Disclaimer

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 the statements in the Outlook section and 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, 2019 under “Operating and Financial Review and Prospects—Risk Factors”, our financial report for Q1/2020 published on 30 April 2020 on From 6-K, 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.

Nokia presents financial information on reported, non-IFRS and constant currency basis. Non-IFRS measures presented in this document exclude costs related to the acquisition of Alcatel-Lucent and related integration, goodwill impairment charges, intangible asset amortization and other purchase price fair value adjustments, restructuring and associated charges and certain other items that may not be indicative of Nokia’s underlying business performance. In order to allow full visibility on determining non-IFRS results, information on non-IFRS exclusions is presented separately for each of the components of profit or loss.

Constant currency reporting provides additional information on change in financial measures on a constant currency basis in order to better reflect the underlying business performance. Therefore, change in financial measures at constant currency excludes the impact of changes in exchange rates in comparison to euro, our reporting currency. Non-IFRS or constant currency financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS, and either of these financial measures as used by Nokia may not be comparable to similarly titled measures used by other companies or persons. Please see our complete financial report for more information on our results and financial performance for the indicated periods as well as our operating and reporting structure.

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Welcome

04. Introduction
06. Our focus during 2020
17. Our financial results

Rajeev Suri
President and CEO

Kristian Pullola
CFO
Introduction

Improved margins as transformation and product cost reduction efforts take hold

• Confidence in resilient customer base and strong liquidity position
• 5G deal momentum continues, with 70 commercial deals and 21 live networks
• Strong growth in Nokia Software and Nokia Enterprise
• Within previously provided Outlook ranges for full year 2020, adjusted the non-IFRS mid-points for EPS to EUR 0.23 and operating margin to 9.0%
• Majority of COVID-19 impact expected in Q2; continue to expect a seasonally strong second half
First focus during the COVID-19 crisis is to our employees. We are working around the clock to keep our people safe.

Supporting the essential services our customers provide has never been more critical in enabling the world to continue to function in an orderly way.

Supporting communities where Nokia operates to fight against this pandemic. Nokia has launched a Coronavirus Global Donation Fund.
Our focus during 2020

1. Execute in Mobile Access
2. Generate cash
3. Secure long-term value
Our focus during 2020

1 Execute in Mobile Access
1. Execute in Mobile Access

Addressing Mobile Access profitability through four key actions

1. Reduce product cost
2. Maintain scale
3. Improve commercial management and deal discipline
4. Further strengthen operational performance in services
1. Execute in Mobile Access

“5G Powered by ReefShark”

Q1 2020 performance in-line with our expectations

- This KPI tracks shipments of our System-on-Chip (SoC) based 5G Powered by ReefShark (“5G PBR”) product portfolio. Increased 5G PBR shipments are expected to have a significant impact on reducing our product costs.
- Approximately 17% of our 5G product shipments in Q1 2020.
- We are executing on our R&D roadmap and driving 5G product evolution as planned.
- We believe we remain on track to deliver on our shipment target for the end of 2020.
1. Execute in Mobile Access

**5G win rate**

Q1 2020 performance in-line with our expectations

- This KPI measures how we are doing in converting our end of 2018 4G footprint into 5G footprint. It factors in customer size, as well as new 5G footprint where we did not previously have a 4G installed base (meaning it can be over 100%).
- 5G win rate remained strong at over 100% outside of China and in the mid 90% range including China.
- Experienced a reduced footprint with a customer in Asia-Pacific, offset by gains with a customer in North America.
1. Execute in Mobile Access

4G and 5G mobile radio market share

Q1 2020 performance in-line with our expectations

• We finished 2019 with our 4G+5G mobile radio market share standing at ~27% excluding China. At Q4 2019, we stated that we expected our market share, excluding China, to end 2020 at ~27%.

• Demonstrated good competitive performance during the quarter.

• We believe we remain on track to deliver on our market share target for the end of 2020.

4G+5G mobile radio market share, excluding China, expected to stabilize in Full Year 2020 at:

~27%
Our focus during 2020

2 Generate cash
Recurring free cash flow

Our outlook for positive recurring free cash flow is expected to be supported by an improvement in net working capital performance and improved operational results, partially offset by a more substantial difference in 2020 between profit and free cash flow in Nokia Technologies.

Expected Full Year 2020 recurring free cash flow:

Positive
Our focus during 2020

3 Secure long-term value
## Secure long-term value

We will continue to leverage and develop our assets

<table>
<thead>
<tr>
<th>Comprehensive portfolio</th>
<th>Software</th>
<th>Enterprise</th>
<th>Patent licensing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our portfolio of Access, Transport and Software allows us to:</td>
<td>We continue to develop our software business, leveraging our dedicated software salesforce and modern cloud-native portfolio to compete for adjacent areas of customer spend.</td>
<td>We continue to leverage our existing portfolio of products into the high growth enterprise market.</td>
<td>Our strong patent portfolio is expected to provide long-term, highly profitable, cash generating opportunities, including expansion into new segments of connected devices.</td>
</tr>
<tr>
<td>• leverage our existing customer sales channels to generate incremental sales across multiple network domains</td>
<td>• delivers strong margin</td>
<td>• delivers significant growth opportunities and expansion into new segments of connected devices.</td>
<td>We expect to continue to generate a new flow of patents to sustain future licensing opportunities.</td>
</tr>
<tr>
<td>• secure value throughout the network investment cycle</td>
<td>• generates healthy operating profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• offer customers guaranteed mission-critical performance, TCO savings, time-to-market gains and higher reliability</td>
<td>• becomes more critical as digitalization accelerates and 5G enables new services and business models</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We continue to develop our software business, leveraging our dedicated software salesforce and modern cloud-native portfolio to compete for adjacent areas of customer spend. Our software business:

• delivers strong margin
• generates healthy operating profit
• becomes more critical as digitalization accelerates and 5G enables new services and business models

We continue to leverage our existing portfolio of products into the high growth enterprise market. This provides long-term growth opportunities, and we aim for Nokia Enterprise net sales to continue to grow at a double-digit rate in 2020, supported by its focused and resilient large enterprise customer base.

