marketing

- Increases awareness as a global brand through partnership extension with MANCHESTER CITY FC and new partnership with JUVENTUS FC and NEW YORK RANGERS
- Various marketing activities will be expanded in U.S. along with the establishment of local factory in U.S.

Marketing Status

Official Sponsorship

Europe (Football)	  Mancity FC 2015~	  Juventus 2Q 2023~	  Eintracht Frankfurt 2011~	  SK Slavia Praha 2021~	  Legia Warsaw 2021~
	U.S. (Ice Hockey)	  Anaheim Ducks 2021~	  Chicago Blackhawks 2022~	  New York Rangers 4Q 2023~	

Branding⁽¹⁾

U.S. (Basketball · Baseball)	 NBA	 NCAA	 MLB
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Hosting KPGA

NEXEN · SAINTNINE MASTERS (2013~)



Snowboard Team Foundation

NEXEN WINGUARD (2022~)



⁽¹⁾ NBA (7) : LA Lakers, Golden State Warriors, Miami Heat, Charlotte Hornets, Detroit Pistons, Indiana Pacers, Dallas Mavericks
 MLB (6) : San Diego Padres, LA Angels, Toronto Blue Jays, Cleveland Guardians, New York Mets, Philadelphia Phillies
 NCAA (1) : Texas Longhorns







ESG Highlights

- Established Sustainability Committee in BOD to accelerate ESG management and manages customer satisfaction indicators

Major Performance in 2023

Environment	<ul style="list-style-type: none"> ‘Green Tire’ seal by German magazine Auto Bild Research of sustainable raw materials <ul style="list-style-type: none"> - Securing new tech to apply 52% of sustainable raw materials by utilizing bio-oil and recycled PET code, etc. Implementation of LCA⁽¹⁾ of product <ul style="list-style-type: none"> - First Korean tire maker who got International EPD⁽¹⁾
Social	<ul style="list-style-type: none"> No.1 tire manufacturer by the ‘Global Customer Satisfaction Index⁽²⁾’ for 14th year in a row Winning the grand prize of National Service Awards⁽³⁾ for 4 consecutive years Selected as an excellent workplace for win-win cooperation project & health and safety⁽⁴⁾
Governance	<ul style="list-style-type: none"> Establishment of Sustainability Committee in BOD and dedicated organizations for ESG → ESG management system is in operation

Initiatives and Awards

 B+ Environment : A Social : A Governance : B	 BB
 Low Risk (13.5)	 Silver (top 11%)
 UN-affiliated initiative UNGC	 The Green Tire

⁽¹⁾ LCA: Life Cycle Assessment, EPD: Environmental Product Declarations

⁽²⁾ Hosted by ‘Global Management Association’ (Research and evaluation agency under ‘Ministry of Trade, Industry and Energy’)

⁽³⁾ Hosted by ‘The Institute for Industrial Policy Studies’

⁽⁴⁾ Organized by ‘Ministry of Employment and Labor’ and ‘Korea Occupational Safety and Health Agency’

Investment Portfolios

- Next Century Ventures (CVC affiliated with NEXEN) invested in 'Automotus', a curbside management company with vision AI-based technology in U.S.
- Laying the groundwork for business expansion to future mobility following investments in 'May Mobility' and 'ANRA Technologies'

Major Portfolios

Automotus

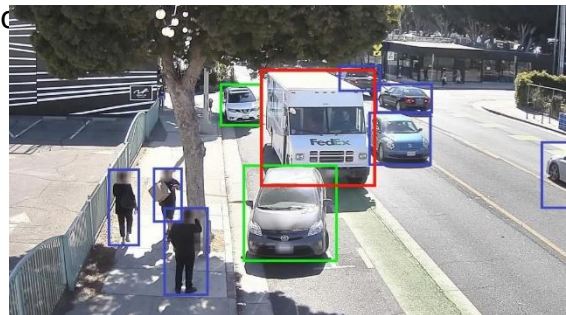


Business field

- Traffic flow and parking management based on AI-based camera
- Cut CO₂ emissions by reducing idling

