

Nokia Annual Report on Form 20-F 2025

NOKIA

As filed with the Securities and Exchange Commission on 5 March 2026

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended 31 December 2025

Commission file number 1-13202

Nokia Corporation

(Exact name of Registrant as specified in its charter)

Republic of Finland

(Jurisdiction of incorporation)

Karakaari 7 FI-02610 Espoo, Finland

(Address of principal executive offices)

Johanna Mandelin, VP, Corporate Legal, Telephone: +358 (0) 104 488 000, Facsimile: +358 (0) 104 481 002,

Karakaari 7, FI-02610 Espoo, Finland

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the "Exchange Act"):

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares	NOK	New York Stock Exchange
Shares		New York Stock Exchange ⁽¹⁾

(1) Not for trading, but only in connection with the registration of American Depositary Shares representing these shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered pursuant to Section 12(g) of the Exchange Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Exchange Act: **None**

Indicate the number of outstanding shares of each of the registrant's classes of capital or common stock as of the close of the period covered by the annual report. Shares: 5 742 239 696.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" or "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

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If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

Cross-reference table to Form 20-F

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Forward-looking statements

Certain statements contained in this report constitute “forward-looking statements.” Forward-looking statements provide Nokia’s current expectations of future events and trends based on certain assumptions and include any statement that does not directly relate to any current or historical fact. The words “believe,” “expect,” “expectations,” “anticipate,” “foresee,” “see,” “target,” “estimate,” “designed,” “aim,” “plan,” “intend,” “influence,” “assumption,” “focus,” “continue,” “project,” “should,” “is to,” “will,” “strive,” “may,” “could,” “forecast,” or similar expressions as they relate to us or our management are intended to identify these forward-looking statements, as well as statements regarding:

- a) business strategies, planning assumptions, projects, market expansion, growth management, and future industry trends and megatrends and our plans to address them;
- b) future performance of our businesses and any future distributions and dividends;
- c) expectations and targets regarding financial performance, results, operating expenses, cash flows, tariffs, taxes, currency exchange rates, hedging, cost savings and competitiveness, as well as results of operations including targeted synergies and those related to market share, prices, net sales, income and margins;
- d) expectations, plans, timelines or benefits related to our transactions, investments and changes in our organizational and operational structure;
- e) market developments in our current and future markets and their seasonality and cyclicalities, including the telecommunication provider and AI & Cloud provider markets, as well as general economic conditions, future regulatory developments and the expected impact, timing and duration of potential global pandemics and geopolitical conflicts on our businesses, our supply chain, our customers’ businesses and the general market and economic conditions;
- f) our position in the market, including product portfolio and geographical reach, and our ability to use the same to develop the relevant business or market and maintain our order pipeline over time;
- g) any future collaboration or business collaboration agreements or patent license agreements or arbitration awards, including income from any collaboration or partnership, agreement or award;
- h) timing of the development and delivery of our products and services;
- i) the outcome of pending and threatened litigation, arbitration, disputes, regulatory proceedings or investigations by authorities;
- j) restructurings, investments, capital structure optimization efforts, divestments and our ability to achieve the financial and operational targets set in connection with any such restructurings, investments, and capital structure optimization efforts including our ongoing cost savings program;
- k) future capital expenditures, temporary incremental expenditures or other R&D expenditures to develop or rollout new products; and
- l) sustainability and corporate responsibility.

These statements are based on management’s best assumptions and beliefs in light of the information currently available to it and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. These statements are only predictions based upon our current expectations and views of future events and developments and are subject to risks and uncertainties that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Risks and uncertainties that could affect these statements include but are not limited to the risk factors specified under the section “Risk factors” of this report and in our other filings or documents furnished with the U.S. Securities and Exchange Commission. 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.

Introduction and use of certain terms

Nokia Corporation (“Parent Company”) is a public limited liability company incorporated under the laws of the Republic of Finland and registered to the Finnish Trade Register since 1896. In this Annual Report on Form 20-F, any reference to “we,” “us,” “Nokia Group,” “the Group,” “the company” or “Nokia” means Nokia Corporation and its consolidated subsidiaries and generally Nokia’s continuing operations, except where we separately specify that the term means Nokia Corporation or a particular subsidiary or business segment only or our discontinued operations. References to “our shares,” matters relating to our shares or matters of corporate governance refer to the shares and corporate governance of Nokia Corporation.

Nokia Corporation has published its consolidated financial statements in euro for periods beginning on or after 1 January 1999. In this Annual Report on Form 20-F, references to “EUR,” “euro” or “€” are to the common currency of the European Economic and Monetary Union, references to “dollars,” “US dollars,” “USD” or “\$” are to the official currency of the United States, references to “Chinese yuan” or “CNY” are to the official currency of the People’s Republic of China, references to “INR” or “Indian rupee” are to the official currency of the Republic of India, references to “GBP” or “British pound” are to the official currency of the United Kingdom and references to “Japanese yen” or “JPY” are to the official currency of Japan.

Additional terms are defined in the “Glossary.”

The information contained in, or accessible through, the websites linked throughout this Annual Report on Form 20-F is not incorporated by reference into this document and should not be considered a part of this document.

Nokia Corporation furnishes Citibank, N.A., as Depositary, with its consolidated financial statements and a related audit opinion of our independent auditors annually. These financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). In accordance with the rules and regulations of the SEC, we do not provide a reconciliation of our consolidated financial statements to the generally accepted accounting principles in the US, or US GAAP.

We also furnish the Depositary with quarterly reports containing unaudited financial information prepared in accordance with IAS 34, Interim Financial Reporting, as well as all notices of shareholders’ meetings and other reports and communications that are made available generally to our shareholders. The Depositary makes these notices, reports and communications available for inspection by record holders of American Depositary Receipts (ADRs), evidencing American Depositary Shares (ADSs), and distributes to all record holders of ADR notices of shareholders’ meetings received by the Depositary.

In addition to the materials delivered to holders of ADRs by the Depositary, holders can access our consolidated financial statements, and other information included in our annual reports and proxy materials, at nokia.com/financials. This Annual Report on Form 20-F is also available at nokia.com/financials as well as on Citibank’s website at <https://fs11.formsite.com/bHTsOU/r2piq0mgvd/index>. Holders may also request a hard copy of this annual report by calling the toll-free number 1-877-NOKIA-ADR (1-877-665-4223), or by directing a written request to Citibank, N.A., Shareholder Services, PO Box 43077, Providence, RI 02940-3081, United States. With each annual distribution of our proxy materials, we offer our record holders of ADRs the option of receiving all of these documents electronically in the future.

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Advancing connectivity to secure a brighter world

Nokia has long been trusted to provide the critical network infrastructure the world relies on. Today, our technology is connecting intelligence – powering our customers with advanced connectivity.



Telecommunication providers

Transforming legacy networks into high performance, secure platforms to meet the rising demands of AI



AI & Cloud

Delivering advanced optical and IP data center connectivity to power AI computing across continents



Mission Critical Enterprise & Defense

Connecting the intelligence of machines, devices, and people for secure, AI-enabled operations

~€160_{bn}

R&D investments since 2000

15/20

of the world's fastest 5G networks use Nokia RAN

+4.4_{bn}

mobile subscriptions supported by Nokia networks

9/10

of the top global hyperscalers use Nokia's optical networks

NOKIA

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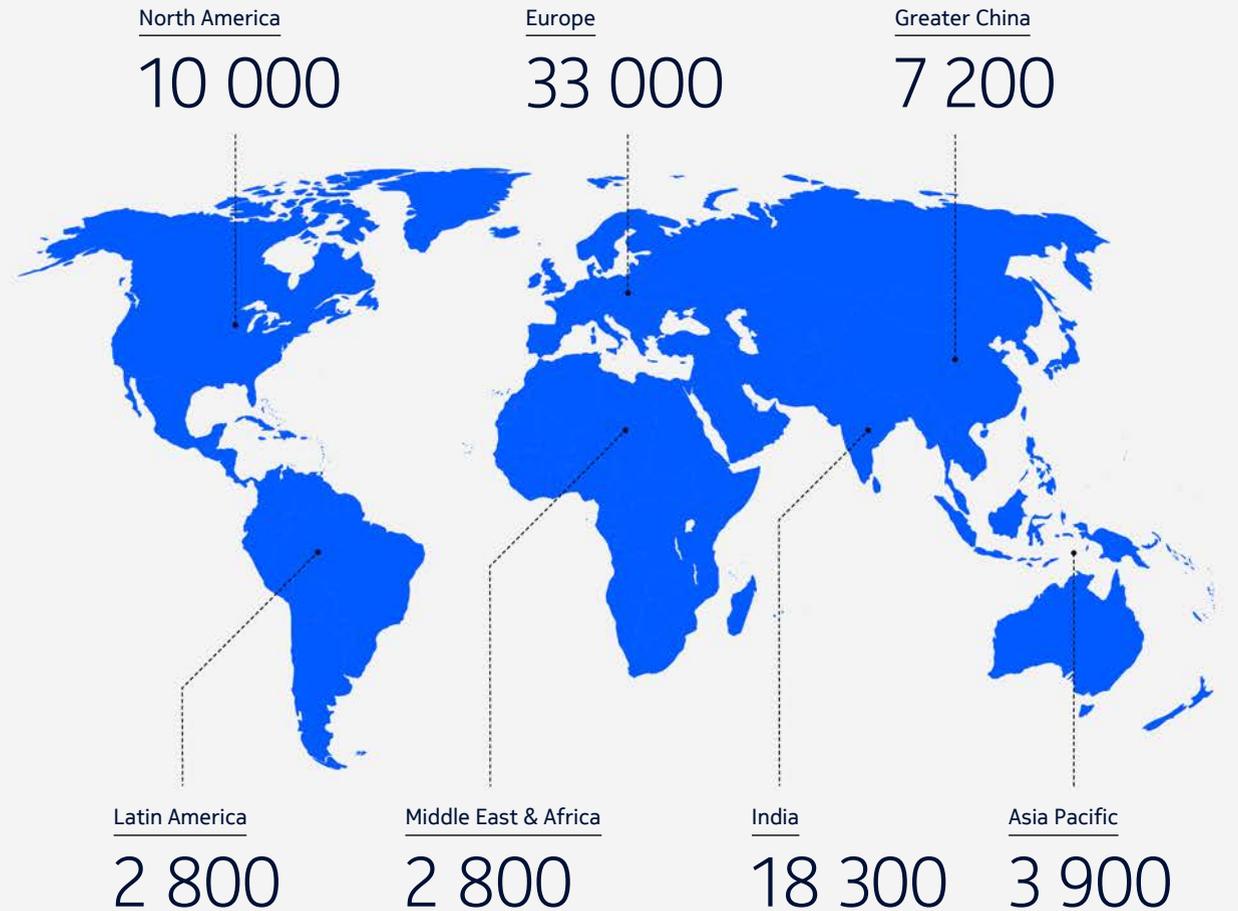
- North America
- Europe
- Greater China
- India
- Asia Pacific
- Latin America
- Middle East & Africa

Countries of operation

~130

Average number of employees in 2025

~78 000



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Our 2025 highlights

New President and CEO announced

February Justin Hotard was announced as Nokia's new President and CEO, joining us on 1 April. Hotard has more than 25 years' experience with global technology companies, driving innovation, technology leadership and revenue growth. He also possesses vast expertise in the AI and data center markets, which are critical for Nokia's future growth.



Closed acquisition of Infinera

February The acquisition of Infinera demonstrated our commitment to providing the infrastructure underpinning the AI supercycle and capturing the demand that comes with it. It also improved the scale of our Network Infrastructure business and allowed us to pick up the pace of innovation to meet the requirements of the AI era.

Milestones for Nokia and Nokia Bell Labs

May Nokia celebrated its 160th birthday in 2025. The company has been through many transformations over that time, but none has been more consequential than the switch to focusing on telecoms in the 1990s. That set us on the path to becoming what we are today: a trusted global provider of secure and advanced connectivity for customers all over the world. We also celebrated the 100th anniversary of the world-renowned research institution Nokia Bell Labs.



State-of-the-art R&D campus in Oulu, Finland

September We opened our new, state-of-the-art campus in Oulu, Finland. The campus is the world's most advanced hub for 5G and 6G radio innovation. On site, 3 000 staff design, test and deliver next-generation networks. Those staff draw on the expertise of a local ecosystem including customers, universities, start-ups, established technology providers and NATO facilities.



Announced strategic partnership with NVIDIA

October We announced that NVIDIA will invest \$1 billion in Nokia as part of a strategic partnership between our two companies. Together the two companies will enable accelerated development and deployment of next generation AI-native mobile networks and AI networking infrastructure.

The partnership will add NVIDIA-powered AI-RAN products to Nokia's industry-leading RAN (radio access networks) portfolio. The announcement marks the beginning of the AI-native wireless era, providing the foundation to support AI-powered consumer experiences and enterprise services at the edge.

Together with NVIDIA we will define the next generation of global connectivity.

New strategy announced at Capital Markets Day

November We welcomed investors and analysts to our Capital Markets Day in New York to share how we are connecting intelligence and accelerating value creation for our customers and investors. At the event Nokia announced a new strategy, as well as a simplified operating model, a new long-term financial target, new strategic KPIs and changes to its Group Leadership Team.



Expansion with AI & Cloud

2025 We saw real progress in AI & Cloud. We closed and integrated Infinera. We launched new 800G pluggables, delivering excellent optical performance for data centers in a compact, low-power form factor. We expanded our data center switching offer with our new 7220 IXR H6 switching platform, powered by Broadcom's Tomahawk 6 chipset. And we generated EUR 2.4 billion in orders from AI & Cloud customers across the year.

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Interview with our President and CEO

How would you characterize Nokia’s financial performance in 2025?

Overall, our performance was solid and in line with expectations. We grew net sales by 3%, delivered approximately EUR 2 billion in comparable operating profit⁽¹⁾ in line with guidance, and generated free cash flow⁽¹⁾ of EUR 1.5 billion.

Beneath those headline results was disciplined execution. We navigated significant foreign exchange headwinds, successfully closed the Infinera acquisition, and accelerated growth in AI & Cloud, generating more than EUR 2.4 billion of orders from this customer segment. Our strong cash generation allowed us to further strengthen the balance sheet, invest in growth, and fund our dividend.

⁽¹⁾ Non-IFRS measure. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measures, refer to the “Alternative performance measures” section.

What drove performance across the portfolio?

Within Network Infrastructure, we saw strong growth in Optical Networks, solid performance in IP Networks, and stable results in Fixed Networks as we repositioned the portfolio. The integration of Infinera strengthened our competitive position, particularly with AI & Cloud customers, and increased our market share in North America.

Cloud and Network Services performed well, growing faster than the market and improving profitability. Mobile Networks showed signs of stabilization but remained below our long-term expectations, and we are sharpening execution accordingly. Nokia Technologies executed well with a slight increase in our contracted net sales run-rate to EUR 1.4 billion and delivered net sales of EUR 1.5 billion with strong profitability and cash generation.

What strategic actions shaped the year?

2025 was about setting the strategy for where we see the business going, and aligning the company accordingly. During the year, we repositioned Nokia to sharpen execution and focus on where we see the greatest long-term opportunities. These changes were designed to increase our organizational clock speed by reducing complexity and accelerating decision-making.

At our Capital Markets Day in November, we introduced our new strategy to position Nokia to lead in the AI-driven transformation of networks and capture the value of the AI supercycle. We simplified our operating model and reorganized our business into two primary operating segments — Network Infrastructure and Mobile Infrastructure — to better align to customer needs and accelerate innovation as demand for advanced connectivity increases. This reorganization took effect as of 1 January 2026.

“Nokia changed the world once by connecting people. Now we can change it again by connecting intelligence.”

Justin Hotard
President and CEO

We also identified several businesses that, while attractive, are not core to our strategy and decided to move them into Portfolio Businesses to improve performance and explore strategic alternatives.

We strengthened our position with telecommunication providers, accelerated expansion in AI & Cloud, grew in mission critical enterprise, and moved our defense activities into a dedicated unit for incubation.

What are you doing to make Nokia easier to work with?

There are three elements. It starts and ends with the customer.

First, as part of our simplified operating model, we established a unified Global Sales and Customer Operations organization for our telecommunication providers and mission critical enterprise customers, while maintaining deep focus on AI & Cloud within Network Infrastructure. The result is clearer accountability and a simpler engagement model.

Second, we strengthened our partnerships — both go-to-market and strategic technology partnerships. Our collaboration with NVIDIA to build AI-native networks starting with AI-RAN reflects our approach: focus our innovation where we differentiate, and partner with best-of-breed leaders elsewhere.

Third, we simplified internally by consolidating functions, eliminating overlaps, clarifying accountability, and reinforcing functional excellence. This aligns with our Team Nokia culture — clear roles, shared objectives, and collective focus on delivering innovation that creates value for our customers.

How is AI & Cloud demand affecting Nokia’s growth, and why does Nokia have a right to win?

AI & Cloud represent the leading edge of the AI supercycle. Early applications are driving substantial infrastructure investment in data centers and AI factories. We have focused our roadmap, integrated Infinera to strengthen optical capabilities, launched 800G ZR/ZR+ coherent pluggables, invested in new fab capacity for our optical components, and introduced our 7220 IXR platform AI-native architectures.

We offer AI & Cloud customers a differentiated alternative built on performance, quality, and deep optical integration. Our vertical integration across hardware and software allows us to optimize power, scale, and reliability — advantages that matter as AI infrastructure expands.

AI & Cloud customers are increasingly driving the leading edge of network technology. That positions us to innovate at the forefront and extend those capabilities across telecommunications and enterprise markets. As a result, we are continuing to invest in both our optical and IP networking businesses for long-term growth and scale.

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How are you approaching capital allocation and investment discipline?

Our capital allocation principles remain consistent: invest organically where returns are highest, complemented by disciplined M&A and targeted minority investments.

Under our strategy, we are increasing investment in Optical Networks and IP Networks, investing selectively in differentiation within Mobile Infrastructure — including cloud-native core, AI-native networks, and 6G — and reducing exposure to lower-growth areas. We shifted from broad venture funding to more targeted strategic minority investments.

At the same time, we remain committed to financial discipline and shareholder returns, including the proposed EUR 0.14 per share distribution.

What are your priorities for 2026 and beyond?

Our new strategy outlines five strategic priorities: accelerating growth in AI & Cloud; leading in AI-native networks and 6G; growing through co-innovation; deploying capital where we differentiate; and unlocking sustainable returns.

Within that framework, I see three critical areas of focus for 2026.

First, capturing growth in Network Infrastructure, particularly with AI & Cloud customers, while improving profitability in Fixed Networks.

Second, improving gross margin, segment operating profit, and cash flow in Mobile Infrastructure. While this is not a structural growth market near-term, it should deliver consistent returns while we invest in long-term technology leadership for AI-native networks and 6G.

Third, driving efficiency and productivity across the company. This includes disciplined cost management, embedding a culture of continuous improvement, and investing in AI internally to simplify processes, increase automation, and accelerate time-to-value from R&D.

Delivering on these priorities is how we create long-term value for our shareholders.

Do you view culture as a performance driver?

Absolutely. Nokia is a company built from multiple transformations over time, and building a unified culture is essential. We are doing this by engaging our leaders and our entire employee base, so their voice is a part of our cultural evolution and values.

Team Nokia means clear accountability, empowerment, and shared objectives. It also means clear ownership and disciplined follow-through, so that decisions translate into results. We are making sure every employee understands how their goals and actions connect directly to Nokia's overall strategy.

We are reinforcing agility, continuous learning, and streamlined processes so that innovation translates into measurable performance and value for our customers and shareholders and growth opportunities for our employees.

How do you see the outlook for 2026?

In financial terms, we target EUR 2.0 to 2.5 billion of comparable operating profit⁽¹⁾ in 2026. We expect continued strong demand trends in Network Infrastructure as we ramp new products expanding our presence in AI & Cloud and invest for long-term growth. In Mobile Infrastructure, we see a stable market environment and are focused on efficiency and improving profitability.

Overall, our objective in 2026 is to demonstrate clear progress toward the long-term targets we set at our Capital Markets Day.

As you reflect on your first year as CEO, how do you view Nokia's direction?

2025 was my first year as CEO, and it was a year of decisive action. We clarified our strategy, simplified the company, and made changes to the leadership team to align accountability with our strategic priorities and strengthen execution. I'm encouraged by how the leadership team has stepped up during this transition and how quickly we are operating as a unified group.

I am proud of the progress Team Nokia has made, and I want to thank the entire team for their focus and commitment.

I also want to thank the Board, and in particular our Board Chair Sari Baldauf — who has decided to step down — for her leadership and support during this transition. I look forward to continuing to work closely with the Board as we execute our strategy and unlock Nokia's full potential.

Nokia changed the world once by connecting people. Now we can change it again by connecting intelligence.

(1) Non-IFRS measure. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measures, refer to the "Alternative performance measures" section.

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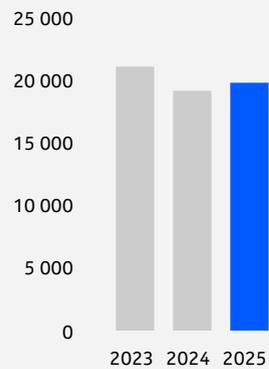
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Other information

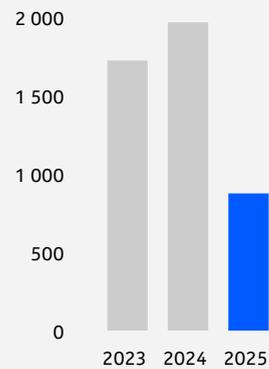
Our financial performance in 2025

Our performance in 2025 was a solid foundation for the launch of a new strategy that will position Nokia to lead network transformation in the AI era and support long-term profitable growth.