Our strong patent portfolio is expected to provide long-term, highly profitable, cash generating opportunities, including expansion into new segments of connected devices. We expect to continue to generate a new flow of patents to sustain future licensing opportunities.
Our sustainability performance

Connectivity and technology will play a key role in helping to solve many future challenges. We have refocused our sustainability strategy on the areas we believe will have the greatest impact on sustainable development and our profitability.

Improving lives with technology

Connectivity brought isolated people together during the COVID-19 pandemic in Q1. Remote working and schooling, robust delivery of basic services and smart deliveries are some examples of areas enabled by our connectivity and digitalization solutions.

Climate

We set science-based targets to decrease GHG emissions by 2030 from our own operations by 41% and from products in use by 75%, compared to the 2014 baseline. We are on track to meet our current targets, and have committed to adjusting the targets according to the 1.5°C Celsius warming scenario.

Integrity

We make our advanced technologies and solutions available to combat COVID-19 while carefully balancing the privacy, human rights and other interests. We are taking active measures to ensure our longstanding commitment to the highest ethical standards of conduct remains central to how we do business.

Culture

We have set targets for the development of gender balance and employee engagement. Our gender balance target is to increase the number of women in leadership and we are actively finding ways to accelerate our progress in this area. For employee engagement we expect to have results available after Q2 2020.
Q1 2020
Financial results
Nokia
Q1’19-Q1’20

Q1 2020 Financial results
Q1 2020 Financial results

Net sales
Q1’20, reported

By region
- Asia-Pacific: 19%
- Europe: 30%
- Greater China: 30%
- Latin America: 9%
- Middle East & Africa: 6%
- North America: 6%
- Total net sales: 4,913m (3%)

By segment
- Networks: €3,757m (6%)
- Nokia Software: €613m (12%)
- Nokia Technologies: €347m (7%)
- Group Common and Other Eliminations: €(-9)m
- Total net sales: €4,913m (3%)

By customer type
- Communication service providers: 83%
- Enterprise: 7%
- Licensees: 6%
- Other: 4%
- Total net sales: €4,913m (3%)
Net sales by region
Q1’19-Q1’20
Change in net cash
Q1’20
Progress on our cost savings program

We expect our most recent cost savings program to result in a net EUR 500 million reduction of non-IFRS operating expenses and production overheads (“fixed costs”) in full year 2020 compared to full year 2018, of which EUR 350 million is expected to come from operating expenses and EUR 150 million is expected to come from cost of sales.

Note that, since the announcement of our most recent cost savings program on October 25, 2018, net foreign exchange fluctuations have resulted in an increase in estimated full year 2020 fixed costs of approximately EUR 130 million, creating an additional headwind to achieve the earlier net reduction.

| In EUR million, approximately rounded to the nearest EUR 50 million | Actual FY 2019 | Expected amounts for |
| | | FY 2020 | Beyond FY 2020 | Total |
| Recurring annual cost savings | 200 | 300 | - | 500 |
| - operating expenses | 200 | 150 | - | 350 |
| - cost of sales | 0 | 150 | - | 150 |
| Restructuring and associated charges | 450 | 450 | - | 900 |
| Restructuring and associated cash outflows | 450 | 550 | 550 | 1 550 |
| Charges related to network equipment swaps | 100 | - | - | 100 |
| Cash outflows related to network equipment swaps | 100 | - | - | 100 |
### Outlook

#### Full Year 2020

<table>
<thead>
<tr>
<th>Metric</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-IFRS diluted earnings per share</td>
<td>EUR 0.23 (adjusted from EUR 0.25) plus or minus 5 cents</td>
</tr>
<tr>
<td>Non-IFRS operating margin</td>
<td>9.0% (adjusted from 9.5%) plus or minus 1.5 percentage points</td>
</tr>
<tr>
<td>Recurring free cash flow&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Positive</td>
</tr>
</tbody>
</table>

#### Long term (3 to 5 years)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-IFRS operating margin</td>
<td>12-14%</td>
</tr>
<tr>
<td>Annual distribution to shareholders</td>
<td>An earnings-based growing dividend of approximately 40% to 70% of non-IFRS diluted EPS, taking into account Nokia’s cash position and expected cash flow generation. The annual distribution would be paid as quarterly dividends.</td>
</tr>
</tbody>
</table>

<sup>1</sup> Free cash flow= net cash from 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.
“Nokia’s solid first quarter results showed broad year-on-year profitability improvements as our transformation and product cost reduction efforts started to take hold.

We saw good progress in Mobile Access and in our cash performance. In this time of unprecedented change, given the situation with COVID-19, Nokia’s vision of creating the technology to connect the world has never been more important.”

Rajeev Suri
President and CEO