Key products/services

- Computer vision AI, S/W for image data analysis, H/W for real-time



May Mobility



Business field

- Autonomous public transportation and shuttles (Michigan, Minnesota, Arizona)

Key products/services

- Development and deployment of autonomous vehicle technology



ANRA Technologies



Business field

- Development of traffic management system for unmanned aerial vehicles
- Aviation-related projects in progress with NASA, FAA, EASA

Key products/services

- UTM (UAS Traffic Management) solutions

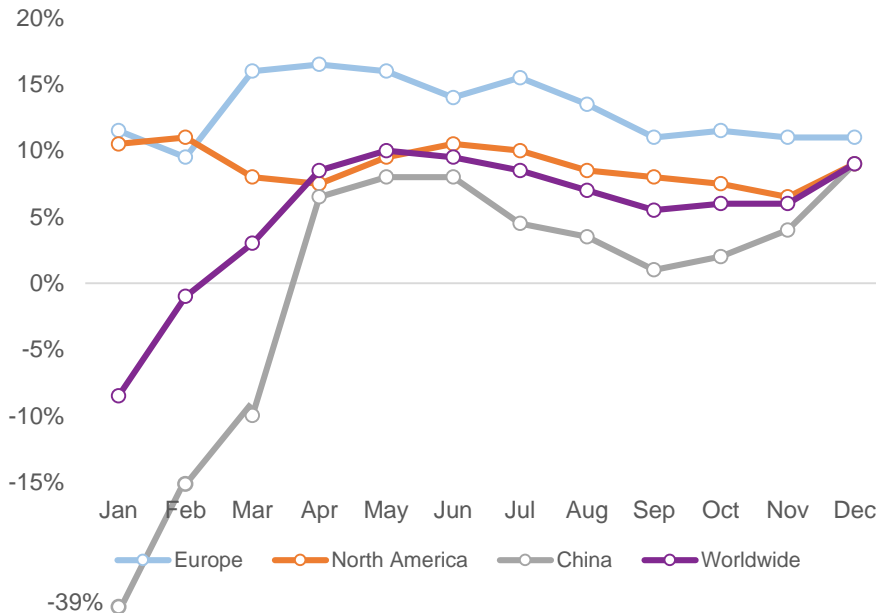


3. Market Status

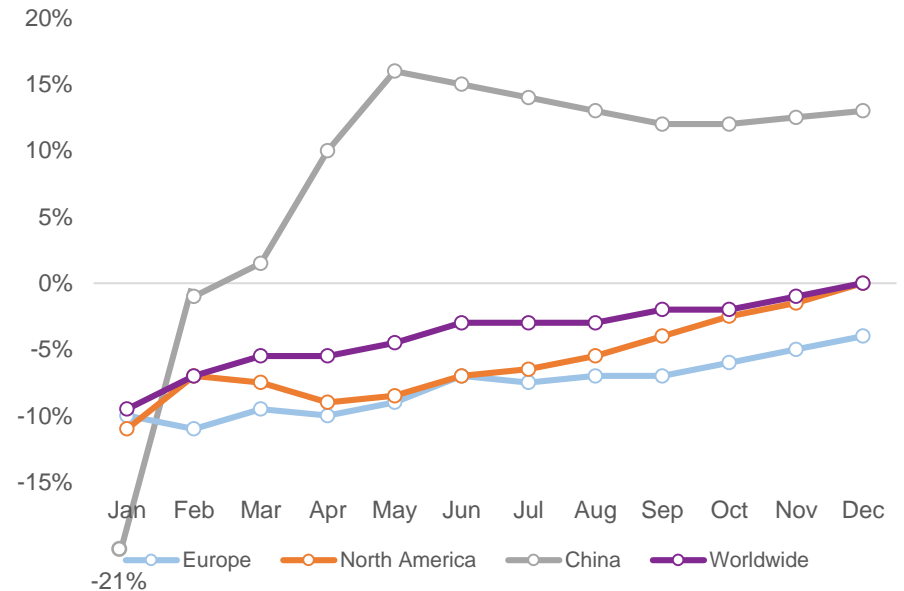
Global Tire Market

- Global tire sales in 2023 grow about 2.6% YoY, estimated to rebound to 2019 levels⁽¹⁾
 - (OE) Recovering to 2019 levels on the back of increasing demand in new cars despite the disappearance of base effects in H2 2023
 - (RE) Consumer buying power contracted due to interest rate hikes and economic slowdown, but recovered to the previous year's level