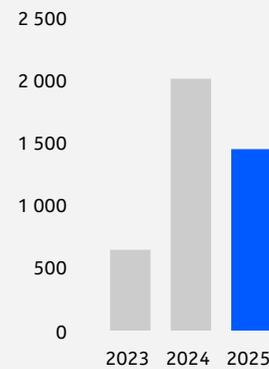
Net sales (EURm)



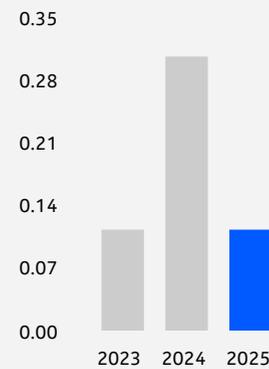
Operating profit (EURm)



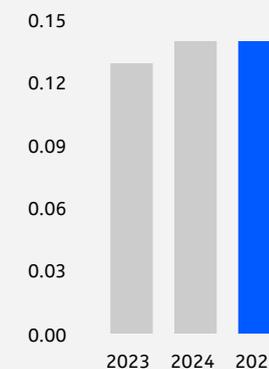
Free cash flow (EURm)⁽¹⁾



Earnings per share (EUR)⁽²⁾



Proposed dividend per share (EUR)⁽³⁾



150+

Countries served with Nokia connectivity

27%

Reduction of total GHG emissions (scopes 1, 2, 3) from a 2019 base year

€4.9bn

R&D investments in 2025

€2.1bn

Dividends paid since 2023

€1.6bn

Shares repurchased since 2023

(1) Non-IFRS measure. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measures, refer to the "Alternative performance measures" section.

(2) Diluted earnings per share for continuing operations.

(3) The Board of Directors proposes to the Annual General Meeting 2026 to be authorized to decide in its discretion on the distribution of an aggregate maximum of EUR 0.14 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity.

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Our operating model in 2025

In 2025, Nokia operated with four business groups as outlined below.

In November 2025, alongside the launch of its new strategy, Nokia announced that it would simplify its operating model into two primary operating segments, Network Infrastructure and Mobile Infrastructure. This simplification took effect on 1 January 2026 with the new structure described on page 18.

Network Infrastructure

Network Infrastructure delivers optical transport, IP routing and switching, and fixed access technology for telecommunication providers, mission critical enterprise and AI & Cloud customers.

Segment net sales (EURm)

+23%



Segment operating margin

-190 bps



Cloud and Network Services

Cloud and Networks Services provides open, secure, automated and scalable software that accelerates our customers' journeys to autonomous networks and new value creation.

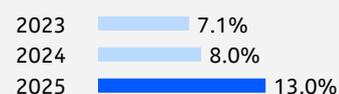
Segment net sales (EURm)

+1%



Segment operating margin

+500 bps

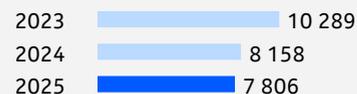


Mobile Networks

Mobile Networks creates high-performance products and services that support advanced connectivity across all 3GPP mobile technology generations, enabling a seamless evolution to future technologies.

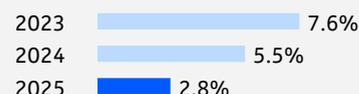
Segment net sales (EURm)

-4%



Segment operating margin

-270 bps

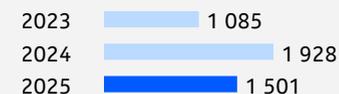


Nokia Technologies

Nokia Technologies is responsible for managing Nokia's patent portfolio and monetizing Nokia's intellectual property, including patents and technologies.

Segment net sales (EURm)

-22%



Segment operating margin

-790 bps



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Network Infrastructure

Network Infrastructure provides reliable, high-performing, trusted solutions that power everything from everyday communications to AI and essential mission critical systems.

Network Infrastructure delivered net sales of EUR 8.0 billion in 2025 with a segment operating margin of 9.8%.

We deliver industry-leading optical, IP, fixed and data center networking solutions to telecommunication providers, AI & Cloud customers, mission critical enterprises, wholesalers and public sector organizations. Our trusted, purpose-built connectivity solutions power the internet, drive the global economy, and support the mission critical industries that keep the world running.

Optical Networks

Optical is a critical component of the infrastructure required to support AI at scale, and we are investing with a long-term view. We see rapid adoption of high-speed optical transmission technology including 1.2T/1.6T coherent transponders and 800G coherent pluggables that can drive down cost, space, and power per bit. The demand for 800G pluggables is challenging the industry's supply chain. Our focus is on driving market share gains across the portfolio, building on our number two global market position⁽¹⁾, increasing our presence in AI & Cloud and taking steps to address new emerging intra-data center component opportunities.

IP Networks

IP Networks continued to lead in its sector, holding the number one global position in IP edge routing⁽²⁾. Key priorities for the business include expanding our presence in data center networks and driving growth in the mission critical enterprise segment. We saw encouraging proof points in the second half of 2025 for our data center business, with a number of significant design wins and increased order intake.

Fixed Networks

Fixed Networks focuses on advancing fiber technologies by leading in residential Passive Optical Networks (PON), innovating chipsets and platforms, leveraging AI and automation to increase margins, and expanding PON into new sectors such as enterprises and data centers. Continued innovation leadership in next generation PON technologies, such as 10G, 25G, and 50G, enabled Fixed Networks to sustain its global number one position in xPON OLT for the sixth consecutive year. The business is also number one in 10G (XGS PON) ONT/OLT, underscoring its strength in high-speed fiber connectivity solutions⁽¹⁾.

(1) Omdia and Dell'Oro Q3'25

(2) Dell'Oro Q3'25

Cloud and Network Services

Cloud and Network Services delivers open, secure, automated, and scalable software that accelerates our customers' journey to autonomous networks and new value creation.

Cloud and Network Services (CNS) delivered net sales of EUR 2.6 billion, with a segment operating margin of 13.0%.

Cloud and Network Services' portfolio includes Core Network software, which is made up of voice core, packet core, subscriber data management, and signaling and policy software for telecommunication providers. The CNS portfolio also includes Autonomous Network software which is made up of a software fabric (called Autonomous Network Fabric) that supports digital operations, analytics and AI, and security software. CNS customers include the largest telecommunication providers and mission critical enterprises in the world.

Telecommunication investments remained stable in 2025 with providers focusing on 5G expansion while investing in automation and AI to optimize their networks, reduce costs, and improve sustainability. Monetization of 5G investments also remained a top priority among the larger providers.

In Core Networks, we hold a leading position in the telecommunications market, with our technology present in 65% of telecommunication providers' 5G SA networks. Omdia has ranked us number one in portfolio competitiveness, Core SaaS, cloud-native readiness, automation, and 5G deals, with the highest number of 5G SA core operator customers and live deployments worldwide. We have achieved our position by being early to invest in cloud innovation, containerization, multi-cloud support, and flexible deployment options.

In Autonomous Networks, we are a market leader across various domains: ranked number one in both AI Ops and Cross-Domain Service Orchestration and number two in Network Automation Software by Appledore; number one in Automated Assurance and a leader in Service Assurance by Analysys Mason; an innovation leader in Telco Extended Detection and Response (XDR) security by GigaOm; and a Leader and Top Innovator for Telco API platforms by ABI Research.



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Mobile Networks

Mobile Networks creates high-performing products and services that support advanced connectivity across all 3GPP mobile technology generations.

Mobile Networks delivered net sales of EUR 7.8 billion in 2025 with a segment operating margin of 2.8%.

Mobile Networks' portfolio included products for radio access networks (RAN) and microwave radio for transport, network management and a range of associated services. We serve telecommunication providers and mission critical enterprises, including the defense sector and governments. The demand environment was largely stable in 2025.

In 2025, we reinforced our position as a global RAN supplier, delivering the fastest 5G in 15 of the 20 fastest 5G countries. Analyst firms like Dell'Oro and Omdia ranked Nokia third in global Mobile RAN market share for the first three quarters.

By the end of the year, we had 408 commercial 5G agreements across key regions and over 1 000 private wireless customers. In 2024 - 2025, we gained 18 new telecommunication customers, seven of which joined in 2025, expanded RAN market share with 18 customers, and saw 13 existing customers upgrade to 5G technologies.

Nokia has set itself apart from competitors by pioneering AI-powered radio access networks (AI-RAN) solutions in partnership with NVIDIA. As the first supplier to introduce commercial-grade AI-RAN products for 5G-Advanced and 6G networks, we leverage the NVIDIA ARC-Pro accelerated computing platform to evolve our Cloud RAN into a Cloud AI-RAN solution, and in our AirScale RAN solutions. The upcoming AI-RAN capacity plug-in unit for Nokia AirScale baseband will be optimized for AI-native traffic, allowing customers to capture greater opportunities in the AI-driven market cycle.

T-Mobile U.S. is partnering with Nokia and NVIDIA to drive and test AI-RAN technologies within its commercial network. We are also collaborating with NVIDIA on AI-RAN innovation with SoftBank in Japan and Indosat Ooredoo Hutchison in Indonesia. Additionally, with KDDI in Japan, we are researching AI-RAN's practical applications and architectures for future commercial viability.

Building on the achievements of 2025 and embracing AI-driven networks and next-generation 5G-Advanced and 6G, we are well positioned to anticipate industry needs and shape the future of global connectivity.

Nokia Technologies

Nokia Technologies conducts research and standardization, protects our investments by securing patents, and enables other companies to build on our innovation through licensing.

Nokia Technologies delivered net sales of EUR 1.5 billion, with a segment operating profit of EUR 1.1 billion.

We continued to diversify our revenue pools with further progress in our expansion areas, including automotive, consumer electronics, Internet of Things (IoT), and multimedia services. In addition, we continued to invest in our portfolio to future-proof our business.

Nokia has led wireless and multimedia innovation for over 30 years, building one of the industry's largest high-quality patent portfolios with more than 26 000 families, including over 8 000 essential to 5G. Our inventions range from AI and machine learning for 5G-Advanced and 6G, to environmental sustainability solutions, Multi-RAT Spectrum Sharing, MIMO, and quantum security.

The business group shares Nokia's technology with a wide range of industries by licensing our foundational wireless and multimedia innovations. We have dedicated patent licensing programs for mobile devices, consumer electronics, IoT devices and solutions, automotive, and multimedia services.

The strength of our assets has made it possible for us to successfully secure the vast majority of our patent licensing agreements without resorting to litigation. This solid foundation also enables us to establish new markets through pioneering agreements.

Whenever a device connects to a mobile network or streams video, it's powered by Nokia's technology. Our inventions are integrated into more than a billion new devices worldwide each year. They power entire industries, enabling smartphones, laptops, smart TVs, connected cars, smart home appliances, video streaming platforms, and a wide range of AR/VR applications.

Building on the strong performance of our smartphone renewals and the momentum in our expansion areas, we are well positioned for continued stability. We have secured annual contracted recurring revenue of over EUR 800 million through 2030, providing a healthy foundation for future success. Our licensing programs in our expansion areas of automotive, consumer electronics, IoT and multimedia now contribute an annual revenue run-rate of more than EUR 200 million.

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Our strategy

Connecting intelligence: Powering the AI era

We are in the middle of an AI supercycle, a technology revolution in which multiple waves of innovation will build on each other.

As intelligence moves beyond the data center and into the physical world the AI supercycle will transform how devices interact, how industries operate, and how people live and experience technology. This represents a moment of disruption in which new leaders can emerge and substantial new value can be created.

As the trusted western provider of secure and advanced connectivity, our technology is powering the AI supercycle. From fixed to mobile infrastructure we are developing technology that accelerates value for our customers.



Significant value creation opportunity in the AI supercycle

Large AI supercycle market opportunity

€60bn

'28 SAM, 9% CAGR⁽¹⁾

A strong innovation roadmap

€4.9bn

R&D investment in 2025

Key wins validating strategic milestones

~€2.4bn

YTD AI & Cloud orders up 3X⁽²⁾

(1) Serviceable addressable market. Nokia, analyst reports, excluding China/Russia;

(2) YTD 2025 including Infinera from 1 January 2025. AI & Cloud includes AI and data center customers, neocloud, sovereign cloud, Tier 2/3 cloud providers.

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Our strategy evolution during 2025

Infinera acquisition

Nokia announced its intent to acquire Infinera, a leader in optical networking solutions and advanced optical semiconductors, on 26 June 2024 and the acquisition was completed on 28 February 2025. Nokia acquired Infinera for a purchase consideration of EUR 2.5 billion as described in more detail on page 184. The transaction was aligned with Nokia's strategic direction and aimed to provide three primary strategic benefits:

1. Increased scale in Optical Networks: The combination of Nokia's existing optical portfolio with Infinera's has created a business with the scale to better compete on all fronts with the market leaders, and over time, improve the operating margin and returns generated in the business.
2. Expanded presence in North America: Nokia's Optical Networks business before the acquisition had a strong position in many regions but the notable weakness was in North America. This was the region of strength for Infinera and the acquisition was highly complementary and creates a stronger global presence.
3. Strengthened position in AI & Cloud: Nokia had only limited presence in supplying the hyperscalers or even the broader AI & Cloud markets. Infinera already had deep engagement with hyperscalers and has built on that post acquisition.

Nokia moved quickly after the completion of the acquisition to integrate the business. Within just over a month of closing the acquisition, Nokia communicated to customers how the product portfolio would evolve. The commercial momentum of the combined optical business was strong through the rest of 2025.

Leadership transition

In February, Nokia announced a leadership transition that would see Justin Hotard appointed as President and CEO, succeeding Pekka Lundmark, with the change taking effect on 1 April 2025.

Following the leadership transition, Nokia entered a period of strategic assessment. From the start the focus was on capital allocation to ensure Nokia is investing sufficiently in the key growth opportunities in the business but also driving for efficiency across the organization.

While some conclusions of that process were already announced earlier, Nokia's new strategy was then fully communicated at the Capital Markets Day in November 2025. The following pages outline the strategy Nokia began implementing through 2025 and will focus on executing in 2026 and beyond.

Capital Markets Day 2025

On 19 November 2025, during our Capital Markets Day, we announced our new strategy to position Nokia to lead in the AI-driven transformation of networks and capture the value of the AI supercycle. It laid out how we would take the lead in connecting intelligence by becoming faster, more agile, more focused and more execution-driven. Going forward we will be guided by five strategic priorities:

- Accelerate growth in AI & Cloud
- Lead the next era of mobile connectivity with AI-native networks and 6G
- Grow by co-innovating with customers and partners
- Focus capital where Nokia can differentiate
- Unlock sustainable returns

To execute on our new strategic direction, we have simplified Nokia's operating model, effective from 1 January 2026. Nokia has moved from four business groups to two primary operating segments: Network Infrastructure and Mobile Infrastructure. This simplification will streamline our organization, allowing us to accelerate innovation, unlock operating leverage and move faster.

Our ways of working will also change in order to reinforce our strategic priorities. Going forward we are prioritizing clear roles, accountability and the empowerment needed to execute at pace. This will help us move faster, make better decisions, align ourselves more closely with customers and focus our attention on where we see the greatest opportunities. This straightforward, cohesive, customer-focused approach has a simple name: Team Nokia.

Nokia has already changed the world once. Now we have the opportunity to change it again. This is the new chapter of Nokia: focused, differentiated, trusted and already creating value in the AI era.



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Our strategic priorities in action

Strategic priority

01

Accelerate growth in AI & Cloud

The AI supercycle is a multi-decade, multi-wave technology transition. We are investing to grow in the parts of our portfolio that power it, from data centers to the intelligent edge. These investments, specifically in Optical Networks and IP Networks, will help us to capture the demand, growth and value that the AI supercycle is generating.

Our acquisition of Infinera strengthened our position in optical transport, enabling us to deliver ultra-fast, reliable connectivity for hyperscale data centers and AI workloads. Strategic partnerships with leading technology companies such as NVIDIA, and investments in providers of sovereign AI cloud infrastructure such as Nscale, ensure our solutions are embedded at the heart of global innovation and value creation.

AI network demand grid

	Reliability Downtime	Per-port peak bandwidth	Mobile traffic	Latency
AI-native				Physical AI <ul style="list-style-type: none"> Self-driving cars General robotics
Open				Agentic AI <ul style="list-style-type: none"> Coding assistant Customer service Patient care
Trustworthy and secure		Perception AI <ul style="list-style-type: none"> Speech recognition Deep RecSys Medical imaging 	Generative AI <ul style="list-style-type: none"> Digital marketing Content creation 	
Extensible	Foundational AI <ul style="list-style-type: none"> 2012 AlexNet 			

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Strategic priority

02

Lead the next era of connectivity with AI-native networks and 6G

We're pioneering trusted, secure, AI-powered networks.

Currently, most AI data traffic comes from text-based applications such as large language models (LLMs). In the future, that traffic will become more diverse, based on images, videos and physical devices with embedded AI, such as augmented reality glasses. In addition, AI is shifting network traffic away from the traditional, downlink-heavy model based on consuming content, and towards a more balanced, uplink-and-downlink model based on the creation, interpretation and uploading of data. In the AI supercycle networks must not only carry this AI traffic but also use AI to optimize performance, reliability, and energy efficiency.

Our innovations in optical transport, IP switching, and radio hardware and software allow networks to meet these demanding requirements, making it possible to achieve ultra-low latency, massive capacity and extreme scalability. Our AI-RAN partnership with NVIDIA demonstrates our strategic intent, while ongoing research and standardization work mean we are already shaping the qualities and capabilities of 6G.

By cloudifying core network functions, collaborating with industry leaders and developing the software that optimizes networks for the reality of AI, we help our customers to scale efficiently and securely as AI traffic grows, agentic AI rolls out and physical AI becomes more commonplace.

Strategic priority

03

Grow by co-innovating with customers and partners

Our best innovations are built together with customers, partners and the broader technology ecosystem. But we want to go further. We will drive co-creation with our ecosystem where customers or partner competencies complement our own, aiming to improve product performance, strengthen our own competitiveness and further differentiate us in a demanding market.

Recent examples of this approach include partnership and investment in Nscale for AI cloud infrastructure, and collaboration with NestAI to advance autonomous systems in defense.

These initiatives demonstrate our ability to leverage our networking expertise while integrating complementary capabilities from partners.

Co-innovation accelerates time-to-market, strengthens customer relationships, and ensures solutions deliver measurable outcomes. Nokia's recently strengthened partnership with NVIDIA demonstrates these benefits – our largest US customer, T-Mobile US, is an active participant in the partnership, using it to drive and test AI-RAN technologies and use cases.



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From connecting people to connecting intelligence

Consumer AI traffic growth

20% CAGR over the next decade

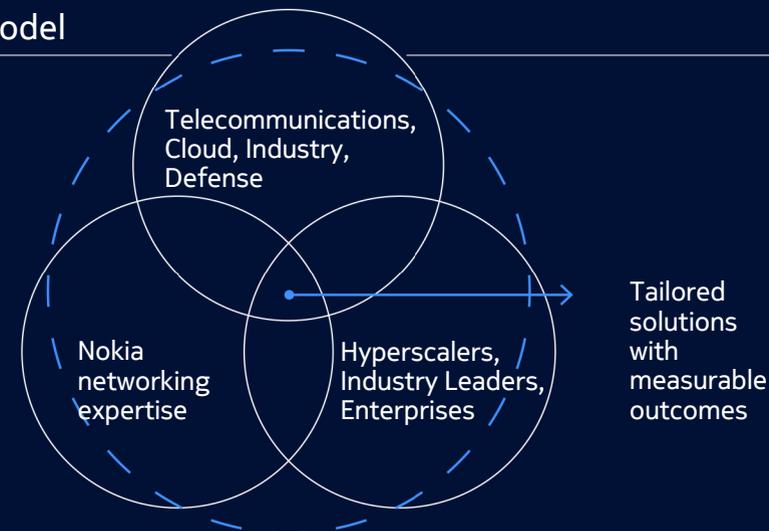
Enterprise and industrial AI traffic growth

~50% CAGR over the next decade

New network demands

- » Uplink intensity increasing
- » Traffic variability increasing
- » Latency sensitivity critical

Synergy model



Strategic priority

04

Focus capital where Nokia can differentiate

We will invest where we can truly differentiate ourselves from our competitors, ensuring resources are allocated to areas with clear technological leadership and market opportunity.

Elsewhere, we will partner with the best in the industry to create more value. With our Core portfolio, for example, we focused on real software differentiation and partnered with companies such as Red Hat instead of building our own cloud stack.

We are pulling back from venture fund investing in order to focus on selective and strategic direct minority investments that

support or complement our commercial endeavors and strategy to drive market technology leadership.

Our strategy also takes account of opportunities to achieve organic growth through R&D, targeted capital expenditure to expand critical capacity, and selective mergers and acquisitions, such as our acquisition of Infinera, that enhance our capabilities in areas where we can lead. The creation of our Portfolio Businesses segment clarifies non-core activities and enables evaluation of alternative ownership models.

Strategic priority

05

Unlock sustainable returns

We will empower Team Nokia, invest in AI-enabled productivity and pursue consistent, durable value for our shareholders.

Internally, our focus on operational excellence, portfolio simplification and AI-enabled productivity drives efficiency and profitability across the organization.

Capital discipline supports balanced and growing dividends and share buybacks, while performance improvements and cost efficiencies can reinforce market share gains.

By executing our strategic priorities, we aim to deliver earnings growth, cash generation and total shareholder returns, further driving innovation and value creation in the technology ecosystem.

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Capital allocation: approach and resulting opportunity

1	Organic investment: R&D and CapEx	Focused	Near-term profit improvement
2	Inorganic investment: M&A and strategic investments	Prudent	
3	Dividends: recurring, stable and growing over time	Balanced	Long-term growth potential
4	Share buybacks: excess cash return		

Creating long-term value for shareholders

Delivering profit expansion

Position Nokia for long-term growth

Maintaining disciplined approach to capital allocation

Framing Nokia's future

Our strategy is clear, focused and positions us to lead. To execute with maximum efficiency, Nokia must align with our customers - how they buy, how they evolve and how they position themselves.

To better align with customer needs and accelerate innovation as the AI supercycle increases demand for advanced connectivity, Nokia announced that it would simplify its operating model into two primary operating segments: Network Infrastructure and Mobile Infrastructure. This reorganization took effect as of 1 January 2026. During 2025 Nokia still operated under the previous structure as described on page 10.

The reorganization recognizes **Network Infrastructure** as a growth segment, positioned to capitalize on the rapid, global AI and data center build-out while continuing to innovate for its telecommunications customer base. The segment consists of three business units: Optical Networks, IP Networks and Fixed Networks.

