It should be noted that Nokia and its business are exposed to various risks and uncertainties and certain statements herein that are not historical facts are forward-looking statements. These forward-looking statements reflect Nokia’s current expectations and views of future developments and include statements preceded by “believe”, “expect”, “expectations”, “commit”, “anticipate”, “foresee”, “see”, “target”, “estimate”, “designed”, “aim”, “plan”, “intend”, “influence”, “assumption”, “focus”, “continue”, “project”, “should”, “is to”, “will” or similar expressions. These statements are based on management’s best assumptions and beliefs in light of the information currently available to it. Because they involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors, including risks and uncertainties that could cause such differences can be both external, such as general, economic and industry conditions, as well as internal operating factors. We have identified these in more detail in our Annual Report on Form 20-F for the year ended December 31, 2020 under “Operating and Financial Review and Prospects—Risk Factors”, and in our other filings or documents furnished with the U.S. Securities and Exchange Commission, including Nokia’s financial results reports. Other unknown or unpredictable factors or underlying assumptions subsequently proven to be incorrect could cause actual results to differ materially from those in the forward-looking statements. We do not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

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Agenda

CFO Priorities

Creating shareholder value

Driving improved returns and consistency through rigorous performance management

Focus on capital allocation and free cash flow generation

Focus on transparent investor communications

Outlook for 2021 and 2023
Creating shareholder value
Key observations

- End to end strategy was not aligned with how customers buy
- Complex organization and operating model
- Heavy corporate structure and steering
- Unclear accountability
- Additional R&D investments needed in Mobile Networks
- Our employees are highly engaged
- We have technology leadership in many areas
Fundamental change in our operating model

From

- End-to-end
- Complexity
- Heavy corporate
- Unclear accountability
- Additional R&D needed

To

- Best of breed
- Streamlined focus on customers and value creation
- Lean corporate
- Four empowered and accountable Business Groups
- Prioritization of R&D
Strong focus on long term value creation by

Technology leadership

Capital allocation

Performance management

Four empowered and P/L accountable Business Groups, with management and employee incentives aligned with fundamental value creation

ROCE > WACC*

Responsibility for portfolio management and go-to-market will support growth

Focus on free cash flow generation and working capital efficiency

Operating margin targets consistent with strategy to create value

*Nokia Group level WACC is estimated to be approximately 7%
Streamlined organization, designed to empower our Business Groups
We have established change momentum

Empowerment and accountability for operating decisions to Business Groups

Lean corporate center

From complex matrix to clear accountability according to how customers buy

Optimizing for future value creation

~14 000 people directly embedded into Business Groups
Planned restructuring to lower cost base by EUR 600 million by end of 2023

Expected cost savings have been factored into 2023 guidance

- BG-led restructuring
- Cost savings will offset:
  - Increased investments in R&D and future capabilities
  - Costs related to salary inflation
- Continue to expect approximately EUR 500m of cash outflows related to previous plans
Driving improved returns and consistency through rigorous performance management
New Nokia business system to steer our journey

Designed to capture benefits from our new decentralized operating model

**2021+ Nokia Business System**

### Target setting and capital allocation
- Portfolio choices
- Target to improve step by step
- Annual capital allocation

### Performance management
- Performance driven by P/L entities
- Focus on risks/opportunities and scorecards
- Constant drumbeat and early warning system

### Policy and process architecture
- Group sets critical policies
- Decentralized and lean processes
- Charging mechanism

### People value Proposition
- Coaching employees
- Frequent feedback on performance
- Empowering and inspiring employees
Focus on capital allocation and free cash flow generation
Clear capital allocation policy leads to strong capital structure and technology leadership

Our primary focus
To deploy our capital towards organic or inorganic investments to ensure technology leadership in areas where we have a clear path towards creating shareholder value, while maintaining a strong capital structure and prudent financial strategy.

Our next priority
To provide shareholders with capital returns.

Updated dividend policy
We target recurring, stable and over time growing ordinary dividend payments, taking into account the previous year’s earnings as well as the company’s financial position and business outlook.
Maintaining strong capacity to invest consistently in R&D for the future

**Total cash and net cash**

We intend to maintain a level of total cash at 30% or more of annual net sales.

Sufficient cash to cover all debt maturities; 2024 maturity next to be refinanced.

