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Agenda

4. Corporate strategy
5. Financial highlights
6. Business Group performance

13. Financial performance bridges
16. Cash flow performance
17. 2023 TAM and outlook
19. Capital Management Policy
Our Corporate Strategy

Our pillars

1. Grow CSP business faster than market
2. Expand the share of enterprise
3. Actively manage our portfolio
4. Secure business longevity in Nokia Technologies
5. Build new business models
6. Develop ESG into a competitive advantage

Our enablers

1. Talent
2. Long-term research
3. Digitalization
4. Brand
Strong net sales growth, outlook unchanged

Q1 23 net sales
+9% (year-on-year constant currency)

Q1 23 gross margin
37.7% -300 bps year-on-year (comparable)

Q1 23 operating margin
8.2% -270 bps year-on-year (comparable)
Network Infrastructure – growth in Optical and IP

- Continued strong growth
- Optical Networks +45%
- IP Networks +13%
- Slight decline in Fixed Networks against a tough year-on-year comparison
- Strong margin progress due to positive product mix and lower costs in areas such as logistics

Net sales +13%
Op. margin 15.3%

All net sales changes presented are year-on-year in constant currency
Unleashing the next frontier in optical networks
Nokia’s PSE-6s super-coherent photonic service engine

- 1.2Tb/s per wavelength with pairs in a single linecard supporting an unmatched 2.4Tb/s
- New benchmark in performance to enable reach of over 2,000km for 800G wavelengths
- Sustainable network evolution with 60% less network power consumption per bit
Mobile Networks – Strong 5G ramp in India

- Strong growth in India and Europe
- North America declined as spending normalizes combined with customer inventory depletion
- Gross margin impacted by regional mix as expected
- Volume benefit and disciplined cost control offset this somewhat at operating margin
- Similar trends expected in Q2 with profitability improving into H2

Mobile Networks net sales growth y-o-y

Net sales +13%
Op. margin 5.3%

All net sales changes presented are year-on-year in constant currency
Mobile Networks - Habrok

New generation of AirScale radios driving future-ready performance

- **30% lower power consumption**
  lower total cost of ownership
- **High performance radios**
  increased capacity and coverage
- **High radio frequency bandwidth**
  spectrum flexibility
- **30% lighter***
  rapid deployment

Powered by Nokia’s state-of-the-art ReefShark System-on-Chip
CNS growth driven by Core Networks and Enterprise

- Growth in 5G Core and Enterprise Solutions
- Margin decline due to product mix towards hardware
- Continue to re-balance portfolio
Nokia Technologies – path to returning to EUR 1.4-1.5bn run rate

- Q2 2021 run-rate
- Legacy 10-year agreement
- Smartphone market share changes
- Smartphone expired agreements
- New growth areas
- Brand licensing decline
- Current run-rate
- Smartphone agreement renewals
- New growth areas
- Long term expectation

This chart is to illustrate our financial planning assumptions. This chart is not illustrative of our view on deal valuations. Actual outcomes of negotiations may be different.
Strong acceleration in Enterprise net sales

- Q1 net sales grew 62%
- Webscale more than doubled year-on-year
- >595 PW customers
- 73 new Enterprise customers

All net sales changes presented are year-on-year in constant currency
India and Europe strength more than offset North America

Year-on-year at constant currency

+10% reported growth
+9% constant currency growth

Q1 2022

Europe ex. Tech +13%
Nokia Technologies -22%

Q1 2023

€5.9bn

€5.3bn

€
Regional and product mix offset leverage from growth

- Operating leverage partly offsetting regional and product mix impact
- Venture funds impacted other operating income / expense
- Minimal impact from FX

Group comparable operating margin

<table>
<thead>
<tr>
<th>Q1 2022</th>
<th>Regional and product mix</th>
<th>Operating leverage</th>
<th>Nokia Technologies</th>
<th>Other income / expense (incl. venture funds)</th>
<th>FX</th>
<th>Q1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8.2%</td>
</tr>
</tbody>
</table>

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Network Infrastructure expansion offset by other BGs

- Network Infrastructure showed strong expansion from mix
- Cloud and Network Services decline related to product mix
- Mobile Networks impacted by regional shift
- Lower net sales in Nokia Technologies drives lower profit
- Group Common saw negative impact related to venture funds

Group comparable operating profit

- Q1 2022
  - Network Infrastructure: €583m, 10.9%
  - Cloud and Network Services
  - Mobile Networks
  - Nokia Technologies
  - Group Common

- Q1 2023
  - Group comparable operating profit: €479m, 8.2%
Free cash flow impacted by working capital investment

- Free cash flow negative EUR 0.1bn
- Net working capital mainly driven by accounts payable
- Returned EUR 190 million to shareholders through dividend and share buyback
Market growth in 2023 across BGs, led by 5G deployments in India

<table>
<thead>
<tr>
<th>Estimated, in EUR(^1)</th>
<th>2023</th>
<th>YoY (at const. ccy)</th>
<th>YoY prior est. (at const. ccy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network Infrastructure(^2)</td>
<td>47bn</td>
<td>+4%</td>
<td>+4%</td>
</tr>
<tr>
<td>Mobile Networks(^3)</td>
<td>51bn</td>
<td>+4%</td>
<td>+5%</td>
</tr>
<tr>
<td>Cloud and Network Services</td>
<td>28bn</td>
<td>+3%</td>
<td>+4%</td>
</tr>
</tbody>
</table>

\(^1\)Total addressable market forecasts assume the currency rate of 1 EUR = 1.09 USD as of 31 March 2023 through 2023. The addressable market is excluding Russia and Belarus.

\(^2\)Excluding Submarine Networks

\(^3\)Excluding China
## 2023 outlook

<table>
<thead>
<tr>
<th></th>
<th>Full year 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales(^1)</td>
<td>€24.6 billion to €26.2 billion (2 to 8% growth in constant currency)</td>
</tr>
<tr>
<td>Comparable operating margin(^2)</td>
<td>11.5 to 14.0%</td>
</tr>
<tr>
<td>Free cash flow(^2)</td>
<td>20 to 50% conversion from comparable operating profit</td>
</tr>
</tbody>
</table>

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\(^1\) Assuming the rate 1 EUR = 1.09 USD as of 31 March 2023 continues for the remainder of 2023 along with actual Q1 foreign exchange rates (adjusted from prior 1.07 USD rate as of 31 December 2022). Assuming the year-end 2022 exchange rate the net sales outlook would continue to be EUR 24.9bn to EUR 26.5bn.

\(^2\) Please refer to the Performance measure section of our Interim Report for Q1 2023 for a full explanation of how these terms are defined.
Refined capital management policy

**Target net cash**

10 - 15% of net sales

- Ensure investments in R&D, fund working capital and maintain flexibility for bolt-on M&A
- Investment grade with two credit rating agencies
- Not imminently taking action in 2023 but expect significant improvement in cash generation in 2024
- Look to start acting to align to target (through increased shareholder returns and/or bolt-on M&A)
Q&A