The new **Mobile Infrastructure** segment brings together Nokia's Core Software portfolio, Radio Networks portfolio and Technology Standards, formerly Nokia Technologies. It will be positioned for core and radio-network technology and services leadership to lead the industry towards AI-native networks and 6G.

Nokia Defense is being launched as an incubation unit to serve as the central go-to-market and R&D hub for Nokia's defense portfolio.

This new structure gives us the clarity and accountability we need to execute with speed and discipline.

Nokia has conducted a thorough review of its business portfolio. This process identified several units which, despite some compelling growth opportunities, are not seen as core to the future of the company's strategy.

Nokia aims to conclude on a future direction for each unit during 2026. During this transition, Nokia's priority will be to ensure continuity for customers and employees.

Portfolio Businesses include the following units:

- Fixed Wireless Access CPE
- Site Implementation and Outside Plant
- Enterprise Campus Edge
- Microwave Radio



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Business structure: Two operating segments

Network Infrastructure
Mobile Infrastructure

Our customers

Telecommunication Providers
AI & Cloud
Mission Critical Enterprise & Defense
Technology Licensees

Creating long-term value for stakeholders

Customer focus and co-innovation
Embedding greater agility to position Nokia for long-term sales growth
Driving profit growth through operational excellence and efficiency
Maintain a disciplined approach to capital allocation

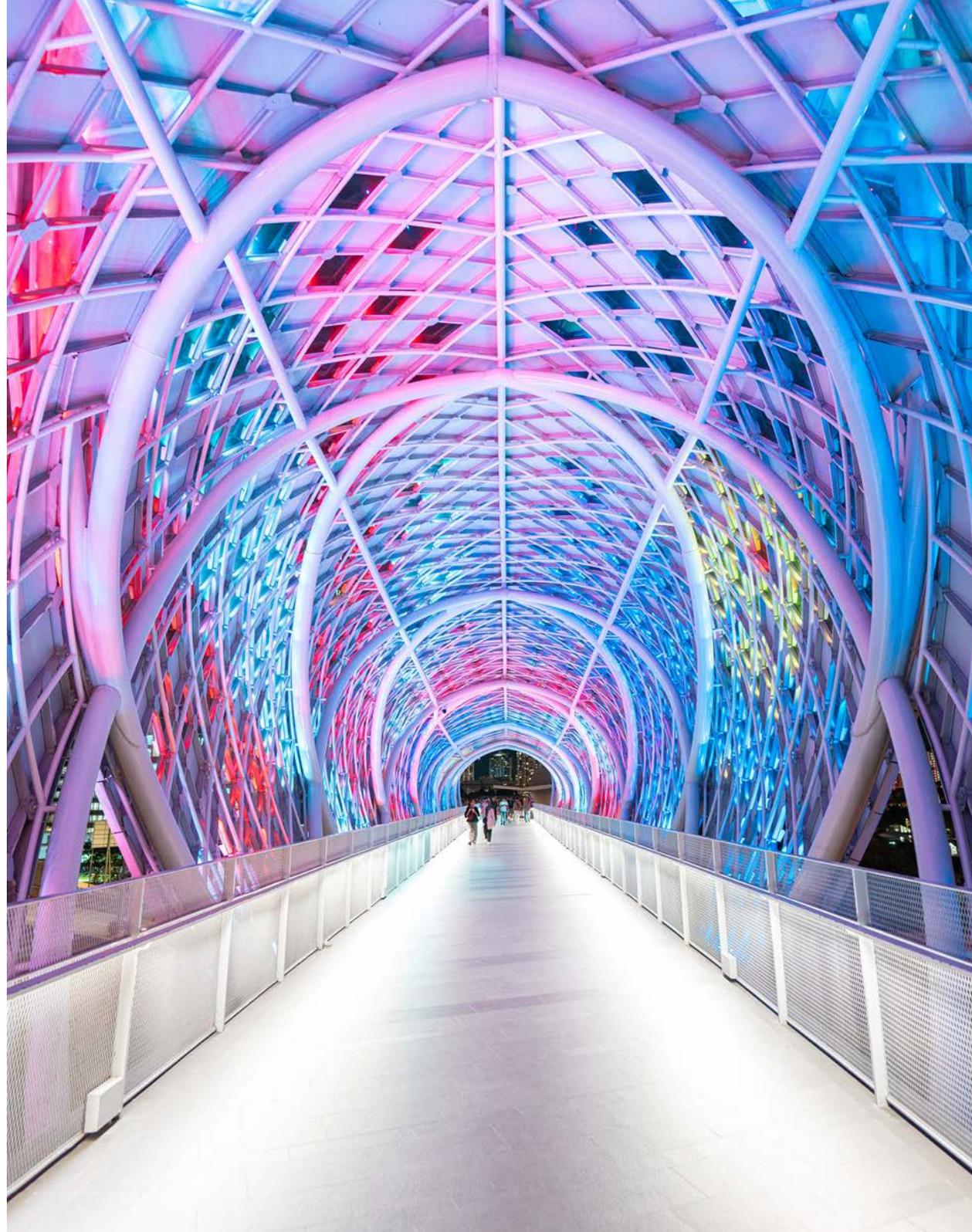
Our technology vision

Connecting intelligence: Enabling a supercycle

LLMs, agents, autonomous vehicles – some of the innovations to have emerged from the first phase of the AI supercycle are already all around us. To fully capture the value of that supercycle we must understand what AI means for connectivity. AI will blur the boundaries of the physical and the digital worlds. The connected landscape will completely change the demands placed on networks.

As a trusted Western provider of secure and advanced connectivity, Nokia's technology is powering the AI supercycle. Our technology provides the infrastructure for AI systems to exchange and process data in real time. This is vital but far from straightforward: the amount of complex and diverse AI-native network traffic is increasing exponentially.

Connectivity that hits required KPIs for bandwidth, capacity and latency will become a major value driver for telecommunication providers as data flows both ways between data centers and AI-powered devices, applications and autonomous vehicles.



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Enterprises must scale their adoption of AI. This means networks must evolve from delivery channels to integral components of the AI ecosystem. This is true not only to capture opportunities enabled by 5G, but to prepare for 6G and beyond.

But while grasping the potential of AI, enterprises also recognize that the infrastructure enabling it must be secure and dependable. Advanced connectivity allows for more devices, machines and distributed systems to plug into networks. This increases the need for trust, security and resilience across entire architectures. Privacy, transparency, accountability and other responsible principles must be prioritized throughout the development, implementation and operation of AI models and tools.

For decades, Nokia technologies have driven the digitalization of networks, from analog sound waves to bits, then to packet switched technologies across radio, transport, IP switching domains and the cloud edge. We have peerless visibility across the network, based on unique datasets that allow us to train, inference and fine-tune AI models built specifically for networks.

In RAN, we recently reinforced our AnyRAN portfolio by expanding our partnership with NVIDIA, bringing their GPUs into our radio networks and embedding AI-based innovations into the base bands. This brings GPU support to our proven field-hardened software on the AI-RAN platform.

In IP routing, our portfolio is built on robust software sitting on top of unique silicon, as well as a comprehensive portfolio of data center switches. We are also leaders in Indium Phosphide photonic integrated circuits, differentiating us from our competitors. In fixed access, we recently launched the world's first 50-gig PON and are getting ready for ultra-fast broadband.

In Optical Networks, our innovation in material sciences helps us achieve previously impossible capacities across fiber optical cables, doubling previous throughput and interface performance. Our pluggables give operators and hyperscalers the flexibility and scalability that the AI era demands.

Tomorrow's networks won't just carry data. They will continuously adapt, protect and improve. AI powers the networks, and the networks power AI. The benefits will be felt by network owners and their customers: businesses, public services and communities, everywhere.

Nokia Bell Labs

Nokia Bell Labs is one of the world's premier industrial research labs. Celebrating its centenary in 2025 – the same year as Nokia's 160th anniversary – it brings together mathematicians, engineers, physicists, programmers and other experts to work on some of technology's biggest challenges.

Nokia Bell Labs researches the fields of network fundamentals, automation, semiconductors and devices, and AI and software systems. Current focus areas include:

Physical AI: We are building Physical AI models that can interpret a physical scene in real-time. These models allow users to ask "what is happening now?" and issue natural language commands in a variety of settings; the models will reply with an understanding of the physical world and the people and objects that inhabit it.

Space communications: In March 2025, in collaboration with NASA, Intuitive Machines and Lunar Outpost, we deployed the first cellular network on the Moon.

AI-native networks and 6G: Throughout 2025 we advanced the 6G ecosystem in multiple domains through co-creation with customers and partners. Work included the exploration of interoperable, multi-vendor AI in wireless networks with Qualcomm Technologies; 6G radio receiver leveraging AI to extend uplink range and enhance coverage with Rohde & Schwarz; and driving innovation in 6G energy efficiency and network resiliency with KDDI Research.

Our R&D, standardization, and IP strength

Innovation leadership

Strong innovation roadmaps and co-innovation with customers and partners.

~€160bn

R&D investments since 2000

€4.9bn

R&D investments in 2025

Standards leadership

Ecosystem leadership through standardization. Nokia holds key positions across all major standardization and industry groups.

8 000+

patent families declared as essential to 5G standards

6G

founding member of Next G Alliance and leadership in Hexa-X-II and 6G-ANNA projects

Patent leadership

Constant renewal of industry-leading portfolio.

26 000+

patent families with vast majority still in force in ten years' time



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Our customers Delivering value, consistently

Nokia's technology is an essential enabler of the AI supercycle – a revolution that is already reshaping demand from our customers.

Our customers are contending with the accelerating growth of AI traffic and the new demands that AI applications are placing on network performance.

As a trusted global provider of secure and advanced connectivity, our technology helps our customers capture the opportunities of an AI-enabled future. We also co-create solutions with those customers to make sure our product performance and business competitiveness are second to none.

Our customers comprise four broad groups: Telecommunication Providers, AI & Cloud, Mission Critical Enterprise & Defense, and Technology Licensees. Nokia discloses the combination of AI & Cloud providers and Mission Critical Enterprise in the breakdown of sales by customer type on page 135. This section analyzes the current situation with each of those customer groups.



Telecommunication providers

70%

of the world's 5G standalone networks include Nokia core platforms

Telecommunication providers

70%

of fiber broadband connections in North America use Nokia networks

Telecommunication providers

15/20

of the world's fastest 5G networks rely on our technology

AI & Cloud

9/10

of the top global hyperscalers use Nokia's optical networks

AI & Cloud

100+

customer relationships

Mission critical enterprises

1 000+

momentum growing in utilities, transportation, public sector, manufacturing and health care

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01 Our customers Telecommunication Providers

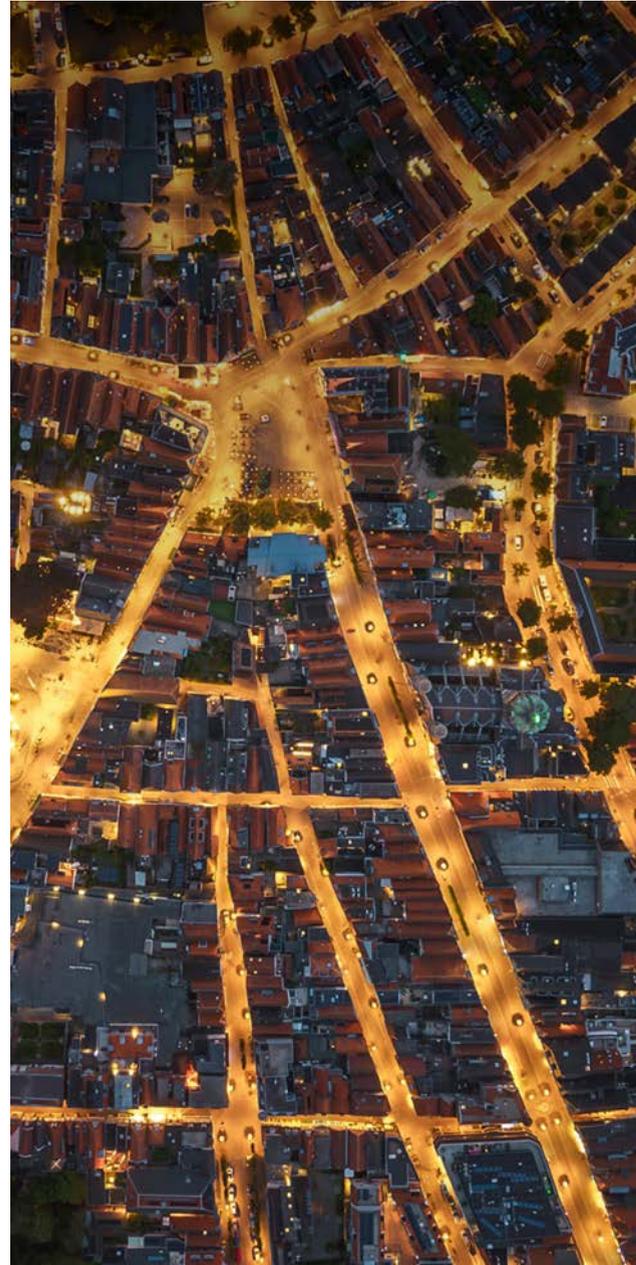
Serviceable addressable market:
€69 billion, up 2% year-on-year.

Telecommunication providers offer voice and/or data services through fixed and/or mobile connectivity to consumers, enterprises, governments and other customers. To stay competitive, telecommunication providers must unlock new value, improve performance and bring new services to their customers, transforming legacy networks into high performance and secure platforms ready for the demands of the AI supercycle.

Nokia estimates that in 2025 our serviceable addressable market (SAM) related to telecommunication providers was EUR 69 billion, having increased by 2% from 2024 to 2025, excluding the impact of changes in foreign currency exchange rates. We saw moderate market growth in all segments driven by North America, Middle East, Africa and India.

We expect the SAM to grow moderately, at a 1% compound annual growth rate (CAGR) between 2025 and 2028 excluding the impact of changes in foreign currency exchange rates. We expect that fiber, IP routing and optical networks will grow faster than the overall telecommunication provider market, driven by the continuous demand for higher speed access technologies. Meanwhile we expect RAN investments to track the overall telecommunication provider market, as 5G continues to roll out. This rollout will drive growth in software, including 5G Core and all software segments supporting 5G operability and monetization. Long term, we expect growth in the RAN market following the rise of AI-enabled devices and the demand for intelligent applications at the edge.

Having invested billions in spectrum, access technologies and transport infrastructure in recent years, we expect telecommunication providers to remain focused on the monetization and cost optimization of their assets. They are also considering divesting from passive infrastructure and transitioning towards network sharing models, which might reduce demand for network vendor equipment. We have also seen some telecommunication providers adopt cloud-based operational and business models, which may allow for new market entrants, accelerate innovation and create market share opportunities for technology leaders, including Nokia.



02 Our customers AI & Cloud

Serviceable addressable market:
€17 billion, up 28% year-on-year.

AI & Cloud providers are building the physical infrastructure of the AI economy at unprecedented speed. To meet rising demand, they need ultra-high-performance connectivity to deliver high capacity hyperscale connectivity across continents and within the data center. Increasingly, they rely on Nokia to power their AI factories in some of the most complex networks ever seen – nine of the world's top 10 hyperscalers use Nokia's optical technology.

We estimate that in 2025, Nokia's SAM related to AI & Cloud providers was EUR 17 billion, having increased by 28%, excluding the impact of changes in foreign currency exchange rates from 2024 to 2025. This was driven by an acceleration of data center networking roll-outs, especially by hyperscalers.

Our SAM for AI & Cloud providers consists mainly of optical and IP networks, providing conduits for the data and compute that power AI training and real-time inference. Within optical networks, we expect that data center interconnect will drive strong growth, while the rapid increase in data traffic required by AI & Cloud providers will necessitate the adoption of higher bit rate technologies in IP networks.

The largest global AI & Cloud providers are structurally important parts of the telecommunications ecosystem. As well as building the AI factories that enable the AI supercycle, they partner with telecommunication providers to co-locate edge stacks on-premises and they aim to run telecommunications network workloads on their cloud infrastructure. As such, AI & Cloud providers are customers, partners and potential competitors in some areas.

We forecast this market to grow at 26% CAGR until 2028, excluding the impact of changes in foreign currency exchange rates.

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Our customers
Mission Critical
Enterprise & Defense
Serviceable addressable market:
€13 billion, up 11% year-on-year.

Mission critical enterprises are those in which connectivity is a strategic asset helping to deliver persistent connectivity for operations that simply cannot fail. They include public utilities, rail and transportation, emergency services and militaries.

Mission critical enterprises demand the best, most reliable, most resilient connectivity on the market, often in challenging locations and situations. From emergency response and grid restoration to real-time train control, they require networks that deliver always-on connectivity across wide and indoor areas, ultra-low latency for instant command and automation, and robust end-to-end security. This is why mission critical enterprises are replacing siloed legacy systems with higher-performance dual-use technologies, such as 5G, which can be optimized for specific use cases while remaining more affordable and delivering higher performance than bespoke technologies.

We see defense as a particularly important part of the mission critical enterprise market. Militaries are accelerating their spending, including on robust, resilient and secure communications technologies, especially those that are dual-use. Nokia is a trusted partner to the defense community and an innovation leader in cloud, fixed and wireless networks. We provide best-in-class dual-use technologies that can enhance defense communications and accelerate the digital transformation of defense assets.

We estimate that in 2025, Nokia's SAM related to mission critical enterprises was EUR 13 billion, having increased by 11%, excluding the impact of changes in foreign currency exchange rates from 2024 to 2025. This was driven by strong growth in both Network Infrastructure, especially in data center networks, and Mobile Networks.

We forecast this market to grow at 14% CAGR until 2028, excluding the impact of changes in foreign currency exchange rates.

04

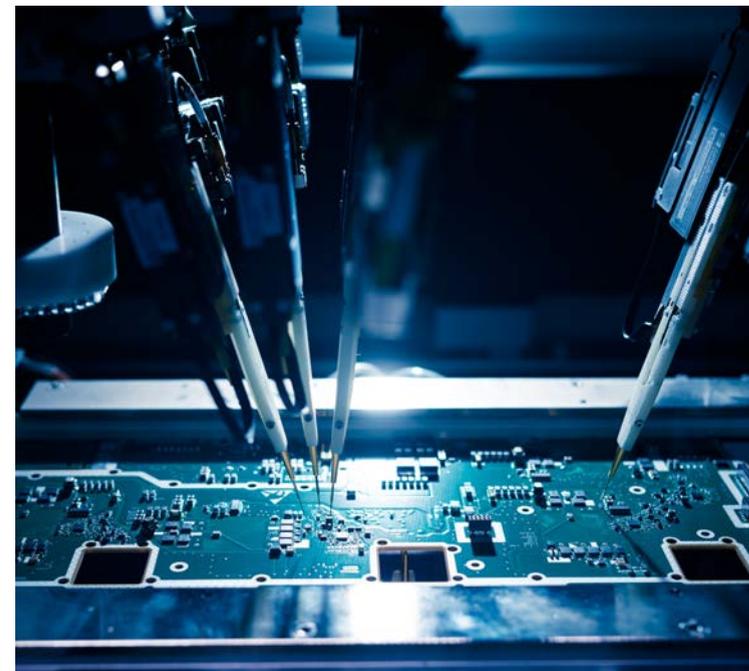
Our customers
Technology
Licensees
Total revenue: €1.5 billion
down 22% year-on-year.

Technology licensees are companies that have agreed licenses to use Nokia's intellectual property in their products. This includes the licensing of Nokia's industry leading patent portfolio and the licensing of technologies for integration into consumer devices.

The vast majority of Nokia Technologies' revenue comes from patent licensing. We have patent licensing agreements with most of the world's major smartphone vendors and with most Western car makers.

In addition to mobile devices and automotive, we run patent licensing programs for consumer electronics, video services and the wider IoT domain.

In total, we have more than 250 licensees across all our programs, including companies like Apple, Samsung, Lenovo, and Mercedes-Benz.



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Our supply chain

Trusted relationships

Nokia's diversified and sustainable supply chain is a strategic asset for us, our customers and consumers of connectivity.

Our end-to-end operations include sourcing, demand and supply planning, manufacturing, distribution and logistics. In 2025, we purchased over EUR 11 billion worth of products and services from around 9 000 suppliers.

While the operating environment remained challenging in 2025, we continued to develop risk and cost management capabilities, robust partnerships and a regional approach.

Focus on risk and cost management

Demand for our products remains volatile, driven by macro-economic conditions and growth in AI & Cloud infrastructure. To address market fluctuations and supply-chain disruptions, we work with customers to develop robust mid- and long-term forecasts, enabling effective risk management, cost-efficiency prioritization and enhanced resilience. Our rigorous inventory-management practices mitigate the risk of excess stock.

We continued to develop our risk management capabilities, supported by increased digitalization and automation. Inventories and safety buffers were largely kept upstream on a component level, increasing the flexibility to react to any potential short-term product type changes.

Building resilience

We continuously optimize our manufacturing, distribution and supplier networks, ensuring several manufacturing sources for key volume products. We also leverage AI capabilities to better develop our supply chain and factory network.

Our geographically dispersed manufacturing network consists of both our own manufacturing (4% of the network, based on number of sites) and contract manufacturing partners. Our network is strategically located around the world, and each year

our spending percentage varies depending on regional demand. In 2025, our spend spread was: Europe 28%, Asia Pacific, Japan/India 44%, China 16% and the Americas 12%.

The Infinera acquisition gave Nokia the capability to build key optical semiconductor components with its internal Indium Phosphide (InP) wafer fab capability in California, US. InP components are a key element of Optical transceivers and transponders. Having capability in-house derisks a critical element of our supply chain. In addition, Nokia has a site for the advanced packaging and testing of these components.

Sustainability enablement and innovation

We expect suppliers to follow our Third-party Code of Conduct and Nokia Supplier Requirements. These cover topics such as environment, responsible minerals and modern slavery and are embedded in our due-diligence and supplier support efforts.

In 2025, we implemented 788 supply chain audits. The findings and corrective actions give us confidence that we are reducing risks related to safety, labor and human rights. We established a Sustainability criteria in our Supply Chain Finance framework, benefitting suppliers with strong sustainability performance.