- In 2024, stable demand growth for both OE/RE and further demand improvement in H2 thanks to consumption boost driven by possible fall in prices and interest rates
 - (OE) Green cars market, sensitive to relevant policies, is expected to fluctuate with political events (Russia, India, U.S., etc.)
 - (RE) Inventory continues to be de-stocked as demand recovers in major regions

Growth rate of OE (YTD)⁽²⁾



Growth rate of RE (YTD)⁽²⁾



⁽¹⁾ Sources: Global Data

⁽²⁾ Sources: PC & LT only, Estimation based on data provided by regional tire manufacturers' associations and research firms

Raw Materials

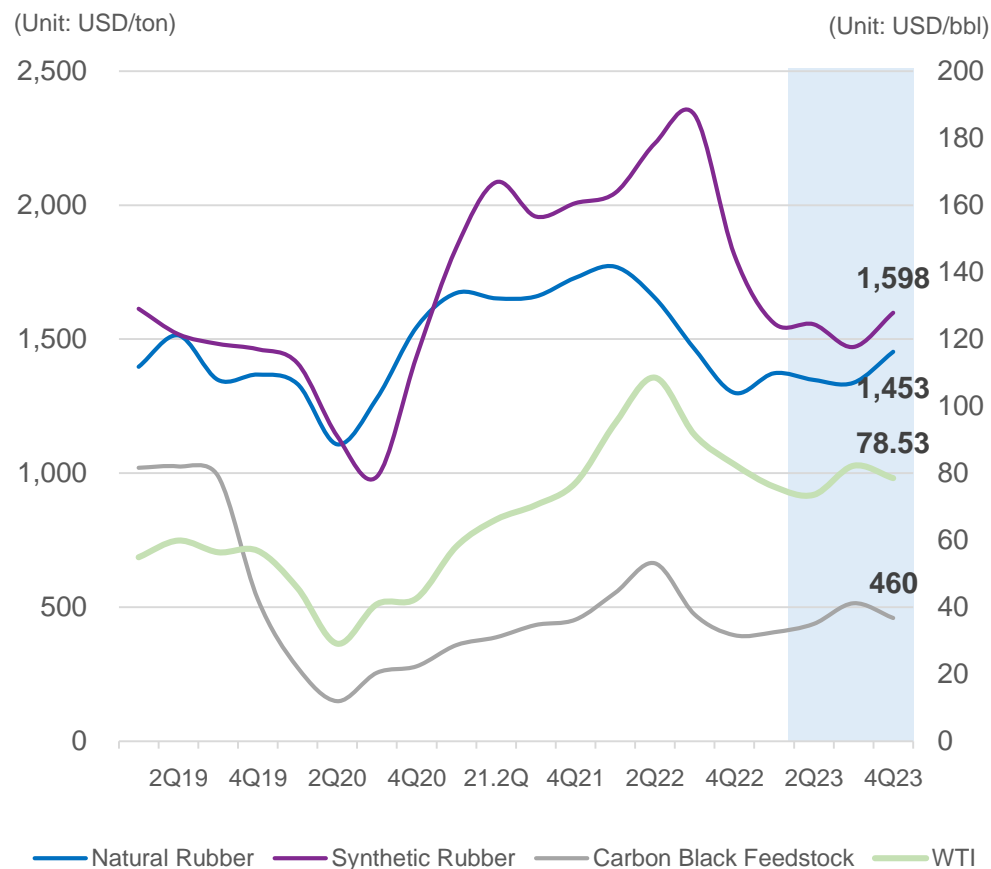
- Raw materials market stabilized downward in 2023 is to show similar trend in 2024 with rise in H2 on expectations for increased global trade and improvement in demand (Low in H1 and rise in H2)
- Increased price volatility due to geopolitical risks