**Debt maturities**

We target investment grade credit ratings. Current credit ratings, all with stable outlook:

- Fitch BBB-
- Moody’s Ba2
- S&P BB+
Positive free cash flow expected in 2021
Targeting meaningful uplift beyond 2021

<table>
<thead>
<tr>
<th>Free cash flow(^1) in 2021</th>
<th>% of net sales rounded to the nearest 0.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparable operating margin</td>
<td>7 to 10%</td>
</tr>
<tr>
<td>Add back non-cash items, including depreciation and amortization</td>
<td>Approx. 3.5%</td>
</tr>
<tr>
<td>Working capital, net</td>
<td>+/-</td>
</tr>
<tr>
<td>Interest paid, net</td>
<td>Approx. -0.5%</td>
</tr>
<tr>
<td>Income taxes paid, net</td>
<td>Approx. -1.5%</td>
</tr>
<tr>
<td>Restructuring(^2)</td>
<td>Approx. -2.5%</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>Approx. -3.5%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>Positive</td>
</tr>
</tbody>
</table>

Incentivized net working capital rotation days optimization

**Inventories**
Optimized levels by categorization of inventories

**Receivables**
Discipline on customer T&C’s

**Payables**
Continue the optimized payment terms

\(^{1}\)Free cash flow = net cash from/(used in) operating activities - capital expenditures + proceeds from sale of property, plant and equipment and intangible assets – purchase of non-current financial investments + proceeds from sale of non-current financial investments.\(^{2}\) Of which EUR 250 million is related to remaining cash outflows from our previous cost savings program.
Focus on transparent investor communications
Improving investor communications

Financial reports
Focus on streamlining content, to make it easier to find key content

Transparency to business performance
Focus on enabling investors and analysts to assess and value each Business Group

Outlook
Focus on providing a balanced outlook and transparent updates on a quarterly basis

ESG
Clear focus on ESG and integrated reporting
Ranked #4 on WSJ list of most sustainably managed companies
Named as one of the world’s most ethical companies by Ethisphere
Outlook

2021-2023
## Our outlook for 2021 and 2023

<table>
<thead>
<tr>
<th></th>
<th>2020 actual</th>
<th>2021 outlook</th>
<th>2023 outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>€21.9bn</td>
<td>€20.6 to 21.8bn*</td>
<td><strong>Grow faster than market</strong>*</td>
</tr>
<tr>
<td><strong>Comparable operating margin</strong></td>
<td>9.7%</td>
<td>7 to 10%</td>
<td>10 to 13%</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>€1.4bn</td>
<td>Positive</td>
<td>Clearly positive</td>
</tr>
<tr>
<td><strong>Comparable ROIC</strong></td>
<td>11.9%</td>
<td>10 to 15%</td>
<td>15 to 20%</td>
</tr>
</tbody>
</table>

*Assuming continuation of 2020 year-end EUR/USD rate of 1.23*
Comparable operating profit bridge

Comparable operating margin

9.7% 7-10% 10-13%
## Each business group contributes to value creation

<table>
<thead>
<tr>
<th>Comparable operating margin</th>
<th>Mobile Networks</th>
<th>Network Infrastructure</th>
<th>Cloud and Network Services</th>
<th>Nokia Technologies</th>
<th>Nokia Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>-1 to +2%</td>
<td>7 to 10%</td>
<td>3 to 6%</td>
<td>&gt;75%</td>
<td>7 to 10%</td>
</tr>
<tr>
<td>2023</td>
<td>5 to 8%</td>
<td>9 to 12%</td>
<td>8 to 11%</td>
<td>&gt;75%</td>
<td>10 to 13%</td>
</tr>
</tbody>
</table>

| Increase R&D and complete turnaround | Deliver portfolio innovation in silicon and systems, software leadership and automation | Restructure to optimize portfolio for accelerated growth and value creation | Drive innovation |
| Restructure to reset cost base | Strengthen CSP foundation | Capture key emerging opportunities in 5G core, analytics and AI-based services, private wireless, digital operations, and managed security | Secure renewals |
| Drive value creation through focus on 5G growth, trust and security, enterprise and ORAN/vRAN | Accelerate growth through focus on enterprise digital transformation, cloud and Industry 4.0 | Drive XaaS business models | Expand coverage |
| | | | Build brand partnerships |
Summary and key takeaways
## A phased journey of value creation

### 2021 focus

**Reset**
- Moved away from end-to-end as a cornerstone of our equity story
- Created new operating model
- Defined new Global Leadership Team
- Securing full portfolio competitiveness in Mobile Networks
- Resetting our cost base
- Renewing our purpose and ways of working

### 2022 and mid term

**Accelerate**
- Increase the digitalization of operations
- Enhance margins through improved portfolio competitiveness and technology leadership investments
- Create growth opportunities through new products and services

**Scale**
- Setting our sights on new value resulting from next-generation critical networks (i.e., O-RAN, vRAN, cloud-native software, as-a-service business models)

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Driving improved focus on capital allocation and technology leadership in 2021, positioning Nokia to grow profitably in 2022 and beyond
Key takeaways

Technology leadership
Aim to lead in all segments where we compete

Capital allocation
Streamlined focus on value creation fundamentals

Performance management
Ensure we stay on track

Four empowered and P/L accountable Business Groups, with management and employee incentives aligned with sustainable value creation
Appendix
Currency exposure and rule of thumb

Exposure to currencies in full year 2020

<table>
<thead>
<tr>
<th>Currency</th>
<th>Net sales</th>
<th>Total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eur</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>USD</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>CNY</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Rule of thumb*:

- **Change in EUR/USD:** +10%
- **Net sales impact:** -4 to -5%
- **Operating profit impact:** Neutral

* Assuming current mix of net sales and total costs

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