We are committed to cutting 50% of our absolute scope 1, 2 and 3 greenhouse gas emissions by 2030. We are also committed to overall net-zero by 2040 across our value chain. In 2025, we reached a 100% share of renewable electricity in our own factories.

We have increased recycled content in mechanical parts and aim to reach at least 50% recycled aluminum, copper, steel, and polymeric by 2030. We further strengthened the traceability and conflict-free status of relevant minerals in our supply chain.

Own manufacturing

As of 31 December 2025, the production capacity for sites owned by us is noted below:

Country	Location and products ⁽¹⁾	Productive capacity, net (m ²) ⁽²⁾
Finland	Oulu: Base Stations	11 500
India	Chennai: Base Stations, Radio Controllers and Transmission Systems, Fixed Networks	15 500
The United States	Sunnyvale, California ⁽³⁾ : Compound Semiconductor Wafer Fab and Test Facility	2 300
The United States	Allentown, Pennsylvania ⁽⁴⁾ : Production and Development of Advanced Packaging and Test of Photonic integrated Circuits	2 400

(1) We consider the production capacity of our manufacturing network to be sufficient to meet the requirements of our business. The extent of utilization of our manufacturing facilities varies from plant to plant and from time to time during the year. None of these facilities is subject to a material encumbrance.

During 2025, there were no site disposals. During 2024, Nokia disposed of the following sites:

- 1) Calais: submarine cables (France), 61 000 m² net productive capacity.
- 2) Greenwich: submarine cables (United Kingdom), 11 000 m² net productive capacity.
- 3) Hannover: radio frequency systems (Germany), 23 500 m² net productive capacity.
- 4) Suzhou: radio frequency systems (China), 13 500 m² net productive capacity.

During 2023, Nokia disposed of the following sites:

- 1) Trignac: radio frequency systems (France), 7 300 m² net productive capacity.
- 2) Meriden: radio frequency systems (The United States), 31 000 m² net productive capacity.
- 3) Bydgoszcz: remanufacturing, product integration (Poland), 15 200 m² net productive capacity.
- (2) Production capacity equals the total area allotted to manufacturing and to the storage of manufacturing-related materials.
- (3) Leased site.
- (4) In addition to the Allentown site owned by Nokia, as of February 2026, Nokia has leased an additional site in Allentown that is expected to expand the production capacity by approximately 1 800 m².

In addition to the above-mentioned sites, Nokia has in February 2026 completed the purchase of a previously leased facility in San Jose, California (the United States) on which a new Compound Semiconductor Wafer Fab is expected to begin production in 2027 and additional construction will continue to expand the capacity of the site through 2028. The productive capacity of the site is expected to reach 2 600 m². Funding of the California expansion includes USD 40 million of the total USD 93 million in direct funding from the U.S. Department of Commerce under the CHIPS Act and other federal, state, and local incentives (including available investment tax credits). Up to USD 53 million of the CHIPS Act grant funding and federal (including available investment tax credits) and state incentives, may also be used for a potential project in Pennsylvania relating to photonics packaging and testing.

For more details, please refer to Note 4.2. Property, plant and equipment in the consolidated financial statements.



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Corporate governance statement

“Strong governance is the foundation of Nokia’s long-term success. In 2025, our Board of Directors continued to drive strategic direction as well as support and oversee management performance, promoting transparency and accountability across all operations.”

Highlights in our corporate governance during 2025

- Justin Hotard was announced as Nokia’s new President and CEO, joining us on 1 April. Hotard has broad experience with global technology companies, driving technology leadership, innovation and revenue growth.
- In March 2025, we published Nokia’s first sustainability statement aligned with the EU Corporate Sustainability Reporting Directive and Finnish regulation, marking a significant step in our ESG journey.
- At the 2025 Annual General Meeting (AGM) our shareholders reaffirmed their support for the Board’s proposals with a record high overall vote turnout. Our shareholders were also able to follow the meeting via webcast and submit verbal and written questions.
- We have continued our proactive stance on AI governance through our robust AI governance framework at Nokia. We have defined our guiding AI principles through Nokia Bell Labs, and mobilized our cross-functional teams to ensure readiness for every regulatory milestone.
- We have had the pleasure to engage with several of our largest shareholders during 2025 to discuss Nokia’s sustainability, remuneration and governance practices, and their expectations in these areas. We also welcomed NVIDIA as our shareholder in connection with our strategic partnership agreement, reinforcing our commitment to innovation and collaboration.

This corporate governance statement is prepared in accordance with Chapter 7, Section 7 of the Finnish Securities Markets Act (2012/746, as amended) and the Finnish Corporate Governance Code 2025 (the “Finnish Corporate Governance Code”).

Regulatory framework

Our corporate governance practices comply with Finnish laws and regulations, our Articles of Association approved by the shareholders and our corporate governance guidelines (“Corporate Governance Guidelines”) adopted by the Board of Directors. The Corporate Governance Guidelines reflect our commitment to strong corporate governance. They include the directors’ responsibilities, the composition and election of the members of the Board and its Committees, and certain other matters relating to corporate governance. We also comply with the Finnish Corporate Governance Code adopted by the Securities Market Association.

We follow the rules and recommendations of Nasdaq Helsinki due to the listing of our shares on this exchange (ticker code “NOKIA”). During 2025 we also complied with the rules of Euronext Paris prior to delisting our shares on 31 December 2025. Furthermore, due to the listing of our American Depositary Shares on the New York Stock Exchange (NYSE) (ticker code “NOK”) and our registration under the U.S. Securities Exchange Act of 1934, we follow the applicable U.S. federal securities laws and regulations, including the Sarbanes-Oxley Act of 2002 as well as the rules of the NYSE, in particular the corporate governance standards under Section 303A of the NYSE Listed Company Manual. We comply with these standards to the extent such provisions are applicable to us as a foreign private issuer.

To the extent compliance with any non-domestic rules would conflict with the laws of Finland, we are obliged to comply with Finnish laws and applicable regulations. There are no significant differences in the corporate governance practices applied by Nokia compared with those applied by U.S. companies under the NYSE corporate governance standards with the exception that Nokia complies with Finnish law with respect to the approval of equity compensation plans. Under Finnish law, stock option plans require shareholder approval at the time of their launch. All other plans that include the delivery of company stock in the form of newly issued shares or treasury shares require shareholder approval at the time of delivery of the shares unless shareholder approval has been granted through an authorization to the Board, a maximum of five years earlier. The NYSE corporate governance standards require that equity compensation plans are approved by the company’s shareholders. Nokia aims to minimize the necessity for, or consequences of, conflicts between the laws of Finland and applicable non-domestic corporate governance standards.

In addition to the Corporate Governance Guidelines, the Committees of the Board have adopted charters that define each Committee’s main duties and operating principles. The Board has also adopted the Code of Conduct that applies to directors, executives, and employees of Nokia, as well as employees of Nokia’s subsidiaries and affiliated companies (such as joint ventures) in which Nokia owns a majority of the shares or exercises effective control. Furthermore, the Board has adopted the Code of Ethics and Executive Officer Clawback Policy applicable to our key executives, including the President and CEO, CFO and Corporate Controller.

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Our main corporate governance bodies

Pursuant to the provisions of the Finnish Limited Liability Companies Act (2006/624, as amended) (the “Finnish Companies Act”), the legislation under which Nokia operates, and Nokia’s Articles of Association, the control and management of Nokia are divided among shareholders at a general meeting, the Board, the President and CEO and the Group Leadership Team, chaired by the President and CEO.

General Meeting of Shareholders

Nokia’s shareholders play a key role in corporate governance, with our Annual General Meeting offering a regular opportunity to exercise their decision-making power in Nokia. In addition, at the meeting the shareholders may exercise their right to speak and ask questions.

Each Nokia share entitles a shareholder to one vote at general meetings of Nokia. The Annual General Meeting decides, among other things, on the election and remuneration of the Board, the adoption of annual accounts, the authorization for the Board to distribute dividend or other assets, discharging the members of the Board and the President and CEO from liability, as well as on the election and fees of the external auditor and the sustainability reporting assurer. The Remuneration Policy is presented to the general meeting at least every four years and the Remuneration Report is presented annually. Resolutions of the general meeting regarding the policy and the report are advisory in nature.

In addition to the Annual General Meeting, an Extraordinary General Meeting may be convened when the Board considers such a meeting to be necessary, or when the provisions of the Finnish Companies Act mandate that such a meeting must be held.

The Finnish Companies Act was amended in 2022 to enable limited liability companies to hold hybrid and virtual-only general meetings. A virtual general meeting, as defined by the Finnish Companies Act, is a meeting held without a physical meeting venue, where shareholders must be able to exercise their shareholder rights in full by virtual means, including voting in real time and asking questions orally during the meeting.

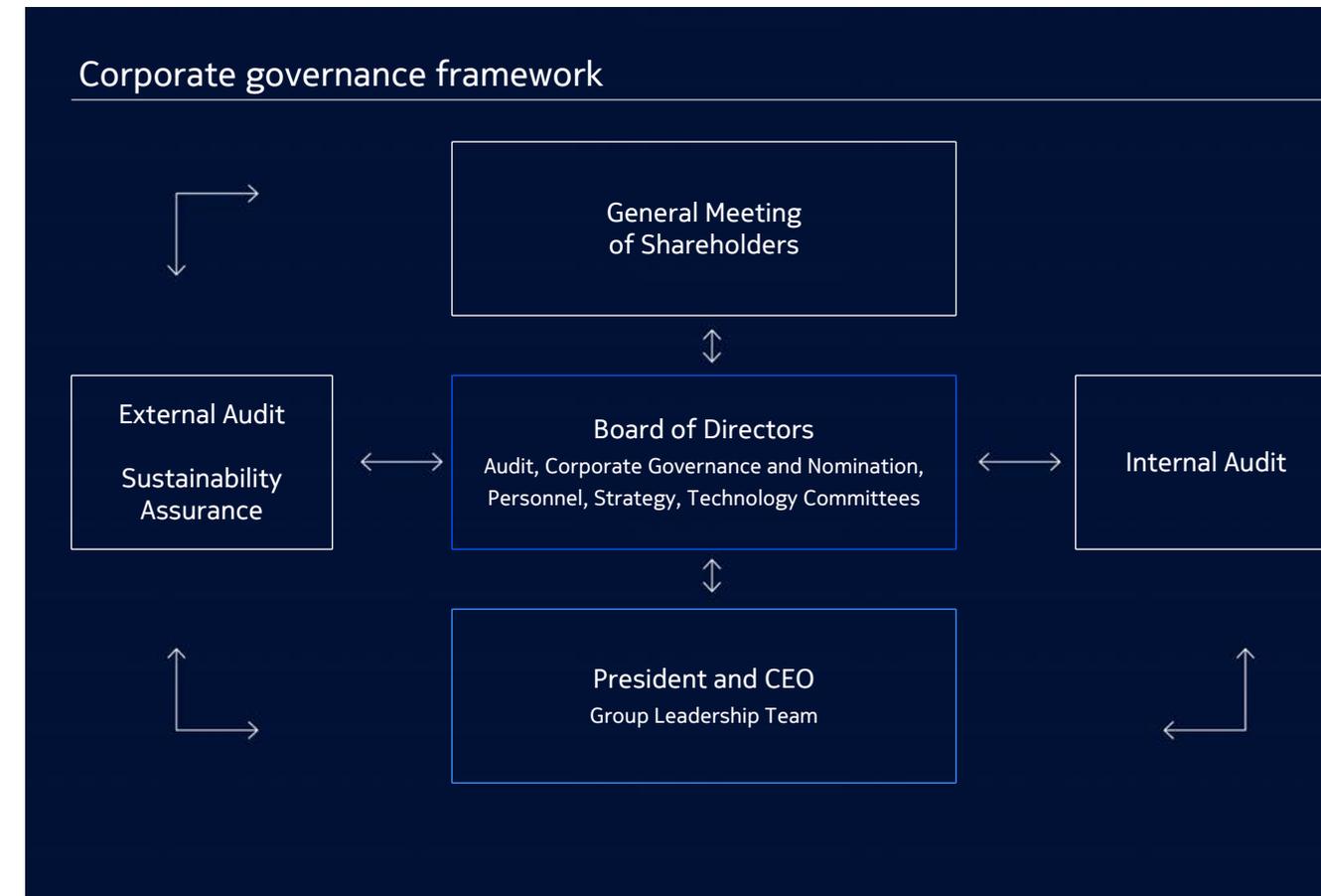
The Finnish legislation can be considered a leading example of protecting shareholders’ rights in virtual general meetings. In the future, virtual general meetings are expected to improve the position of nominee-registered shareholders residing outside of Finland, who may have been unable to attend the general meeting in person or be represented by proxy. The reduced carbon footprint is also one of the benefits of virtual general meetings.

Annual General Meeting 2025 and 2026

The Annual General Meeting 2025 took place at Finlandia Hall, Helsinki, on 29 April 2025. We were pleased to see the high number of votes cast representing approximately 61.4% of all outstanding shares and votes. For the fourth consecutive year, the turnout for the vote stood at a record-high level.

A total of 106 746 shareholders representing approximately 3 304 million shares and 58.9% of all the shares and votes in the Company participated the Annual General Meeting. On the other hand, we once more saw a lower number of shareholders attending in person. To facilitate shareholder participation and digital options to follow the meeting, the Company offered the opportunity to cast votes in advance and to follow the meeting and ask questions through a live webcast, both in writing and orally.

Nokia Corporation’s Annual General Meeting 2026 is planned to be held on 9 April 2026. The Board’s proposals to the Annual General Meeting 2026 were published on 29 January 2026.



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Board of Directors

The operations of Nokia are managed under the direction of the Board, within the framework set by the Finnish Companies Act, Nokia's Articles of Association and any complementary rules of procedure as defined by the Board, such as the Corporate Governance Guidelines and the charters of the Board's Committees.

Election of the Board of Directors

Pursuant to our Articles of Association, we have a Board that is composed of a minimum of seven and a maximum of 12 members. The members of the Board are elected at least annually at each Annual General Meeting. The candidates are considered individually and those receiving the most votes shall be elected pursuant to the Finnish Companies Act. The term of the Board members begins at the close of the general meeting at which they were elected and expires at the close of the following Annual General Meeting. The Annual General Meeting convenes by 30 June annually.

Our Board's leadership structure consists of a Chair and Vice Chair elected annually by the Board and confirmed by the independent directors of the Board upon the recommendation of the Corporate Governance and Nomination Committee. The Chair of the Board has certain specific duties as stipulated by Finnish law and our Corporate Governance Guidelines. The Vice Chair assumes the duties of the Chair of the Board in the event the Chair is prevented from performing his or her duties.

The independent directors of the new Board confirm the election of the members and chairs for the Board's Committees from among the Board's independent directors upon the recommendation of the Corporate Governance and Nomination Committee and based on each Committee's qualification standards. These elections take place at the Board's assembly meeting following the general meeting.

The Corporate Governance and Nomination Committee aims to continually renew the Board to have an efficient Board of international professionals with a mix of skills, experience and other personal qualities in line with the diversity principles established by the Board. The Committee considers potential director candidates based on the short-term and long-term needs of the Company. In the process of identifying and selecting the candidates matching these needs and desired profiles, the Committee engages recruitment firms and external advisers.

Board independence

In accordance with the Corporate Governance Guidelines adopted by the Board of Directors, the Nokia Board shall have a majority of directors who meet the criteria for independence as defined by the Finnish Corporate Governance Code and the rules of the NYSE. All members of the Board's Audit, Personnel, Corporate Governance and Nomination Committees as well as the majority of the Strategy and Technology Committees shall be independent Directors under the same criteria.

The Board will monitor its compliance with these requirements for director independence on an ongoing basis. Each independent director is expected to notify the Chair of the Corporate Governance and Nomination Committee, as soon as reasonably practicable, in the event that his or her personal circumstances change in a manner that may affect the Board's evaluation of such director's independence. The Board of Directors evaluates the independence of its members annually and, in addition to this, on a continuous basis with the assistance of the Corporate Governance and Nomination Committee.

Board composition

The Board has adopted diversity principles, demonstrating our commitment to promoting a well-balanced Board composition. These principles are embedded in our processes and practices for identifying and proposing new candidates for the Board, as well as for the re-election of current members.

For Nokia, Board composition is not static, but evolves over time based on the relevant business objectives and future needs. We view Board diversity as one of factors that strengthen the Board's overall effectiveness rather than an end in itself. Diversity of our Board is considered from a number of aspects including, but not limited to, skills and experience, tenure, age, nationality, cultural and educational backgrounds, gender, as well as other individual qualities.



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Current members of the Board of Directors

The Annual General Meeting held on 29 April 2025 elected ten members to the Board for a term ending at the close of the next Annual General Meeting. Timo Ahopelto, Sari Baldauf, Elizabeth Crain, Thomas Dannenfeldt, Lisa Hook, Mike McNamara, Thomas Saueressig, and Kai Öistämö were re-elected as Board members. Pernille Erenbjerg and Timo Ihamuotila were elected as new Board members. Following the meeting, the Board re-elected Sari Baldauf to serve as Chair and Timo Ihamuotila as Vice Chair of the Board for the same term.

In the current Board composition, 40% of the Board members are female. There are currently five different nationalities and a rather wide age and tenure range represented on the Board.

The current members of the Board are all non-executive and for the term that began at the Annual General Meeting 2025, all Board members were determined to be independent of Nokia and its significant shareholders under the Finnish Corporate Governance Code and the NYSE rules, as applicable.

In addition to biographical information of the Board members, the table in the upper right corner sets forth the number of shares and American Depositary Shares (ADSs) held by the Board members. At 31 December 2025, they held a total of 1 092 401 shares and ADSs in Nokia, representing approximately 0.02% of our total shares and voting rights excluding shares held by the Nokia Group.

Each Board member has a unique skill set that supports Nokia's business. The primary areas of expertise of the current and proposed Board members are highlighted in the skills matrix shown to the right.

Biographical details of the Board members

	Gender	Year of Birth	Nationality	Tenure ⁽¹⁾	Independent of the company and major shareholders	Shares ⁽²⁾	ADSs ⁽²⁾
Sari Baldauf (Chair)	Female	1955	Finnish	7	Independent	385 046	
Timo Ihamuotila (Vice Chair as of 29 April 2025)	Male	1966	Finnish	0	Independent	119 624	
Timo Ahopelto	Male	1975	Finnish	2	Independent	62 082	
Elizabeth Crain	Female	1964	American	2	Independent		67 467
Thomas Dannenfeldt	Male	1966	German	5	Independent	166 802	
Pernille Erenbjerg	Female	1967	Danish	0	Independent	17 840	
Lisa Hook	Female	1958	American	3	Independent		78 290
Mike McNamara	Male	1964	Irish	1	Independent	42 664	
Thomas Saueressig	Male	1985	German	3	Independent	74 322	
Kai Öistämö	Male	1964	Finnish	3	Independent	78 264	

(1) Terms as Nokia Board member before the Annual General Meeting on 29 April 2025.

(2) The number of shares or ADSs includes shares and ADSs received as director compensation as well as shares and ADSs acquired through other means. Stock options or other equity awards that are deemed as being beneficially owned under the applicable SEC rules are not included.

Experience and primary skills of the Board members

	Business Exec. role with P&L responsibility	External boardroom roles/ Governance	Finance and accounting	Legal/Public policy/ Compliance	Telecommunication providers market segment	Enterprise market segment	Technology	Cybersecurity	Environmental /Social issues
Current Board members									
Sari Baldauf	✓	✓		✓	✓		✓		✓
Timo Ihamuotila	✓	✓	✓	✓		✓	✓		
Timo Ahopelto	✓	✓				✓	✓	✓	
Elizabeth Crain	✓	✓	✓	✓					
Thomas Dannenfeldt		✓	✓		✓	✓	✓		
Pernille Erenbjerg	✓	✓	✓		✓		✓	✓	✓
Lisa Hook	✓	✓		✓	✓	✓	✓	✓	
Mike McNamara	✓	✓				✓	✓	✓	
Thomas Saueressig	✓	✓			✓	✓	✓	✓	✓
Kai Öistämö	✓	✓			✓		✓	✓	✓
Proposed new Board member									
Meredith Whittaker	✓	✓		✓			✓	✓	

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Director time commitments

The Corporate Governance and Nomination Committee monitors closely the time commitments of the Board members and annually reviews the Directors' attendance rate at the Board and Committee meetings to ensure they are able to devote the appropriate time to the Company to carry out their duties and responsibilities.

The Corporate Governance Guidelines of the Board include numerical limits and a process for pre-clearance of new roles in public companies. Directors should not serve on more than four other boards of public companies in addition to the Nokia Board, and on no more than three other boards of public companies in addition to the Nokia Board, in cases where they serve as board chair or lead independent director outside the Nokia Board. The Audit Committee members should not serve on more than two other audit committees of public companies in addition to the Nokia Audit Committee.

No positions in excess of these limits may be held without prior consent by the Chair of the Board and the Chair of the Corporate Governance and Nomination Committee determining that such positions would not impair the Director's service on the Nokia Board or Audit Committee.

The Corporate Governance and Nomination Committee will annually, ahead of preparing the proposal on the Board composition, review and assess the Directors' current and planned time commitments outside the Company to seek affirmation that all Directors acknowledge the time commitment principles set forth in the Corporate Governance Guidelines of the Board.

The Committee also reviews under its related guidelines and procedures the proposed new Director candidates' time commitments during the proposed term to ensure that they are able to dedicate sufficient time to their responsibilities on the Nokia Board.

Proposed members of the Board of Directors

Proposals of the Board of Directors to the Annual General Meeting 2026 were published on 29 January 2026. On the recommendation of the Corporate Governance and Nomination Committee, the Board proposes to the Annual General Meeting that the number of Board members be ten. The Board Chair Sari Baldauf has informed the Committee that she will no longer be available to serve on the Nokia Board of Directors after the Annual General Meeting.

Consequently, on the recommendation of the Corporate Governance and Nomination Committee, the Board proposes that the following nine current Board members be re-elected as members of the Nokia Board of Directors for a term ending at the close of the next Annual General Meeting: Timo Ahopelto, Elizabeth Crain, Thomas Dannenfeldt, Pernille Erenbjerg, Lisa Hook, Timo Ihamuotila, Mike McNamara, Thomas Saueressig and Kai Öistämö.