Natural Rubber

- Modest increase in demand vs. Delayed investment in reforestation due to reduced business opportunities and climate change
 - Drop in temperature, prolonged wet season, tree disease
- Supply chain due diligence by EU(EUDR⁽¹⁾), pressure on eco-friendly facility investment

Synthetic Rubber

- Q4 2023, prices remain flat at a higher level due to maintaining butadiene prices and minimizing inventories
- However, oversupply to continue due to large-scale expansion of SM/BD in Asia



⁽¹⁾ EU Deforestation Regulation, effective from Dec 30th, 2024

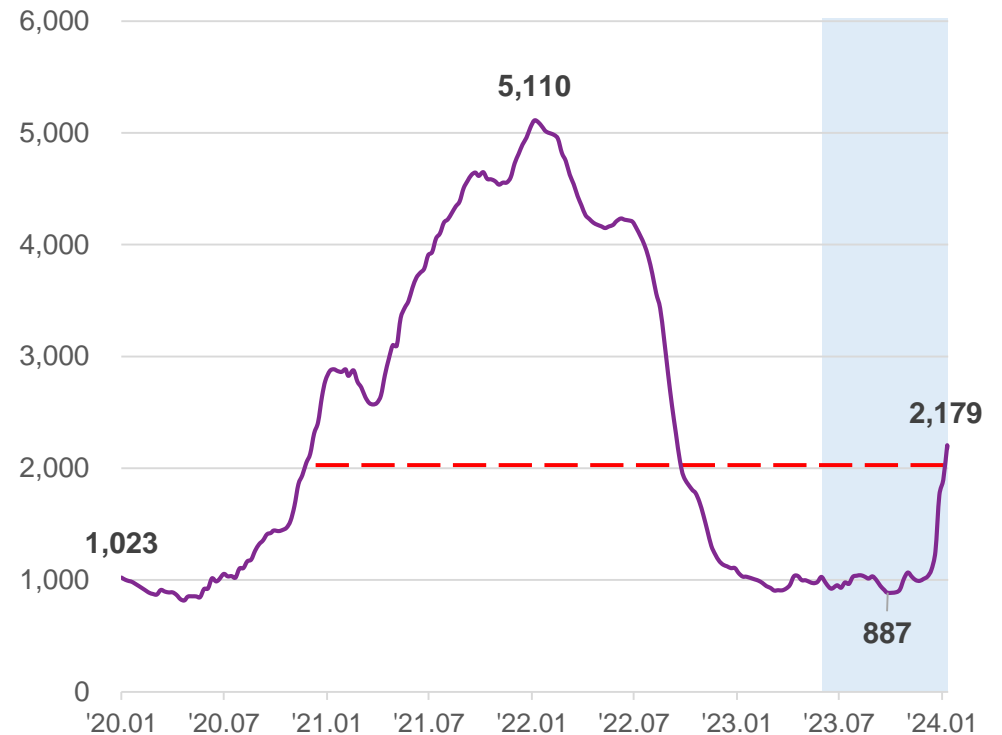
* Sources: Natural Rubber(TSR20, SICOM), Synthetic Rubber(Butadiene Rubber, ICIS CFR NE/SE Asia), Carbon Black Feedstock(Means of Platts Singapore)

Maritime Logistics

- SCFI made stable movement at a low level in 2023 due to continuous oversupply despite temporary cancellations to offset surplus shipments
- Since Dec., marine freight's volatility has increased by geopolitical risks

SCFI (Shanghai Containerized Freight Index)

- 1,760 at the end of Dec 2023, 2,179 at the end of Jan 2024
- SCFI exceeds 2,000 for the first time since the logistical disturbance by COVID-19
- Freight rate set to surge until securing safety in Red Sea and Chinese New Year's season
- Close eye on the normalization of freight cost after Chinese New Year and supply of new vessels