Furthermore, the Board proposes, on the recommendation of the Corporate Governance and Nomination Committee, that Meredith Whittaker, a United States citizen and President of Signal Technology Foundation, be elected as a new member of the Board for a term ending at the close of the next Annual General Meeting. If elected, Ms. Whittaker is expected to bring valuable experience in artificial intelligence, digital risk, and technology governance, thereby strengthening the Board's oversight of emerging technologies.

The Corporate Governance and Nomination Committee will propose in the assembly meeting of the new Board of Directors that Timo Ihamuotila be elected to serve as Chair of the Board and Thomas Saueressig be elected to serve as Vice Chair of the Board, subject to their election to the Board of Directors.

The Board composition proposed to the Annual General Meeting 2026 has representation of five nationalities and 40% of the proposed members are female.

All Board member candidates, apart from Meredith Whittaker, have been determined to be independent of the Company and its significant shareholders for the term beginning from the Annual General Meeting 2026 under the Finnish Corporate Governance Code and the rules of the NYSE. Ms. Whittaker has agreed to lead a strategic advising effort for Nokia Bell Labs, Nokia's global research arm, for a fixed fee and period of 12 months. Due to the research-focused advisory role, Ms. Whittaker has been determined non-independent of the Company. Nokia has strict and well-defined conflict-mitigation measures in place, including the exclusion of Ms. Whittaker from any business activities and operational decisions. Further, if elected, Ms. Whittaker will refrain from joining Board Committees other than the Technology Committee. Any possible changes impacting the Board candidates' independence would be assessed separately as at the date of the Annual General Meeting.

Nokia is proud to continue to be among the first Finnish listed companies providing its shareholders with the opportunity to consider each Director candidate individually since our Annual General Meeting 2023.



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C P S

Chair Sari Baldauf
b. 1955

Chair of the Nokia Board since 2020. Nokia Board member since 2018. Member of the Corporate Governance and Nomination Committee, the Personnel Committee and the Strategy Committee.

Master of Business Administration and Bachelor of Science, Helsinki School of Economics and Business Administration, Finland. Honorary doctorates in Technology (Helsinki University of Technology, Finland) and Business Administration (Turku School of Economics and Business Administration and Aalto University School of Business, Finland).

Executive Vice President and General Manager, Networks Business Group, Nokia 1998–2005. Various executive positions at Nokia in Finland and in the United States 1983–1998.

Member of the Board of Directors of the Finnish Climate Leadership Coalition (CLC). Senior Advisor of DevCo Partners Oy.

Member of the Board of Technology Industries of Finland 2021–2023. Member of the Board of Directors of Aalto University 2018–2023. Member of the Supervisory Board of Mercedes-Benz Group AG 2008–2023. Member of the Supervisory Board of Deutsche Telekom AG 2012–2018. Chair of the Board of Directors of Fortum Corporation 2011–2018. Member of the Board of Directors of Akzo Nobel 2012–2017.



C S

Vice Chair Timo Ihamuotila
b. 1966

Vice Chair of Nokia Board since 2025. Nokia Board member since 2025. Chair of the Corporate Governance and Nomination Committee and member of the Strategy Committee.

Licentiate of Science (Finance), Helsinki School of Economics, Finland. Master of Science (Economics), Helsinki School of Economics, Finland.

Chief Financial Officer and Member of the Group Executive Committee of ABB Ltd, 2017–2026 (until 31 Jan 2026). Executive Vice President and Chief Financial Officer, Nokia 2009–2016, member of the Nokia Group Leadership Team 2007–2016 and Interim President of Nokia between September 2013 and May 2014. Executive Vice President, Sales and Markets, Nokia 2008–2009. Executive Vice President, Sales and Portfolio Management, Mobile Phones, Nokia 2007. Senior Vice President, CDMA Business Unit, Mobile Phones, Nokia 2004–2007. Vice President, Finance, Corporate Treasurer, Nokia 2000–2004. Director of Corporate Finance, Nokia 1999–2000. Vice President of Nordic Derivatives Sales, Citibank plc 1996–1999. Manager of Dealing & Risk Management, Nokia 1993–1996. Analyst, Assets and Liability Management, Kansalliset-Osake-Pankki 1990–1993.

Member of the Board of Directors, Kone Oyj. Member of the Board of Directors, Oras Invest Oy. Member of the Board of Directors, Uponor Oyj 2013–2017.



P T

Timo Ahopelto
b. 1975

Founding Partner of Lifeline Ventures. Nokia Board member since 2023. Member of the Personnel Committee and the Technology Committee.

Master's degree in Industrial Management, Helsinki University of Technology, Finland.

Head of Strategy and Business Development, Blyk 2006–2009. Founding CEO and Vice President of Worldwide Commercial Operations, CRF Health 2000–2006. Consultant, McKinsey & Company 1999–2000.

Chair of the Board of Directors, Canatu Plc (former Lifeline SPAC I Plc). Chair of the Board, Finnish Startup Community. Various other board positions in private companies.

Member of the Board of Directors, Solidium Oy 2017–2025. Member of the Board of Directors, Digital Workforce Services Plc 2016–2025. Member of the Board of Finnish Business and Policy Forum EVA and Research Institute for Finnish Economy (ETLA) 2015–2024. Member of the Board of Directors, Tietoevry Corporation 2017–2023. Chair of the Board, Slush Conference 2018–2023 and member of the Board 2013–2018. Member of the Board, Business Finland 2014–2020. Member of the Board, Startup Foundation 2015–2018.



P S

Elizabeth Crain
b. 1964

Nokia Board member since 2023. Chair of the Strategy Committee and member of the Personnel Committee.

MBA, the Wharton School at the University of Pennsylvania, Pennsylvania, United States. Bachelor of Science in Economics, Arizona State University, Arizona, United States.

Advisory Partner, the Consello Group. Chief Operating Officer and Founding Partner, Moelis & Company 2007–2023. Managing Director, Office of the CEO at UBS Investment Bank 2005–2007. Chief Operating Officer and Chief Administrative Officer, the UBS Investment Banking Department Americas franchise 2001–2005. Investment Principal, McCown De Leeuw & Company 2000–2001. Investment Principal, Morgan Stanley Capital Partners 1997–2000. Vice President, Investment Banking, Merrill Lynch & Co. 1994–1997. Associate, Investment Banking, J.P. Morgan Securities 1992–1994. Analyst, Merrill Lynch & Co. 1988–1990.

Member of the Board of Directors and Chair of the Audit Committee, Core Scientific, Inc. Trustee Emeritus, The Royal Academy Trust, London.

Member of the Board of Directors, Exscientia Plc 2021–2024. Member of the Board of Directors, Moelis & Company 2017–2021.

Committee Key

- A** udit
- C** orporate Governance and Nomination
- P** ersonnel
- S** trategy
- T** echnology

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A P

Thomas Dannenfeldt
b. 1966

Nokia Board member since 2020. Chair of the Personnel Committee and the Audit Committee.

Degree in Mathematics, University of Trier, Germany.

Chief Financial Officer, Deutsche Telekom AG 2014–2018. Chief Financial Officer, Deutsche Telekom AG's German operations 2010–2014. Various operational positions, Deutsche Telekom AG 1992–2010.

Member of the Board of Directors and Chair of the Compensation Committee, T-Mobile US, Inc.

Chair of the Supervisory Board, CECONOMY AG 2021–2025. Member of the Advisory Board, axessio GmbH 2020–2025. Member of the Board of Directors, T-Mobile US, Inc. 2013–2018. Member of the Board of Directors, Buy-In 2013–2018. Chair of the Board of Directors, T-Systems International 2013–2018. Chair of the Board of Directors, EE Ltd. 2014–2016.



A C

Pernille Erenbjerg
b. 1967

Nokia Board member since 2025. Member of the Audit Committee and the Corporate Governance and Nomination Committee.

Master of Science in Economics, the Copenhagen Business School, Denmark.

Group CEO and President, TDC Group 2015–2018. Group CFO and Deputy CEO, TDC Group 2011–2015. Executive Vice President, TDC Group 2003–2011. Equity Partner, Deloitte 2002–2003. CPA, Arthur Andersen 1987–2002.

Member of the Board of Directors and Chair of the Audit Committee, Genmab A/S. Member of the Board of Directors and Chair of the Audit Committee, RTL Group SA. Chair of the Board of Directors, KK Wind Solutions A/S. Member of the Board of Directors, GlobalConnect A/S.

Member of the Board of Directors, Millicom S.A. 2019–2024. Chair of the Board of Directors, Viaplay Group AB (publ) 2021–2023 and Board member 2020–2021. Member of the Board of Directors, Nordea Bank Oyj 2017–2021. Member of the Board of Directors, DFDS A/S 2014–2018. Member of the Board of Directors, Royal Danish Theatre 2011–2015.

Adjunct professor at Copenhagen Business School.



A S

Lisa Hook
b. 1958

Nokia Board member since 2022. Member of the Audit Committee and the Strategy Committee.

Juris Doctorate, Dickinson School of Law at Pennsylvania State University, Pennsylvania, United States. Bachelor's degree in Public Policy, Duke University, North Carolina, United States.

President and CEO, Neustar, Inc. 2010–2018. COO, Neustar, Inc 2008–2010. President and CEO, SunRocket, Inc. 2006–2007. Executive positions, America Online, Inc. 2000–2004. Previous positions as Partner, Brera Capital Partners; managing director, Alpine Capital Group, LLC.; various executive positions, Time Warner, Inc.; legal adviser to the Chairman of the Federal Communications Commission; and General Counsel, the Cable Group at Viacom International, Inc.

Member of the Board of Directors, FIS Global Inc. Lead Independent Director of the Board of Directors, Philip Morris International. Member of the Board of Directors, Zayo Group. Chair of Advisory Board, Trilantic Capital Partners. Member of the US National Security Telecommunications Advisory Committee since 2012.

Member of the Board of Directors of Ritchie Bros. Auctioneers Inc. 2021–2023; Ping Identity Holding Corp. 2019–2022; Partners Group Holdings 2020–2021; Unisys Corp. 2019–2021; Neustar, Inc. 2010–2019; and RELX Plc 2006–2016.

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A T

Mike McNamara
b. 1964

Nokia Board member since 2024. Member of the Audit Committee and the Technology Committee.

Bachelor of Engineering, University College Dublin, Ireland.

Strategic Advisor, Target Corporation 2022–2023. Executive Vice President and Chief Information Officer, Target Corporation 2015–2022. Chief Information Officer, Tesco 2011–2015. Director of Operations Development and IT, Tesco 2006–2011. Chief Technology Officer Tesco.com, Tesco 1999–2006. Senior Manager, Accenture 1991–1998. Computer Programmer, British Telecom 1989–1991.

Member of the Board of Directors, Hawaiian Holdings, Inc. 2020–2024.



C T

Thomas Saueressig
b. 1985

Member of the Executive Board of SAP SE and Global Head of Customer Services & Delivery Board. Nokia Board member since 2022. Member of the Corporate Governance and Nomination Committee and the Technology Committee.

Degree in Business Information Technology, University of Cooperative Education in Mannheim, Germany. Joint Executive MBA from ESSEC, France and Mannheim Business School, Germany.

Global Head of Product Engineering, SAP SE 2019–2024. Chief Information Officer, SAP SE 2016–2019. Vice President, Global Head of IT Services of SAP SE 2014–2016. Previous positions at SAP SE in Germany since 2007, including assignment in the SAP Labs Silicon Valley in Palo Alto, California, United States.

Member of the Young Global Leaders of the World Economic Forum. Member of the Industry Advisory Board of the Munich Institute of Robotics and Machine Intelligence (MIRMI).



S T

Kai Öistämö
b. 1964

President and CEO of Vaisala Corporation. Nokia Board member since 2022. Chair of the Technology Committee and member of the Strategy Committee.

PhD in computer science, Tampere University of Technology, Finland.

Chief Operating Officer of InterDigital, Inc. 2018–2020. Executive Partner of Siris Capital Group 2016–2018. EVP, Chief Development Officer at Nokia 2010–2014. EVP, Devices at Nokia 2008–2010. EVP, Mobile Phones Business Group at Nokia 2006–2008. Several previous positions at Nokia 1991–2006.

Venture Partner of Kvanted Oy.

Chairman of the Board, Fastems Group 2014–2022. Member of the Board of Directors, Sanoma Group 2010–2021. Chairman of the Board, Helvar Oy Ab 2014–2020. Member of the Board of Directors, Mavenir Plc 2017–2018. Member of the Board of Directors, Digia / Qt Group Oyj 2015–2018. Member of the Board of Directors, InterDigital, Inc. 2015–2018. Member of the Board of Directors, oikian solutions Oy 2014–2018. Chairman of the Board, Tampere University 2013–2017. Chairman of the Board of Directors, Tekes 2012–2014. Member of the Board of Directors, Nokian Tyres plc 2008–2010.

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Operations of the Board of Directors

The Board represents and is accountable to the shareholders of Nokia. While its ultimate statutory accountability is to the shareholders, the Board also takes into account the interests of Nokia's other stakeholders. The Board's responsibilities are active, and include the responsibility to evaluate the strategic direction of Nokia, its management policies and the effectiveness of the implementation of such by the management on a regular basis.

It is the responsibility of the members of the Board to act in good faith and with due care, so as to exercise their business judgment on an informed basis, in a manner that they reasonably and honestly believe to be in the best interests of Nokia and its shareholders. In discharging this obligation, the members of the Board must inform themselves of all relevant information reasonably available to them. The Board and each Board Committee also has the power to appoint independent legal, financial or other advisers as they deem necessary. The Company will provide sufficient funding to the Board and to each Committee to exercise their functions and provide compensation for the services of their advisers.

The Board has the responsibility for appointing and discharging the President and Chief Executive Officer, Chief Financial Officer and Chief Legal Officer. The Board is ultimately responsible for, and its duties include, monitoring and reviewing Nokia's financial reporting process, the effectiveness of related control and audit functions and the independence of Nokia's external auditor, as well as monitoring the Company's statutory audit. The Board's responsibilities also include overseeing the structure and composition of our top management and monitoring legal compliance and the management of risks related to our operations. In doing so, the Board may set annual ranges and/or individual limits for capital expenditures, investments and divestitures and other financial and non-financial commitments that may not be exceeded without a separate Board approval.

In risk management, the Board's role includes risk analysis and assessment in connection with financial, strategy and business reviews, updates and decision-making proposals. Risk management policies and processes are an integral part of Board deliberations and risk-related updates are provided to the Board on a recurring basis. For a more detailed description of our risk management policies and processes, refer to the "Risk management, internal control and internal audit functions at Nokia — Risk management principles" section.

The Board approves and the independent directors of the Board confirm the compensation and terms of employment of the President and CEO, subject to the requirements of Finnish law, upon the recommendation of the Personnel Committee of the Board. The compensation and terms of employment of the other Group Leadership Team members are approved by the Personnel Committee upon the recommendation of the President and CEO.

Board oversight of environmental and social activities and governance practices

Under Nokia's Corporate Governance Guidelines, the Board evaluates Nokia's environmental and social activities and governance practices, related risks and target setting, as well as their implementation and effectiveness across the Company.

In 2025, the Board reviewed the progress and key milestones for the sustainability targets, sustainability results for 2024, sustainability-related risks and opportunities, the evolving sustainability requirements and expectations, investor feedback and Nokia's approach to related disclosures. The Board also provided direction on environmental and supply-chain priorities, the refreshed social impact strategy, and company-wide engagement and enablement efforts. Additionally, in January 2025, the Board approved the targets related to climate change in the long-term incentive plan for 2025 and approved the CEO's targets on health and safety and diversity which are included in his short-term incentive plan for 2025.

The Board Committees monitor ESG developments and activities in the Company in their respective areas of responsibilities.

The Audit Committee reviews sustainability disclosures annually, as well as the information on the use of conflict minerals in Nokia's products presented in the annual reports and regulatory filings. During 2025, the Audit Committee's responsibilities included the oversight of sustainability reporting, including the double materiality assessment, regulatory developments related to mandatory sustainability related disclosures, as well as oversight of the ethics and compliance program.

The Personnel Committee oversees human capital management, including personnel policies and practices related to Nokia's culture, physical safety, employee well-being, workforce composition, recruiting, development and retention. In 2025, the Committee focused on workforce demographics and conducted a people risk review, including physical safety, employee survey results and succession planning.

The Personnel Committee recommended that the Board continue to include GHG emission reduction as a metric in the long-term incentive plan. Additionally, the Committee emphasized the importance of fostering a strong health and safety culture and maintaining workforce diversity. To reinforce accountability, the Personnel Committee recommended that the Board retain discretion to make downward adjustments to short-term incentives if company performance in these areas falls short during the annual incentive period.

The Corporate Governance and Nomination Committee assesses and advises the Board on ESG-related activities and practices, aiming to enhance the governance structure supporting them.

The Technology Committee reviews how the Company's ESG strategy embeds into its technology strategy and roadmaps.



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Board oversight of cybersecurity

Nokia group-level security is set up in four domains: product, service, information, and customer security. While the oversight of security risks and their management, including cybersecurity, is a Board level responsibility in the Company, the detailed reviews of the different security domains are allocated to the Committees of the Board. These Committees are responsible for monitoring and assessing security, including cybersecurity-related risks and reporting to the Board in their respective areas of responsibilities. The responsibilities of the Audit Committee include oversight of the management and processes related to IT and services security risks and maturity, including security-related controls, compliance, incident process, disclosures and risk management. The Technology Committee oversees product and customer security risk management. The Committees report to the Board on a regular basis and prepare recommendations to the Board, whenever deemed necessary. The Board also receives regular updates on cybersecurity.

Board oversight of Artificial Intelligence (AI)

The proliferation of AI technologies is creating new opportunities for innovation. To ensure the responsible use of AI, particularly with respect to ethics, privacy, and security, we have established a comprehensive AI governance framework at Nokia, including a central steering committee and a separate AI governance board for group-level policies and procedures, incident reporting, coordination and related communication. The Board's oversight of AI development is based on principles similar to those we apply to other advanced technologies. The Technology Committee of the Board has reviewed the AI governance framework before its adoption and is responsible for overseeing that compliance with all relevant regulatory frameworks for AI has been effectively arranged. The Technology Committee will also monitor and stay informed on the progress and challenges of using AI, both at a strategic and operational level. The Technology Committee reports to the Board on AI governance at Nokia and on AI-related topics on a regular basis. In carrying out this oversight, the Board and the Technology Committee are supported by their relevant technology, data and security expertise and access to internal and external experts. This enables the Board to effectively assess AI-related opportunities and risks, including ethical, regulatory and security considerations, and to appropriately challenge management.

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Board evaluation

In line with our Corporate Governance Guidelines, the Board conducts a comprehensive annual performance evaluation, which also includes evaluation of the Board Committees' work, the Board and Committee Chairs and individual Board members. The Board evaluation is conducted as a self-evaluation, typically with a detailed questionnaire, while an external evaluator is periodically engaged. Feedback is also requested from selected members of management as part of the Board evaluation process. The questions aim to measure and elicit feedback on the processes, structure, accountability, transparency, and effectiveness of the Board and to gain an overview of the issues that are areas of excellence, areas where the Board thinks greater focus is warranted and determining areas where performance could be enhanced.

Each year, the results of the evaluation are discussed and analyzed by the entire Board and improvement actions are agreed based on such discussions. In 2025, the evaluation process was carried out as a thorough self-evaluation for a third consecutive year by using an external evaluation platform that included both numeric assessments and the possibility to provide more detailed written comments. The questionnaire comprised areas such as Nokia purpose and strategy, Board agenda and meetings, and Board composition and dynamics, as well as information, reporting and risk management.

Meetings of the Board of Directors

The Board of Directors constitutes a quorum if more than half of its members are present. The Board held 23 meetings excluding Committee meetings during 2025. In total 14 (64%) of these meetings were regular meetings in person or by video connection. The other nine meetings were held in writing.

Directors' attendance at the Board and Committee meetings in 2025 is set forth in the table below:

Member	Board meeting attendance		Board and Committee meeting attendance ⁽¹⁾	
	Meetings	%	Meetings	%
Sari Baldauf (Chair)	23/23	100%	41/41	100%
Timo Ihamuotila (Vice Chair as of 29 April 2025)	12/14	86%	19/21	90%
Søren Skou (Vice Chair until 29 April 2025)	9/9	100%	13/15	87%
Timo Ahopelto	22/23	96%	32/33	97%
Elizabeth Crain	23/23	100%	35/35	100%
Thomas Dannenfeldt	22/23	96%	36/38	95%
Pernille Erenbjerg (as of 29 April 2025) ⁽²⁾	10/14	71%	16/21	75%
Lisa Hook	23/23	100%	36/36	100%
Mike McNamara	23/23	100%	34/34	100%
Thomas Saueressig	22/23	96%	31/32	97%
Carla Smits-Nusteling (until 29 April 2025)	8/9	89%	13/14	93%
Kai Öistämö	21/23	91%	31/33	94%
Average attendance (%)		95%		95%

(1) Any director who so wishes may attend, as a non-voting observer, meetings of committees of which they are not members. Figures exclude directors attending committee meetings as non-voting observers.

(2) In her first year on the Board, Pernille Erenbjerg had pre-existing scheduling conflicts, and subsequent changes to the Board's meeting calendar further impacted her ability to attend all meetings during 2025.

Directors meet without management in connection with each regularly scheduled meeting. According to Board practices, meetings without management present are only attended by non-executive directors. These meetings are chaired by the non-executive Chair of the Board. In cases where the non-executive Chair of the Board is unable to chair these meetings, the non-executive Vice Chair of the Board chairs the meeting. Additionally, the independent directors would meet separately at least once annually. In 2025, all members of the Board were non-executive and determined to be independent from Nokia and significant shareholders under the Finnish Corporate Governance Code and the rules of the NYSE.

Committees of the Board of Directors

In 2025, the Board of Directors had five Committees that assisted the Board in its duties pursuant to their respective Committee charters. The Board may also establish new or ad hoc committees for detailed reviews or consideration of particular topics to be proposed for the approval of the Board. Any director who so wishes may attend, as a non-voting observer, meetings of Committees of which they are not members.

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The Audit Committee

The following table sets forth the members of the Audit Committee and their meeting attendance in 2025:

Member	Attendance	
	Meetings	%
Carla Smits-Nusteling (Chair until 29 April 2025)	3/3	100%
Thomas Dannenfeldt (Chair as of 29 April 2025)	6/6	100%
Pernille Erenbjerg (as of 29 April 2025)	3/3	100%
Lisa Hook	6/6	100%
Mike McNamara	6/6	100%
Average attendance (%)		100%

The Committee consists of a minimum of three members of the Board who meet all applicable independence, financial literacy and other requirements as stipulated by Finnish law, the Finnish Corporate Governance Code and the rules of the NYSE.

As of 29 April 2025, the Audit Committee has consisted of the following four members of the Board: Thomas Dannenfeldt (Chair), Pernille Erenbjerg, Lisa Hook and Mike McNamara.

The Committee is responsible for assisting the Board in the oversight of:

- the quality and integrity of the Company's financial statements, related disclosures and sustainability reporting;
- the statutory audit of the Company's financial statements, related disclosures and sustainability reporting;
- the qualifications and independence of the external auditor and the sustainability reporting assurer;
- the performance of the external auditor and the assurer subject to the requirements of Finnish law;
- the performance of the Company's internal controls, risk management and the assurance function;
- the performance of the internal audit function;
- the Company's compliance with legal and regulatory requirements, including the performance of its ethics and compliance program;
- the monitoring and assessment of any related party transactions;
- the pension liabilities and taxation of the Company; and
- the processes and management related to the cybersecurity of the Company, including information and services security.

In discharging its oversight role, the Audit Committee has full access to all Company books, records, facilities and personnel. The Audit Committee also maintains procedures for the receipt, retention and treatment of complaints received by Nokia regarding accounting, internal controls, auditing or sustainability reporting matters and for the confidential, anonymous submission by our employees of concerns relating to accounting, auditing or sustainability reporting assurance matters. Nokia's disclosure controls and procedures, which are reviewed by the Audit Committee and approved by the President and CEO and the Chief Financial Officer, as well as the internal controls over financial reporting, are designed to provide reasonable assurance regarding the quality and integrity of Nokia's financial statements and related disclosures. For further information on internal control over financial reporting, refer to the section "Risk management, internal control and internal audit functions at Nokia—Description of internal control procedures in relation to the financial reporting process".

Under the Finnish Companies Act, an external auditor and a sustainability reporting assurer are elected by a simple majority vote of the shareholders at the Annual General Meeting for one year at a time. The Audit Committee prepares the proposal to the shareholders for the election of the nominees, upon its evaluation of the qualifications and independence of the external auditor and the sustainability reporting assurer. Under Finnish law, the fees of the external auditor and of the sustainability reporting assurer are approved by the shareholders by a simple majority vote at the Annual General Meeting. The Committee prepares the proposals to the shareholders in respect of the fees of the external auditor and the sustainability reporting assurer, and approves their annual fees under the guidance given by the Annual General Meeting. For information about the fees paid to Nokia's external auditor and sustainability reporting assurer, Deloitte Oy, during 2025 refer to the section "Auditor fees and services".

The Board has determined all current Committee members be 'financially literate' satisfying the applicable financial-sophistication requirement by the New York Stock Exchange. In addition, three Committee members, Thomas Dannenfeldt, Pernille Erenbjerg and Lisa Hook, are determined to be 'audit committee financial experts' as defined in the requirements of Item 16A of the Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (SEC). All members of the Audit Committee are "independent directors" as defined by

Finnish law, the Finnish Corporate Governance Code and in Section 303A.02 of the NYSE Listed Company Manual.

The Audit Committee meets a minimum of four times a year. The Committee meets separately with the representatives of Nokia's management, heads of the internal audit, and ethics and compliance functions, and the external auditor in connection with each regularly scheduled meeting. The head of the internal audit function has, at all times, direct access to the Audit Committee, without the involvement of management.

Audit Committee pre-approval policies and procedures

The Audit Committee of the Board is responsible, among other matters, for oversight of the external auditor's independence, subject to the requirements of applicable legislation. The Audit Committee has adopted a policy regarding an approval procedure of audit services performed by the external auditors of the Nokia Group and permissible non-audit services performed by the principal external auditor of the Nokia Group (the "Pre-approval Policy").

Under the Pre-approval Policy, proposed services either: (i) may be pre-approved by the Audit Committee in accordance with certain service categories described in the Pre-approval Policy (general pre-approval); or (ii) require the specific pre-approval of the Audit Committee (specific pre-approval). The Pre-approval Policy sets out the audit, audit-related, tax and other services that have received the general pre-approval of the Audit Committee. All other audit, audit-related (including services related to internal controls and significant mergers and acquisitions projects), tax and other services are subject to specific pre-approval by the Audit Committee. All service requests concerning generally pre-approved services are submitted to an appointed Audit Committee delegate within management, who determines whether the services are within the generally pre-approved services. The Pre-approval Policy is subject to annual review by the Audit Committee.

The Audit Committee establishes budgeted fee levels annually for each of the categories of audit and non-audit services that are pre-approved under the Pre-approval Policy, namely, audit, audit-related, tax and other services. At each regular meeting of the Audit Committee, the auditor provides a report in order for the Audit Committee to review the services that the auditor is providing, as well as the cost of those services.



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The Corporate Governance and Nomination Committee

The following table sets forth the members of the Corporate Governance and Nomination Committee and their meeting attendance in 2025:

Member	Attendance	
	Meetings	%
Timo Ihamuotila (Chair as of 29 April 2025)	4/4	100%
Søren Skou (Chair until 29 April 2025)	2/2	100%
Sari Baldauf	6/6	100%
Pernille Erenbjerg (as of 29 April 2025)	3/4	75%
Lisa Hook (until 29 April 2025)	2/2	100%
Thomas Saueressig (as of 29 April 2025)	4/4	100%
Carla Smits-Nusteling (until 29 April 2025)	2/2	100%
Kai Öistämö (until 29 April 2025)	2/2	100%
Average attendance (%)		96%

The Committee consists of three to five members of the Board who meet all applicable independence requirements as stipulated by Finnish law, the Finnish Corporate Governance Code and the rules of the NYSE.

As of 29 April 2025, the Corporate Governance and Nomination Committee has consisted of the following four members of the Board: Timo Ihamuotila (Chair), Sari Baldauf, Pernille Erenbjerg and Thomas Saueressig.

The Committee fulfills its responsibilities by:

- actively identifying individuals qualified to be elected members of the Board, as well as considering and evaluating the appropriate level and structure of director remuneration;
- preparing and evaluating the principles regarding Board diversity;
- preparing proposals to the shareholders on the director nominees for election at the general meetings, as well as director remuneration;
- monitoring and assessing the directors' current and planned time commitments outside the Nokia Board and their attendance at Nokia Board and Committee meetings;

- monitoring significant developments in the law and practice of corporate governance, including sustainability-related governance trends and the directors' duties and responsibilities;
- assisting the Board and each Committee of the Board in its annual performance evaluation process, including establishing criteria to be applied in connection with such evaluations;
- developing and administering Nokia's Corporate Governance Guidelines and giving recommendations regarding them to the Board; and
- reviewing Nokia's disclosure in the corporate governance statement.

The Committee has the power and practice to appoint a recruitment firm to identify appropriate new director candidates.

The Personnel Committee

The following table sets forth the members of the Personnel Committee and their meeting attendance in 2025:

Member	Attendance	
	Meetings	%
Thomas Dannenfeldt (Chair)	5/5	100%
Timo Ahopelto	5/5	100%
Sari Baldauf	5/5	100%
Elizabeth Crain	5/5	100%
Average attendance (%)		100%

The Committee consists of a minimum of three members of the Board who meet all applicable independence requirements as stipulated by Finnish law, the Finnish Corporate Governance Code and the rules of the NYSE.

As of 29 April 2025, the Personnel Committee has consisted of the following four members of the Board: Thomas Dannenfeldt (Chair), Timo Ahopelto, Sari Baldauf and Elizabeth Crain.

The Committee has overall responsibility for evaluating, resolving and making recommendations to the Board regarding:

- preparing the Remuneration Policy and the Remuneration Report;
- compensation and terms of employment of the Company's senior management;

- human capital management;
- all equity-based plans;
- incentive compensation plans, policies and programs of the Company affecting executives; and
- possible other significant incentive plans.

The Committee is responsible for preparing the Remuneration Policy, including Nokia's compensation philosophy and principles and ensuring that the Company's compensation programs are performance-based, designed to contribute to long-term shareholder value creation in line with shareholders' interests, properly motivate management and are aligned with the Remuneration Policy, as well as supporting overall corporate strategies.

The Committee also oversees human capital management and periodically reviews the personnel policies and practices of Nokia related to human capital management and social responsibilities relating to its employees, including Company culture, physical safety, employee wellbeing, morale, diversity, talent management and development, succession planning, resourcing, recruiting, attrition, retention and employee engagement.

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The Strategy Committee

The following table sets forth the members of the Strategy Committee and their meeting attendance in 2025:

Member	Attendance	
	Meetings	%
Elizabeth Crain (Chair)	7/7	100%
Sari Baldauf	7/7	100%
Thomas Dannenfeldt (until 29 April 2025)	3/4	75%
Lisa Hook	7/7	100%
Timo Ihamuotila (as of 29 April 2025)	3/3	100%
Søren Skou (until 29 April 2025)	2/4	50%
Kai Öistämö (as of 29 April 2025)	3/3	100%
Average attendance (%)		91%

The Committee consists of a minimum of three members of the Board and the majority of them shall meet all applicable independence requirements as stipulated by the Finnish Corporate Governance Code and the rules of the NYSE.

As of 29 April 2025, the Strategy Committee has consisted of the following five members of the Board: Elizabeth Crain (Chair), Sari Baldauf, Lisa Hook, Timo Ihamuotila and Kai Öistämö.

The Committee is established by the Board primarily for the purpose of assisting the Board with respect to various strategic initiatives related to developing Nokia's corporate and business strategies and capturing the strategic opportunities identified under them.

The Committee's duties may include:

- overseeing the preparation of strategies related to strategic initiatives;
- reviewing the prospective alternatives for the strategic initiatives identified by management;
- acting as a preparatory body for assessing the specific strategic initiatives requiring the Board's decision;
- overseeing the implementation of the strategic initiatives; and
- evaluating the outcomes of the strategic initiatives, focusing on their implementation, financial results and long-term success.

The Technology Committee

The following table sets forth the members of the Technology Committee and their meeting attendance in 2025:

Member	Attendance	
	Meetings	%
Kai Öistämö (Chair)	5/5	100%
Timo Ahopelto	5/5	100%
Mike McNamara	5/5	100%
Thomas Saueressig	5/5	100%
Average attendance (%)		100%

The Committee consists of a minimum of three members of the Board and the majority of them shall meet applicable independence requirements as stipulated by Finnish law, the Finnish Corporate Governance Code and the rules of the NYSE and have such skills in innovation, technology and science matters as the Board determines adequate from time to time.

As of 29 April 2025, the Technology Committee has consisted of the following four members of the Board: Kai Öistämö (Chair), Timo Ahopelto, Mike McNamara and Thomas Saueressig.

In its dialogue with and provision of feedback and advice to the management, the Committee will periodically review:

- the Company's technological competitiveness and new strategic technology initiatives as well as market trends, considering both organic and inorganic options to retain or attain competitiveness;
- the Company's approach to major technological innovations;
- key technology trends that may result in disruptive threats or opportunities and proposals on how to adequately address them;
- high-level risks and opportunities associated with the Company's Research and Development Programs;
- embedding sustainability in the technology roadmaps; and
- the processes and management related to the cybersecurity of the Company, including product and customer security.



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Group Leadership Team and the President and CEO

The Group Leadership Team is responsible for the operative management of Nokia. The Group Leadership Team is chaired by the President and CEO. The President and CEO's rights and responsibilities include those allotted to the President under Finnish law.

At 31 December 2025, the Group Leadership Team consisted of 12 members, including the President and CEO, representing five different nationalities. In total 25% of the Group Leadership Team members were female. The table shown to the right sets forth the biographical information of the Group Leadership Team members.

At 31 December 2025, a total of 2 117 191 Nokia shares and a total of 275 368 American Depositary Shares (ADSs) were held by the Group Leadership Team members. These holdings represented approximately 0.04% of our total shares and voting rights excluding shares held by the Nokia Group. The number of shares includes shares received as compensation as well as shares acquired through other means. Stock options or other equity awards that are deemed as being beneficially owned under the applicable SEC rules are not included in the table.

Summary of changes in the Group Leadership Team in 2025

The following members stepped down from the Group Leadership Team:

- Pekka Lundmark, President and Chief Executive Officer, as of 31 March 2025;
- Lorna Gibb, Chief People Officer, as of 13 June 2025;
- Federico Guillén, President of Network Infrastructure, as of 30 June 2025;
- Nishant Batra, Chief Strategy and Technology Officer, as of 30 September 2025; and
- Tommi Uitto, President of Mobile Networks, as of 31 December 2025.

The Group Leadership Team was complemented with five new appointments:

- Justin Hotard, President and Chief Executive Officer, effective 1 April 2025;
- Victoria Hanrahan, Chief of Staff to Nokia's President and CEO, effective 16 June 2025;
- David Heard, President of Network Infrastructure, effective 1 July 2025;
- Pallavi Mahajan, Chief Technology and AI Officer, effective 1 October 2025;
- Konstanty Owczarek, Chief Corporate Development Officer, effective 1 October 2025; and
- Furthermore, on 10 November 2025, Nokia announced the appointment of Kristen Pressner as Chief People Officer, to take effect during the second quarter of 2026.

Name	Position	Gender	Year of birth	Nationality	On GLT since	Shares	ADSs
Justin Hotard	President and CEO	Male	1974	American	2025	609 274	
Louise Fisk	Chief Communications Officer (currently Chief Communications and Marketing Officer)	Female	1976	British	2024	52 063	
Patrik Hammarén	President of Nokia Technologies (currently President of Technology Standards)	Male	1982	Finnish	2024	40 387	
Victoria Hanrahan	Chief of Staff to the President and CEO	Female	1988	American	2025	—	
Mikko Hautala	Chief Geopolitical and Government Relations Officer	Male	1972	Finnish	2024	2 800	
David Heard	President of Network Infrastructure	Male	1968	American	2025		275 368
Pallavi Mahajan	Chief Technology and AI Officer	Female	1977	Indian/American	2025	—	
Esa Niinimäki	Chief Legal Officer (currently Chief Legal and Administrative Officer) and interim Chief People Officer	Male	1976	Finnish	2023	79 281	
Konstanty Owczarek	Chief Corporate Development Officer	Male	1979	American	2025	—	
Raghav Sahgal	President of Cloud and Network Services (currently Chief Customer Officer)	Male	1962	American	2020	719 174	
Tommi Uitto	President of Mobile Networks	Male	1969	Finnish	2019	256 042	
Marco Wirén	Chief Financial Officer	Male	1966	Finnish/Swedish	2020	358 170	



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Justin Hotard
b. 1974

President and Chief Executive Officer (CEO) since 2025.

MBA from the MIT Sloan School of Management, Massachusetts, United States. Bachelor of Science in Electrical Engineering from the University of Illinois Urbana-Champaign, Illinois, United States.

Executive Vice President and General Manager, Data Center & AI Group, Intel 2024–2025. Executive Vice President and General Manager, High-Performance Computing, AI & Labs, HPE, 2021–2024. Senior Vice President, President and Managing Director of HPE Japan and China, HPE 2019–2020. Senior Vice President and General Manager, Volume Global Business Unit, HPE 2017–2019. Vice President, Strategy, Planning & Operations, Data Center Infrastructure Group, HPE 2015–2016. President and General Manager, Global Small Business Cloud Platform, NCR Corporation 2013–2014. VP, Corporate Development, NCR Corp. 2012–2013. Vice President and General Manager, NCR Entertainment, NCR Corp. 2010–2012. Senior Director, Mergers & Acquisitions, NCR Corp. 2007–2010. Director, Product Management, Symbol Technologies 2005–2007. Senior Manager, Corporate Development, Symbol Technologies 2003–2005. Business Development Analyst, Surface Logix 2002–2003. Senior Systems Engineer, Motorola Inc. 1996–2000.



Louise Fisk
b. 1976

Chief Communications and Marketing Officer (CCMO). Group Leadership Team member since 2024. Joined Nokia in 2020.

Advanced executive leadership development, DUKE University, North Carolina, United States. Advanced global leadership, INSEAD business school, France. Post graduate diploma in PR & Journalism, University of Wales, College of Cardiff, United Kingdom. BA Hons in Communication, University of Wales, College of Cardiff, United Kingdom.

Vice President, Corporate Affairs Programs & Corporate Communications, Nokia 2020–2024. Global leadership team, Communications and Marketing Director, BAE Systems Applied Intelligence 2015–2019. Head of Global Communications, Investor Relations and Marketing, Innovation Group 2012–2015. Global PR Director & Deputy Communications Director, Logica 2006–2012. Partner & Associate Director, LEWIS Communications 1999–2006.

Trustee of the Williams Syndrome Foundation.



Patrik Hammarén
b. 1982

President of Technology Standards. Group Leadership Team member since 2024. Joined Nokia in 2007.

Master of Law, University of Helsinki, Finland. Master of Science (Information Networks), Aalto University, Finland.

Chief Licensing Officer Wireless Technologies, Nokia Technologies 2024–2024. Vice President, Head of IoT Licensing Program, Nokia Technologies 2022–2024. Head of Patent Licensing Greater China, Nokia Technologies 2020–2022. Director, Patent Licensing, Nokia Technologies 2018–2020. Manager, Patent Licensing, Nokia Technologies 2014–2018. Senior Legal Counsel, HERE, Nokia 2013–2014. Legal Counsel, HERE Nokia 2013–2013. Legal Counsel, Central and East Europe, Nokia 2012–2013. Legal Counsel, Central Europe, Nokia 2011–2012. Legal Counsel, MeeGo & Open Source, Nokia 2007–2011.



Victoria Hanrahan
b. 1988

Chief of Staff to Nokia's President and CEO. Group Leadership Team member since 2025. Joined Nokia in 2025.

MBA from the University of Houston, Texas, United States. Bachelor of Business Administration, Texas A&M University, Texas, United States.

Vice President, Global Marketing - High Performance Compute & Artificial Intelligence, HPE 2023–2024. Director, Chief of Staff, HPC & AI Business Unit, HPE 2021–2023. Manager, Marketing Strategy, HPE 2019–2021. Senior Product Marketing Manager, HPE 2015–2019. Product Marketing Manager, Neuromodulation Division, St. Jude Medical 2013–2015. Marketing Communications Coordinator, St. Jude Medical 2010–2013.

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Mikko Hautala
b. 1972

Chief Geopolitical & Government Relations Officer, and Chairman, Nokia Defense. Group Leadership Team member since 2024. Joined Nokia in 2024.

Master of Social Sciences (Political history), University of Helsinki, Finland. Master of Philosophy (Slavic languages), University of Helsinki, Finland.

Ambassador, Head of Mission, Embassy of Finland, Washington DC 2020–2024. Ambassador, Head of Mission, Embassy of Finland, Moscow 2016–2020. Foreign Policy Adviser to the President, Office of the President of the Republic of Finland, Helsinki 2012–2016. Minister, Deputy Head of Mission, Embassy of Finland, Moscow 2011–2012. Diplomatic Adviser to the Minister of Foreign Affairs, Ministry for Foreign Affairs, Helsinki 2007–2011. First Secretary, Permanent Representation of Finland to the EU, Brussels 2002–2007. Attaché, Ministry for Foreign Affairs, Helsinki 2001–2002. Attaché, Embassy of Finland, Kyiv 1999–2001. Visa Officer, Embassy of Finland, Kyiv 1998–1999.

Board Member Support for Finnish Society (SYT) foundation. Chairman of the Council, The John Morton Center for North American Studies, University of Turku, Finland.



David Heard
b. 1968

President of Network Infrastructure. Group Leadership Team member since 2025. Joined Nokia in 2025.

Master's degree in Management Science (Sloan), Stanford University Graduate School of Business, California, United States. Master of Business Administration (MBA), University of Dayton, Ohio, United States. Bachelor of Arts, Production & Operations Management, Ohio State University, Ohio, United States.

Chief Growth Officer at Network Infrastructure, Nokia February–June 2025. Chief Executive Officer, Infinera 2020–2025. Chief Operations Officer and various senior positions, Infinera 2017–2020. Cloud Service Provider (Executive Consultant - External), Dell 2015–2016. President, Network & Service (Software) Enablement, JDSU 2010–2015. Chief Operating Officer, BigBand Networks 2007–2010. President & CEO, Somera Communications (Jabil) 2004–2006. President, Switching Systems, Tekelec (Oracle) 2003–2004. President & CEO, Santera Systems Inc. (Oracle) 2003–2004. General Manager & Vice President Wireless, various positions, Alcatel Lucent 1996–2000. Vice President of Access, AT&T (Lucent Technologies) 1990–1996.



Pallavi Mahajan
b. 1977

Chief Technology and AI Officer. Group Leadership Team member since 2025. Joined Nokia in 2025.

Bachelor of Technology degree in Computer Science, the National Institute of Technology Kurukshetra, India. Master degree in Science in Software Systems from Birla Institute of Technology and Science, India. Advanced Leadership Program at Stanford University Graduate School of Business, California, United States.

Corporate Vice President & General Manager, Data Center and AI Group, Intel 2024–2025. Corporate Vice President & GM, Network and Edge Group, Intel 2022–2024. Vice President, Solutions Engineering & Customer Experience, High Performance Compute, Hewlett Packard Enterprise 2021–2022. Vice President, Head of Software Engineering for Compute, Hewlett Packard Enterprise 2020–2021. Vice President Engineering, Juniper Networks 2016–2019. Several senior positions, Juniper Networks 2003–2016. Technical Lead, BayPackets 2001–2003. Research Engineer, Centre for Development of Telematics (C-DOT) 1998–2001.