4. Appendix

Global Production Capacity

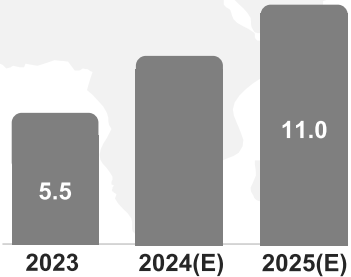
- Production capacity of 52mn units by 2025, through 2nd phase expansion of Europe factory and productivity improvements
- As a global tire company specializing in Passenger Car and Light Truck, NEXEN is prepared to secure volume and profit

Europe 11M



2nd phase Ramp-up

(Unit: Mn Units)



Korea 30M



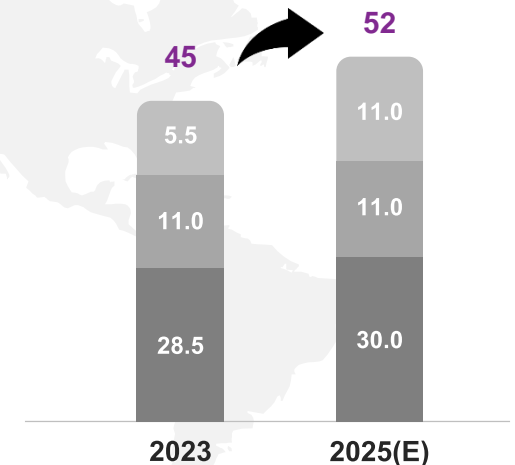
China 11M



Total Production Capacity

- Europe (Zatec, Czech)
- China (Qingdao)
- Korea (Yangsan, Changnyeong)

(Unit: Mn Units)



Consolidated Balance Sheet

(Unit: bn KRW)	2019	2020	2021	2022	2023
Assets	3,436.1	3,541.1	3,823.4	3,944.3	4,237.4
Current Assets	1,088.6	1,200.3	1,476.0	1,442.1	1,479.8
Cash Equivalents	345.1	571.5	610.0	452.4	436.9
Account Receivable	341.5	345.6	397.5	382.2	428.3
Inventories	385.4	346.5	497.1	649.2	643.0
Non-current Assets	2,347.5	2,340.8	2,347.4	2,502.2	2,757.6
Tangible Assets	2,189.8	2,096.7	2,068.8	2,135.0	2,325.1
Liabilities	1,878.1	1,994.1	2,223.5	2,348.1	2,524.9
Debt	1,201.7	1,376.8	1,355.8	1,639.6	1,749.5
Account Payable	123.9	88.4	158.7	166.5	102.2
Equity	1,557.9	1,547.0	1,599.9	1,596.2	1,712.5
Net Debt	856.6	805.3	745.8	1,187.2	1,312.6

Consolidated Income Statement

(Unit: bn KRW)	2019	2020	2021	2022	2023
Revenue	2,022.3	1,698.1	2,079.4	2,597.4	2,701.7
Cost of Sales	1,405.7	1,259.8	1,639.8	2,165.9	1,960.2
(%)	69.5%	74.2%	78.9%	83.4%	72.6%
Gross Profit	616.6	438.3	439.6	431.5	741.5
(%)	30.5%	25.8%	21.1%	16.6%	27.4%
SG&A	409.3	398.9	435.2	485.8	554.8
(%)	20.2%	23.5%	20.9%	18.7%	20.5%
Operating Profit	207.4	39.4	4.4	-54.3	186.7
(%)	10.3%	2.3%	0.2%	-	6.9%
Non-operating Profit	-23.0	-52.1	12.1	13.9	-33.5
Net Income	118.5	-16.6	4.6	-27.5	110.6
(%)	5.9%	-	0.2%	-	4.1%
EBITDA	376.0	226.1	188.5	135.1	388.7
(%)	18.6%	13.3%	9.1%	5.2%	14.4%