Esa Niinimäki
b. 1976

Chief Legal and Administrative Officer, Interim Chief People Officer and Board Secretary. Group Leadership Team member since 2023. Joined Nokia in 2007.

Master of Laws, Fordham University, School of Law, New York, United States. Master of Law, University of Helsinki, Finland.

Interim Chief Legal Officer, Nokia 2022–2023. Deputy Chief Legal Officer, Vice President, Corporate Legal and Board Secretary, Nokia 2018–2023. General Counsel, Global Services, Nokia 2015–2018. Head of Corporate Legal, Nokia Solutions and Networks and Head of Finance & Labor Legal, Nokia 2013–2015. Senior Legal Counsel, Legal and IP, India, Middle East and Africa, Nokia 2012–2013. (Senior) Legal Counsel, Corporate Legal, Nokia 2007–2011. Group Legal Counsel, Metsä Group 2005–2007. Associate Lawyer, White & Case LLP 2003–2005.

Chair of Legal Affairs Committee of the Confederation of Finnish Industries. Member of the Market Practice Board of Securities Market Association and the Policy Committee of the Directors' Institute Finland.

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Konstanty Owczarek
b. 1979

Chief Corporate Development Officer (CCDO). Group Leadership Team member since 2025. Joined Nokia in 2025.

Master's degree in Finance and Banking, University of Lodz, Poland. Bachelor's degree in Business Administration, Emory University, Georgia, United States.

Managing Partner and Founder, KJO Advisors LLC 2024–2025. Chief Strategy Officer and Chief Operating Officer, High Performance Computing, AI & Research business unit, Hewlett Packard Enterprise 2022–2024. Head of Strategy and Innovation and Head of New Markets, AIG Life, American International Group, Inc. 2020–2022. Head of Mergers & Acquisitions and Strategy, AIG Life & Retirement, American International Group, Inc. 2018–2020. Director, AIG Corporate Development, American International Group, Inc. 2015–2017. Founding Partner, Strategic Risk Capital Advisors, LLC 2009–2015. Director, Integrated Finance Ltd. (IFL) / Marakon Associates 2004–2009. Analyst, Technology, Media and Telecommunications unit, Bear Stearns & Co. 2003–2004.



Raghav Sahgal
b. 1962

Chief Customer Officer. Group Leadership Team member since 2020. Joined Nokia in 2017.

Master of Science in Computer Systems Management, University of Maryland, Maryland, United States. Bachelor of Science in Computer Engineering, Tulane University, Louisiana, United States. Executive Business Certificate in General Management, Harvard University, Massachusetts, United States.

President of Nokia Enterprise 2020. Senior Vice President, Nokia Software 2017–2020. President, NICE Ltd. Asia Pacific and the Middle East 2010–2017. Advisory Board Member, Orga Systems 2010–2014. Vice President, Communications Business Unit, Asia Pacific & Japan, Oracle 2008–2010. Chief Business Officer, Comverse 2005–2006. Executive Vice President, Asia Pacific, CSG 2002–2005. Vice President, Software Products Group Asia Pacific, Lucent Technologies 2000–2002.



Marco Wirén
b. 1966

Chief Financial Officer (CFO). Group Leadership Team member since 2020. Joined Nokia in 2020.

Master's degree in Business Administration, University of Uppsala, Sweden. Studies in management and strategic leadership, including at Duke Business School, North Carolina, United States; IMD, Switzerland and Stockholm School of Economics, Sweden.

President, Wärtsilä Energy and Executive Vice President, Wärtsilä Group 2018–2020. Executive Vice President and CFO, Wärtsilä Group 2013–2018. Executive Vice President and CFO, SSAB Group 2008–2013. Vice President, Business Control, SSAB Group 2007–2008. CFO, Eltel Networks 2006–2007. Vice President of Business Development, Eltel Networks 2004–2005. Head of Service Division, Eltel Networks 2003–2004. Vice President, Corporate Development, Eltel Networks 2002–2003. Vice President, Strategy & Business Development, NCC Group 1999–2002. Head of Strategic Planning, NCC Group 1998–1999. Group Controller, NCC Group 1996–1998.

Vice Chair of the Board of Directors of Neste Corporation 2019–2023 and member of the Board 2015–2023.

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Risk management, internal control and internal audit functions at Nokia

Risk management principles

We have a systematic and structured approach to risk management. It covers strategic, operational, financial, compliance and reputational risks and opportunities, including potentially material impacts to people and the environment. The principles documented in the Nokia Enterprise Risk Management (ERM) Policy, which is approved by the Audit Committee of the Board, require risk management and its elements to be integrated into key processes:

- **ERM is an integral part of Nokia's objective setting and key decision making**

Key risks and opportunities are primarily identified against business targets either in business operations or as an integral part of strategy and financial planning. Those are monitored as part of the management and business performance information flow. Our overall risk management concept is based on managing the key risks that would prevent us from meeting our objectives, rather than focusing on eliminating all risks.

- **ERM is a core component of Nokia's corporate governance**

ERM accountability runs through the Company and is embedded into Nokia corporate governance. The Board of Directors and the Group Leadership Team are committed to effective risk management as a core management capability that supports Nokia in achieving strategic, tactical and operational business objectives and in managing business performance.

- **Risk ownership follows business ownership**

Nokia ERM is aligned to the overall Nokia governance model, where Nokia's businesses are accountable for meeting approved plans and targets as agreed within Nokia. Each business or function head is an owner of the risks in their respective responsibility area and is responsible for identifying and managing key risks and capturing opportunities.

- **ERM is an area of continuous improvement**

ERM is an area of continuous improvement for Nokia. The Chief Financial Officer, who also functions as the Chief Risk Officer, provides guidance and sponsors the development of ERM practices and ERM improvement.

In addition to the principles defined in the Nokia Enterprise Risk Management Policy, other key corporate level policies reflect the implementation of specific aspects of risk management.

Cybersecurity risk management

Nokia, along with its partners and contracted third parties, faces cybersecurity threats like ransomware, viruses, worms and other malicious software, unauthorized modifications, or illegal activities that may cause potential security risks and other harm to Nokia, its customers or consumers and other end-users of Nokia's products and services. The dynamic nature of IT technologies, including the introduction of AI technologies, increase these risks.

Cybersecurity incidents can lead to lengthy and costly incident response, remediation of the attack affecting business continuity, or breach and legal proceedings and fines imposed on Nokia, as well as adverse effects to Nokia's reputation and brand value. Despite sustained investments, preventing, detecting and containing cyber-attacks remain challenging. Additionally, the regulatory framework around responding to and disclosing such events is in flux and we may not be able to comply with the regulations.

We face a number of cybersecurity risks within our business. Although such risks have not materially affected us thus far, including our business strategy, results of operations, or financial condition, we have experienced threats to and breaches of our data and systems, including malware and computer virus attacks. We continue to address these challenges, but there is no guarantee against future attacks.

Nokia has well-established cybersecurity processes built into its overall security risk management framework. This integration is achieved through the implementation of a security program set on various processes, such as cybersecurity risk management, third-party security risk management, security incident management and business continuity and disaster recovery planning. In evaluation of the effectiveness of our cybersecurity processes and their alignment with the industry best practices, we have engaged and may engage in the future with third party advisers and consultants.

The Chief Security Officer, who has the authority to establish and oversee the Nokia information security program, keeps Nokia's executive leadership informed on program outcomes and highlights information security risks which may affect Nokia business and customers. Nokia's executive leadership provides

direction and support and has the responsibility to execute the program within their own domains. Key principles are communicated through the Nokia Information Security Policy, applicable also to third parties and collaborators and supported by topical Standard Operation Procedures and guidelines.

Nokia's commitment to security is reflected in the supplier selection processes, contracts and supplier (re)assessments that are designed to ensure effective security is in place in our supply chain and with our third-party partners. We are dedicated to adhering to applicable laws, regulations, contractual commitments, and industry best practices, including but not limited to ISO 27001, NIST SP 800 series, the Cloud Security Alliance Control Matrix, and the Information Security Forum.

Nokia's cybersecurity incidents are handled in the Security Incident Management Process, which covers all phases of incident response, including preparation, identification, containment, eradication, recovery and post-incident analysis. Each confirmed cybersecurity-related incident is assessed against a classification scheme (impact on confidentiality, integrity and availability of the related asset, urgency, and priority of the security incident). Significant cybersecurity incidents are elevated and managed by a cross-functional, executive management-level team, which is responsible for making the necessary decisions and prioritizing actions that can minimize the impact of the security incident to Nokia and its customers. Members from the CFO and Legal, Compliance & Sustainability teams are responsible for determining the materiality of the security incident and promptly informing the Audit Committee of the Board.

The Nokia management team for assessing and managing cybersecurity threats includes members with training and experience in security risk management, security governance, cyber resilience, security incident management, information technology, cybersecurity legal and compliance requirements and disclosures. These activities are coordinated and overseen by the Chief Security Officer, who leads the assessment of cybersecurity risks, ensures the alignment between different functions to assess and manage the risks and works with the designated risk owners through the Cyber Risk Council and the Enterprise Risk Management framework. The Chief Security Officer has extensive cybersecurity expertise, having held cybersecurity-related roles since 2012, and holds undergraduate and post-graduate degrees in Engineering and professional certifications in cyber security management. The Cyber Risk Council includes members of our senior management



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with significant working experience in technology, cybersecurity and risk management. For an overview of the training and experience of the members of the Board and our assessment of their experience and skills related to cybersecurity, please see “Main corporate governance bodies of Nokia – Board of Directors”.

Description of internal control procedures in relation to the financial reporting process

Management is responsible for establishing and maintaining adequate internal control over Nokia’s financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance to management and the Board regarding the reliability of financial reporting and the preparation and fair presentation of published financial statements.

Management conducts a yearly assessment of Nokia’s internal controls over financial reporting in accordance with the Committee of Sponsoring Organizations framework (the “COSO framework”, 2013) and the Control Objectives for Information and Related Technology (COBIT) framework of internal controls. The assessment is performed based on a top-down risk assessment of our financial statements covering significant accounts, processes and locations, corporate-level controls and information systems’ general controls.

As part of its assessment, management has documented:

- the corporate-level controls, which create the “tone from the top” containing the Nokia values and Code of Conduct and which provide discipline and structure to decision-making processes and ways of working. Selected items from our operational mode and governance principles are separately documented as corporate-level controls;
- the significant processes: (i) give a complete end-to-end view of all financial processes; (ii) identify key control points; (iii) identify involved organizations; (iv) ensure coverage for important accounts and financial statement assertions; and (v) enable internal control management within Nokia;
- the control activities, which consist of policies and procedures to ensure management’s directives are carried out and the related documentation is stored according to our document retention practices and local statutory requirements; and
- the information systems’ general controls to ensure that sufficient IT general controls, including change management,

system development and computer operations, as well as access and authorizations, are in place.

Further, management has also:

- assessed the design of the controls in place aimed at mitigating the financial reporting risks;
- tested operating effectiveness of all key controls; and
- evaluated all noted deficiencies in internal controls over financial reporting in the interim and as of year end.

In 2025, Nokia has followed the procedures as described above and has reported on the progress and assessments to management and to the Audit Committee of the Board on a quarterly basis.

Description of the organization of the internal audit function

We have an internal audit function that examines and evaluates the adequacy and effectiveness of our system of internal control. Internal audit reports to the Audit Committee of the Board. The head of the internal audit function has direct access to the Audit Committee, without the involvement of management. The internal audit staffing levels and annual budget are approved by the Audit Committee. All authority of the internal audit function is derived from the Board. The internal audit aligns to the business by business group and function.

Annually, a risk-based internal audit plan is developed taking into account key business risks, emerging risks, external factors and input from management. This plan is approved by the Audit Committee. Audits are completed across business groups and functions. The results of each audit are reported to management identifying issues, financial impact, if any, and the correcting actions to be completed. Quarterly, the internal audit function communicates the progress of the internal audit plan completion, including the results of the closed audits, to the Audit Committee. Any changes to the risk environment impacting the internal audit plan are presented to the Audit Committee for review and approval on a quarterly basis.

Internal audit also works closely with Internal Controls and Ethics and Compliance offices to review any financial and compliance concerns brought to light from various channels and, where relevant, works with Enterprise Risk Management to ensure priority risk areas are reviewed through audits.



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Related party transactions

We determine and monitor related parties in accordance with the International Accounting Standards (IAS 24, Related Party Disclosures) and other applicable regulations including the applicable U.S. securities laws. We maintain information on our related parties, as well as monitor and assess related party transactions. As a main principle, all transactions should be conducted at arm's length and as part of the ordinary course of business. In exceptional cases where these principles would be deviated from, Nokia would set up a separate process to determine the related parties in question and to seek relevant approvals in accordance with internal guidelines and applicable regulations.

Main procedures relating to insider administration

Our insider administration is organized according to the applicable European Union and Finnish laws and regulations as well as applicable U.S. securities laws and regulations. In addition, Nokia has adopted the Nokia Insider Trading Policy, approved by the Board of Directors, which sets out Nokia-wide rules and practices to ensure full compliance with applicable rules and that inside information is recognized and treated in an appropriate manner and with the highest integrity. The Nokia Insider Trading Policy is applicable to all directors, executives and employees of Nokia.

Persons discharging managerial responsibilities

Nokia has identified members of the Board of Directors and the Group Leadership Team as persons discharging managerial responsibilities who, along with persons closely associated with them, are required to notify Nokia and the Finnish Financial Supervisory Authority of their transactions with Nokia's financial instruments. Nokia publishes the transaction notifications.

In addition, according to the Nokia Insider Trading Policy, persons discharging managerial responsibilities are obligated to clear a planned transaction in Nokia's financial instruments in advance with the person in charge of the insider administration. It is also recommended that trading and other transactions in Nokia's financial instruments are carried out in times when the information available to the market is as complete as possible.

Closed window

Persons discharging managerial responsibilities are subject to a closed window period of 30 calendar days preceding the disclosure of Nokia's quarterly or annual result announcements, as well as the day of the disclosure. During the closed window period, persons discharging managerial responsibilities are prohibited from dealing in Nokia's financial instruments.

Nokia has imposed this closed window period also on separately designated financial reporting persons who are recurrently involved with the preparation of Nokia's quarterly and annual results announcements. These persons are separately notified of their status as designated financial reporting persons.

Insider registers

Nokia does not maintain a permanent insider register. Insiders are identified on a case-by-case basis for specific projects and are notified of their insider status. Persons included in a project-specific insider register are prohibited from dealing in Nokia's financial instruments until the project ends or is made public.

Supervision

Our insider administration's responsibilities include, among other matters, internal communications related to insider matters and trading restrictions, setting up and maintaining our insider registers and arranging related trainings, as well as organizing and overseeing compliance with the insider rules.

Violations of the Nokia Insider Trading Policy must be reported to the head of Corporate Legal. Nokia employees may also use channels stated in the Nokia Code of Conduct for reporting incidents involving suspected violations of the Nokia Insider Trading Policy.

Auditor fees and services

Deloitte Oy, based in Helsinki, Finland, served as our auditor and our sustainability reporting assurer for the financial year ended 31 December 2025 and for the financial year ended 31 December 2024. The auditor and the sustainability reporting assurer are elected annually by our shareholders at the Annual General Meeting for the next financial year commencing after the election. On an annual basis, the Audit Committee of the Board prepares a proposal to the shareholders regarding the appointment of the auditor and the sustainability reporting assurer based upon its evaluation of the qualifications and

independence of the auditor and the sustainability reporting assurer to be proposed for election.

The following table presents fees by type paid to Deloitte's network of firms for the years ended 31 December:

EURm	2025	2024
Audit fees ⁽¹⁾	19.5	18.5
Audit-related fees ⁽²⁾	2.3	2.5
Tax fees ⁽³⁾	0.4	0.2
All other fees ⁽⁴⁾	0.3	0.1
Total	22.5	21.3

- (1) Audit fees consist of fees incurred for the annual audit of the Group's consolidated financial statements and the statutory financial statements of the Group's subsidiaries.
- (2) Audit-related fees consist of fees billed for sustainability reporting assurance approximately EUR 0.9 million (approximately EUR 1.4 million in 2024) as well as other assurance and related services that are reasonably related to the performance of the audit or review of the Group's financial statements or that are traditionally performed by the independent auditor, and include consultations concerning financial accounting and reporting standards; advice and assistance in connection with local statutory accounting requirements; due diligence related to mergers and acquisitions; and audit procedures in connection with investigations in the pre-litigation phase and compliance programs. They also include fees billed for other audit services, which are those services that only the independent auditor can reasonably provide, and include the provision of comfort letters and consents in connection with statutory and regulatory filings and the review of documents filed with the SEC and other capital markets or local financial reporting regulatory bodies.
- (3) Tax fees include fees billed for: (i) services related to tax compliance including preparation and/or review of tax returns, preparation, review and/or filing of various certificates and forms and consultation regarding tax returns and assistance with revenue authority queries; compliance reviews, advice and assistance on other indirect taxes; and transaction cost analysis; (ii) services related to tax audits; (iii) services related to individual compliance (preparation of individual tax returns and registrations for employees (non-executives), assistance with applying for visas, residency, work permits and tax status for expatriates); (iv) services related to technical guidance on tax matters; (v) services related to transfer pricing advice and assistance with tax clearances; and (vi) tax consultation and planning (advice on stock-based remuneration, local employer tax laws, social security laws, employment laws and compensation programs and tax implications on short-term international transfers).
- (4) Other fees include fees billed for Company establishments, liquidations, forensic accounting, data security, other consulting services and reference materials and services.



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Remuneration

This section sets out our remuneration governance, policies and how they have been implemented within Nokia. It includes our Remuneration Report where we disclose the remuneration of our Board members and the President and CEO for 2025, which will be presented to the Annual General Meeting (AGM) 2026 for an advisory vote.

Shareholders have approved of our proposed amendments to the Remuneration Policy in the 2025 AGM. A summary of the Policy is set out in this section of the report and the full version of the Policy is available on our website.

Other remuneration-related information provided alongside the Remuneration Report is not subject to a vote at the AGM 2026 but provides added information on the Nokia Remuneration Policy and remuneration practices applied within Nokia as well as on the remuneration of the Group Leadership Team members.

We report information applicable to executive remuneration in accordance with Finnish regulatory requirements and with requirements set by the US Securities and Exchange Commission that are applicable to us.

Highlights

- Overall performance in 2025 was solid, with net sales growth, comparable operating profit⁽¹⁾ and strong free cash flow⁽¹⁾ delivered in line with expectations, which are reflected in the incentive payouts. Disciplined execution helped offset FX headwinds, complete the Infinera acquisition, accelerate AI & Cloud orders, and strengthen the balance sheet while funding investments and dividends.
- Justin Hotard joined Nokia as President and CEO on 1 April 2025 at the same salary and variable pay opportunities as his predecessor and was invited to participate in a co-investment (eLTI) arrangement. In addition, he received compensation for the loss of forfeited awards on leaving his previous employer on a like-for-like basis.
- Justin Hotard's 2025 short-term incentive (STI) was subject to a score of operating profit, cash release⁽²⁾, health & safety and diversity objectives and resulted in an overall STI payout of 129% of target opportunity.
- Pekka Lundmark stepped down from the role of Nokia President and CEO on 31 March 2025 and continued as Advisor to the new President and CEO until 31 December 2025, to ensure a smooth leadership transition.
- The former CEO received his base salary, benefits and incentives throughout 2025. The remaining balance of his notice period of 12 months until 9 February 2026 was paid out together with his 2025 short-term incentive.
- The long-term incentive (LTI) awards (performance shares) granted to Pekka Lundmark and other GLT members in 2022 fully lapsed following the end of the three-year performance period in 2025.
- The 2026 STI for the CEO will be subject to comparable operating profit in constant currency⁽²⁾ and free cash flow⁽¹⁾ measures, with potential Board downward discretion on health and safety and workforce composition.
- The 2026 metrics for the LTI (performance shares) for Justin Hotard and the rest of the GLT will continue to be subject to a scorecard of relative Total Shareholder Return ("TSR"), cumulative reported Earnings Per Share (EPS) and greenhouse gas (GHG) emission reduction.
- Justin Hotard received a salary increase of approximately 6.0% in 2026, to bring his total target remuneration closer to the market level, this will remain significantly below the US benchmark primarily due to the significantly lower LTI award.

Further details of all of these matters are set out in the Remuneration Report.

- (1) Non-IFRS measure. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measures, refer to the "Alternative performance measures" section.
- (2) Comparable operating profit in constant currency and cash flow less comparable operating profit (i.e. cash release) are financial measures used only in calculation of short-term incentives for the President and CEO and the members of the Global Leadership Team. These measures are not used to communicate the management's view of Nokia's financial performance, and hence they are not considered as alternative performance measures. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measure, refer to the "Alternative performance measures" section.

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Remuneration Report 2025

Letter from the Chair of the Personnel Committee of the Board



“Dear Fellow Shareholder, I am delighted to present our Remuneration Report 2025 as the Chair of the Personnel Committee of the Nokia Board.”

Our remuneration philosophy

At the core of Nokia’s philosophy lie two principles:

- pay for performance and aligning the interests of employees with shareholders; and
- ensure that remuneration programs and policies support the delivery of the corporate strategy and create long-term sustainable shareholder value.

Shareholder support

Driven by the strategic shift to expand into new business areas such as data centers, private wireless, and defense, particularly in North America, the Nokia Board of Directors proposed amendments to the Remuneration Policy (“Policy”) for approval by shareholders in the 2025 Annual General Meeting (“AGM”). In developing the proposal, engagement was undertaken with the company’s largest shareholders in November 2024 and April 2025. The Board welcomed the support received from the majority of shareholders for the amendments at the AGM, while acknowledging that a significant minority voted against the proposal.

In response to this outcome, and consistent with our commitment to maintaining an open and constructive dialogue with our shareholders, further engagement was conducted with approximately 30% of our shareholders during Autumn 2025. The principal concerns raised by investors related to the introduction of restricted shares in the Policy and the perceived lack of clarity around the use of underpins.

When considering the introduction of restricted shares, the Personnel Committee of the Board of Directors (“Committee”) carefully evaluated the strategic context in which Nokia operated, particularly the growing importance of the North American market and the need to remain competitive in attracting and retaining senior leadership capable of delivering our long-term objectives. The proportion of Nokia’s revenue generated in North America is expected to increase as we expand in higher-growth businesses. These areas, such as data centers, represent key drivers of the company’s future development, and as part of this strategy, Nokia completed the EUR 2.5 billion acquisition of Infinera Corporation in 2025, a US-based supplier of optical networking solutions and

advanced optical semiconductors. Justin Hotard, who headed the Data Center & AI Group at Intel with more than 25 years of experience in AI and data-center markets across major US technology companies, was appointed as CEO in April 2025.

Against this backdrop, the Committee concluded that the introduction of additional restricted share awards of up to 100% of base salary was necessary to position the CEO’s total remuneration closer to market levels for comparable US-based roles, to provide the retention support expected in the North American executive market and to ensure a healthy compression between the remuneration of the CEO and that of his direct reports. With the addition of restricted shares, more than two-thirds of the CEO’s total target remuneration – and nearly 90% of variable remuneration at maximum – will remain performance-based, maintaining Nokia’s commitment to pay for performance.

Compensation of the new President and CEO

On 10 February 2025, Nokia announced that Justin Hotard would be appointed as its new President and Chief Executive Officer from 1 April 2025. The new President and CEO’s salary and variable pay arrangement were the same as his predecessor. Hotard received his salary for the period from 1 April 2025 to the end of the financial year with a prorated STI payout over the same period of 129% of target opportunity, based on the performance of the company. He was granted LTI (performance share) award in July 2025.

In addition, Justin Hotard received a one-time buy-out award of EUR 2.0 million in cash and EUR 6.0 million in restricted shares, vesting in three tranches over a period of three years, both in lieu of his forfeited unvested equity awards from the previous employer. Additionally, Justin Hotard was given compensation for repayment of previous employer’s sign-on bonus that he had to repay, of c. EUR 1.0 million. Mr. Hotard was also invited to participate in the co-investment-based long-term incentive arrangement (eLTI), under which he invested EUR 2 821 000 in Nokia shares in June 2025. In return, he is offered two Performance Shares for each share invested as a matching award. The invested shares must be held for three years for the matching shares to vest, subject to the same performance conditions as for the 2025 LTI Performance Shares.

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This investment aligns the new President and CEO with shareholders from the start and is a sign of his commitment to Nokia.

The Board has approved a 6.0% increase to Justin Hotard’s base salary as of 1 January 2026, while maintaining his target STI and performance share opportunities at their existing levels. With this increase, the President and CEO’s total target remuneration will remain below the US median benchmark.

Exit arrangements for the previous President and CEO

Pekka Lundmark continued to lead Nokia until 31 March 2025 and remained employed during 2025 to support the transition of leadership and relationships with our key customers and stakeholders after stepping down as President and CEO.

Mr. Lundmark received his base salary and incentive throughout 2025. The remaining balance of his 12-month notice period base pay and benefits until 9 February 2026 was paid out in cash in lieu of notice, together with his 2025 STI based on actual performance. He was not eligible for 2026 STI. Considering Mr. Lundmark’s retirement from operational roles and his continued work to enable a smooth leadership transition throughout 2025, on Board’s discretion, Pekka Lundmark retained his outstanding long-term incentives (performance shares 2022–2024 and eLTI 2024). These awards will vest on normal vesting dates prorated to his service at the company until 31 December 2025 and subject to applicable performance conditions.

The 2022 LTI (performance shares) was subject to the predetermined dividend adjusted share price targets and a three-year performance period which ended in January 2025. Based on the dividend adjusted share price outcome of EUR 4.88, the award lapsed in full for Pekka Lundmark and other GLT members who received the grant in 2022.

STI performance outcome and payout for 2025

Justin Hotard’s 2025 STI, prorated for period worked, was subject to a scorecard of operating profit, cash release⁽¹⁾, health & safety and diversity objectives. Pekka Lundmark’s 2025 STI was subject to the same scorecard of measures.

The comparable operating profit in constant currency⁽¹⁾ for 2025 was EUR 2 168 million, against the target of EUR 2 093 million. As a result, the payout for this element was 115% of target. For the cash release element (cash flow less comparable operating profit)⁽¹⁾, the actual outcome was EUR -338 million, against the target of EUR -1 238 million. This resulted in a payout of 198% of target for this element.

The first gender diversity metric (female percentage in workforce) achieved 22.9% for the full year, against the target of 23.9%, which resulted in a payout of 0% of target for this element. The second gender diversity metric (female percentage in leadership) achieved 17.2% for the full year, against the target of 18.2%, which resulted in a payout of 0% of target for this element.

The health & safety metric of lost time injury frequency rate measures how often lost time injuries occur that directly impacts Nokia employees during the year. This metric achieved an outcome of 0.055 lost time injury frequency rate (“LTIFR”) against the target of 0.085, which resulted in a payout of 225% of target for this element. However, as a result of five fatalities within Nokia’s control during the year, the Board exercised downward discretion to reduce the payout under this element by 10%, which resulted in the final outcome of 203% for this metric.

As a result, a total of 129% of target STI was payable for the financial year 2025.

STI and LTI performance conditions for 2026

During 2025, the Committee also undertook a review of the performance metrics used for our STI and LTI plans and decided to make changes for 2026 to ensure our incentive plans support our strategy focused on growth and performance. Our 2026 incentive plans for the President and CEO and the rest of the GLT will follow the structure set out below.

Delivering the next year’s step in the strategic plan – STI

Comparable Operating Profit in Constant Currency⁽¹⁾ 70% Free Cash Flow⁽²⁾ 30%

Continued focus on profitability Achieve a strong cash position

Delivering sustainable value – LTI

50% relative TSR, 40% cumulative reported EPS (adjusted for impairments and M&A), 10% GHG emission reduction (scope 1, 2 and 3)

A more rounded and balanced approach reflecting performance over the long term in growing the business and in delivering shareholder value whilst working towards our 2030 goal of 50% GHG emission reduction

For 2026, cash release⁽¹⁾ has been replaced with Free Cash Flow⁽²⁾, which provides a simpler and a more transparent view of underlying cash generation. Additionally, health & safety and diversity will no longer operate as standalone metrics within the STI, as the Committee considers performance in these areas as an integral part of the day-to-day responsibilities of the President and CEO and senior leaders rather than a measure for variable remuneration. These areas remain important to the company’s long-term success, and the Committee will retain the ability to apply a downward discretion to STI outcomes where performance in these areas does not meet expectations. The STI weightings have been adjusted for 2026 to reflect this updated framework.

The Committee reaffirmed the importance of a safety culture with ongoing safety programs and targets aimed at raising awareness and encouraging positive safety behaviors among subcontractors. Nokia will continue to set internal safety targets for 2026.

Share ownership requirement

Our President and CEO is required to hold Nokia shares equivalent to three times his annual base salary. Justin Hotard currently maintains a total shareholding (including his beneficially owned shares and unvested restricted shares) which significantly exceeds the requirement. This demonstrates his commitment to an alignment with Nokia’s long-term success and our shareholder interests.

Conclusions

I thank shareholders who assisted the Committee in the consultation process during 2025 and we remain committed to maintaining an open and constructive dialogue. I look forward to your continued support at our 2026 Annual General Meeting.

THOMAS DANNENFELDT,
CHAIR OF THE PERSONNEL COMMITTEE

(1) Comparable operating profit in constant currency and cash flow less comparable operating profit (i.e. cash release) are financial measures used only in calculation of short-term incentives for the President and CEO and the members of the Global Leadership Team. These measures are not used to communicate the management’s view of Nokia’s financial performance, and hence they are not considered as alternative performance measures. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measure, refer to the “Alternative performance measures” section.

(2) Non-IFRS measure. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measures, refer to the “Alternative performance measures” section.

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Introduction

This Remuneration Report of Nokia Corporation (the Report) has been approved by the Company's Board of Directors (the Board) to be presented to the Annual General Meeting 2026. The resolution of the Annual General Meeting on the Report is advisory. The Report presents the remuneration of the Board members and the President and CEO for the financial year 2025 in accordance with the Decree of the Finnish Ministry of Finance 608/2019 and the Finnish Corporate Governance Code 2025, as well as other applicable Finnish laws and regulations. The members of the Board and the President and CEO have been remunerated in accordance with our approved Remuneration Policy during the financial year 2025. No temporary or other deviations from the Policy have been made and no clawback provisions have been exercised during the financial year 2025.

In 2025, our remuneration structure promoted the Company's long-term financial success by setting the performance criteria for short-term and long-term incentives to support the Company's short-term and long-term goals, as well as through shareholding requirements set for the President and CEO, the GLT and the Board members. Aligned with Nokia's pay-for-performance remuneration principle, performance-based remuneration was emphasized over fixed base salary. The setting and application of the performance criteria for incentive programs executed the philosophy of pay-for-performance and supported the delivery of the corporate strategy as well as the creation of long-term sustainable shareholder value.

The table on the right compares the development of the remuneration of our Board of Directors, President and CEO, average employee pay and Company performance over a five-year period.

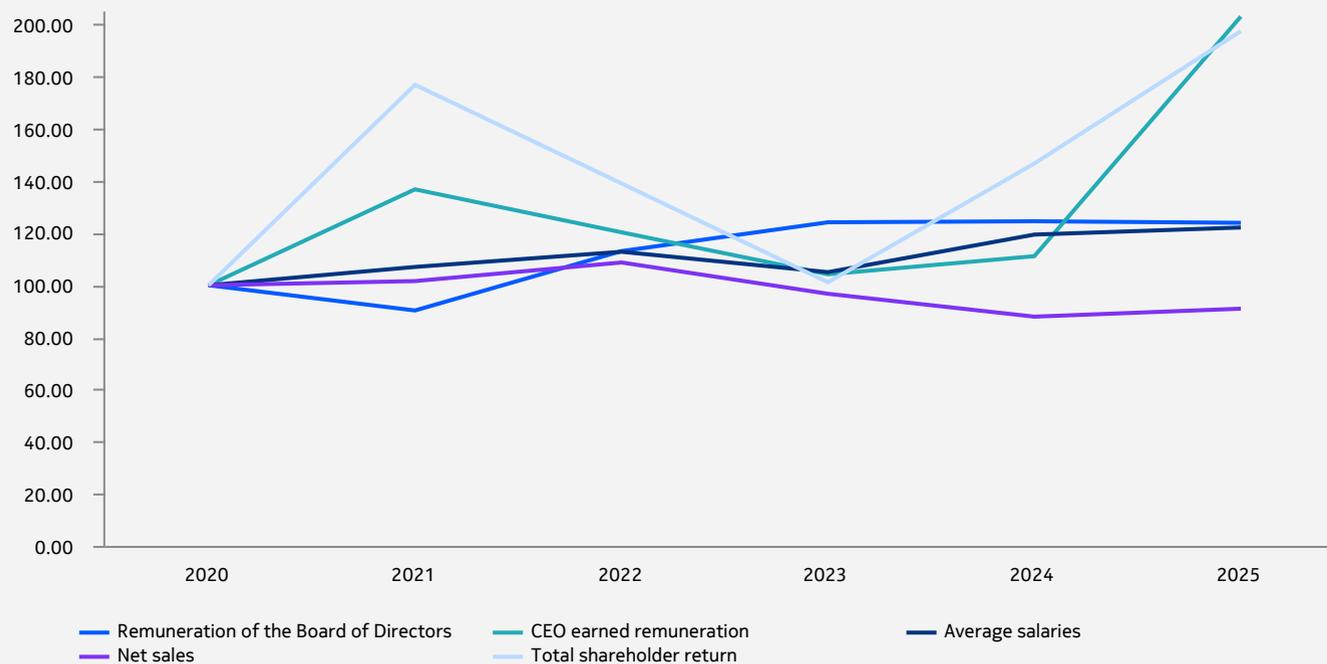
The pay-for-performance remuneration principle applied to the President and CEO, as well as the shareholding requirement of the President and CEO and the Board members, as applicable, contribute to an alignment of interests with shareholders, while also promoting and incentivizing decisions that are in the long-term interest of the Company.

Year	Aggregate remuneration of the Board of Directors (EUR) ⁽¹⁾	President and CEO actual remuneration (EUR) ⁽²⁾	Average salaries and wages (EUR) ⁽³⁾⁽⁵⁾	Net sales (EURm) ⁽⁵⁾	Total shareholder return (rebased to 100 at 31 Dec 2020) ⁽⁴⁾
2021	1 821 000	4 908 244	70 411	22 202	176.90%
2022	2 280 000	4 316 606	74 241	23 761	139.07%
2023	2 503 000	3 738 560	69 096	21 138	101.13%
2024	2 511 000	3 988 250	78 576	19 220	146.73%
2025	2 499 000	7 286 861	80 367	19 889	197.49%

- (1) Aggregate total remuneration paid to the members of the Board during the financial year as annual fee and meeting fee, as applicable, and as approved by general meetings of shareholders. The value depends on the number of members elected to the Board for each term as well as on the composition of the Board committees and travel required. During the term that began from the Annual General Meeting 2021, the Board had eight members only, compared to ten members during the following terms.
- (2) The President and CEO actual remuneration represents the aggregate total of the two President and CEOs in 2025.
- (3) Average salaries and wages are based on average employee numbers and their total salaries and wages as reported in the Company's financial statements.
- (4) Total shareholder return on last trading day of the previous year.
- (5) In June 2024, Nokia classified its Submarine Networks business as a discontinued operation. The comparative amounts for 2023 and 2022 have been recast accordingly.

We also present this data graphically:

Comparative data (rebased year-end 2020 = 100)



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Pay for performance

Core to our remuneration philosophy is a desire to pay for performance.

Each year we review overall total shareholder return compared with LTI vesting, mapping the performance of the plans against the total shareholder return curve.

Looking at the performance of our long-term incentive plans against total shareholder return, there is a reasonable alignment with the performance of the plans declining as total shareholder return declines.

The Board continues to actively monitor the performance of our long-term incentive plans to ensure that they deliver value for shareholders.

Global peer group

During 2025, the global peer group used in our remuneration benchmarking and relative TSR performance assessment was reviewed and updated so that it consists of the following 24 companies. As part of this review, Atos was removed from the peer group following material changes to its business profile, and both Juniper Networks and VMware were removed as they have delisted.

ABB	Infineon Technologies
Adobe	Kone
Airbus	Motorola Solutions
ASML	NXP Semiconductors
BAE Systems	Oracle
Capgemini	Philips
Ciena	SAP
Cisco Systems	Siemens Healthineers
Corning	Vodafone Group
Dell Technologies	Wärtsilä
Ericsson	
Hewlett Packard Enterprise	
HP	
IBM	

Share price and total shareholder return vs long-term incentive performance



- (1) 2023 LTI's performance period ended in January 2026. The vesting outcome of this award will be reported in the 2026 Remuneration Report.
 (2) 2024 and 2025 LTIs' performance periods are not yet completed.



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Remuneration of the Board of Directors

The shareholders resolve annually on director remuneration based on a proposal made by the Board of Directors on the recommendation of the Board's Corporate Governance and Nomination Committee.

The aggregate amount of remuneration paid to the Board members in 2025 equaled EUR 2 499 000 of which EUR 2 390 000 consisted of annual fees and the rest of meeting fees. In accordance with the resolution by the Annual General Meeting 2025, approximately 40% of the annual fee from Board and Board Committee work was paid in Nokia shares purchased from the market on behalf of the Board members following the Annual General Meeting.

The directors shall retain until the end of their directorship such number of shares that corresponds to the number of shares they have received as Board remuneration during their first three years of service on the Board.

The rest of the annual fee was paid in cash, most of which was used to cover taxes arising from the remuneration. All meeting fees were paid in cash.

It is the Company's policy that the non-executive members of the Board do not participate in any of Nokia's equity programs and do not receive performance shares, restricted shares, or any other variable remuneration for their duties as Board members. No such variable remuneration was paid since all persons acting as Board members during the financial year 2025 were non-executive.

Board remuneration for the term that began at the Annual General Meeting held on 29 April 2025 and ends at the close of the Annual General Meeting in 2026 consisted of the following fees.

Annual fee	EUR
Chair	440 000
Vice Chair	210 000
Member	185 000
Chair of Audit Committee	30 000
Member of Audit Committee	15 000
Chair of Personnel Committee	30 000
Member of Personnel Committee	15 000
Chair of Strategy Committee	20 000
Member of Strategy Committee	10 000
Chair of Technology Committee	20 000
Member of Technology Committee	10 000
Meeting fee ⁽¹⁾	EUR
Meeting requiring intercontinental travel	5 000
Meeting requiring continental travel	2 000

(1) Paid for a maximum of seven meetings per term.

The following table outlines the total annual remuneration paid in 2025 to the members of the Board for their services.

	Annual fees (EUR)	Meeting fees (EUR) ⁽¹⁾	Total remuneration paid (EUR)	60% of annual fees and all meeting fees paid in cash (EUR)	40% of annual fees paid in shares (EUR)	Number of shares (approx. 40% of the annual fee) ⁽²⁾
Sari Baldauf (Chair)	465 000	10 000	475 000	289 000	186 000	41 478
Søren Skou (Vice Chair) ⁽³⁾	—	2 000	2 000	2 000	—	—
Timo Ihamuotila (Vice Chair as of 29 April 2025)	220 000	9 000	229 000	141 000	88 000	19 624
Timo Ahopelto	210 000	10 000	220 000	136 000	84 000	18 732
Elizabeth Crain	220 000	12 000	232 000	144 000	88 000	19 624
Thomas Dannenfeldt	245 000	14 000	259 000	161 000	98 000	21 854
Pernille Erenbjerg (as of 29 April 2025)	200 000	—	200 000	120 000	80 000	17 840
Lisa Hook	210 000	12 000	222 000	138 000	84 000	18 732
Mike McNamara (as of 3 April 2024)	210 000	14 000	224 000	140 000	84 000	18 732
Thomas Saueressig	195 000	14 000	209 000	131 000	78 000	17 394
Carla Smits-Nusteling ⁽³⁾	—	2 000	2 000	2 000	—	—
Kai Öistämö	215 000	10 000	225 000	139 000	86 000	19 178
Total	2 390 000	109 000	2 499 000	1 543 000	956 000	213 188

(1) Meeting fees include all meeting fees paid during the reported year 2025.

(2) 40% of the annual fees after deducting the applicable transfer taxes.

(3) Stepped down at the Annual General Meeting on 29 April 2025 and received no annual fees in 2025.



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Remuneration of the President and CEO

The following table shows the actual remuneration received by the former and current President and CEO in 2025 and 2024. As our CEO changed in the financial year 2025, both individual and aggregate figures are presented in respect of service as President and CEO for comparison purposes. The 2024 LTI figure relates to the vesting of the 2021 LTI performance shares and the 2021 eLTI matching performance shares. The 2025 LTI figure relates to the vesting of the 2022 LTI performance shares.

EUR	2025 (Combined)	Pay mix ⁽¹⁾	2025 (Hotard) ⁽²⁾	Pay mix ⁽¹⁾	2025 (Lundmark) ⁽³⁾	Pay mix ⁽¹⁾	2024	Pay mix ⁽¹⁾
Salary	1 410 500	38%	1 057 875	38%	352 625	38%	1 410 500	36%
Short-term incentive ⁽⁴⁾	2 271 787	62%	1 703 840	62%	567 947	62%	1 824 834	46%
Long-term incentive ⁽⁵⁾	—	0%	—	0%	—	0%	697 872	18%
Other remuneration ⁽⁶⁾	3 604 574		3 584 877		19 697		55 044	
Total	7 286 861		6 346 592		940 269		3 988 250	

(1) Pay mix reflects the proportion of base salary, STI and LTI of total remuneration, excluding other remuneration.

(2) Justin Hotard's compensation is shown in respect of his service as President and CEO from 1 April 2025.

(3) Pekka Lundmark's compensation is shown in respect of his service as President and CEO to 31 March 2025. In addition, in respect of his services as an advisor between stepping down as President and CEO on 31 March 2025 and his last day of work on 31 December 2025, he received EUR 1 057 875 salary and EUR 29 523 in benefits. The remaining balance of his 12-month notice period base pay and benefits until 9 February 2026 was paid out in cash in lieu of notice, EUR 35 269, together with his 2025 STI based on actual performance, which amounted to EUR 2 271 787 for the full year. Pekka Lundmark is not eligible for 2026 STI.

(4) STI represents the amounts earned in respect of financial year 2025, but that are paid in April 2026.

(5) LTI payments to Pekka Lundmark represents his 2022 performance share award, which fully lapsed.

(6) Other compensation for Pekka Lundmark includes telephone, car, driver, tax compliance support and medical insurance. For Justin Hotard, other compensation includes a one-time buy-out award of EUR 2 000 000 in lieu of his forfeited unvested equity awards from the previous employer, compensation for repayment of previous employer's sign-on bonus that he had to repay of EUR 1 025 154, and other benefits including relocation and housing (including temporary housing), schooling fees, car, driver, telephone, medical insurance and legal fees equaling to EUR 559 723.

Pursuant to Finnish legislation, Nokia is required to make contributions to the Finnish TyEL pension arrangements in respect of the President and CEO. Such payments can be characterized as defined contribution payments. In 2025, payments to the Finnish state pension system equaled EUR 39 291 for Pekka Lundmark in respect of his service as President and CEO (EUR 310 937 in 2024) and EUR 490 275 for Justin Hotard. No supplementary pension arrangements were offered.

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Hire and 2025 arrangements for Justin Hotard

Justin Hotard was appointed as President and CEO from 1 April 2025. His hire arrangements are summarized below and are in accordance with the Remuneration Policy (“Policy”).

Item	Action	Amount	Note
Salary	Paid monthly from 1 April 2025	EUR 1.4 m per annum, pro-rated for 2025	In line with Policy and Executive Agreement
Short-term incentive 2025	Paid at actual for 2025 and prorated for period worked during the year	EUR 1.7 m	In line with Policy and STI plan rules
Long-term incentive 2025	Performance share award vests in 2028 subject to relative TSR (50%), cumulative earnings per share (40%) and GHG emission reduction (10%)	Target EUR 2.8 m	In line with Policy and LTI plan rules
eLTI co-investment arrangement	In return for a purchase and continued holding of 2.8m EUR worth of Nokia shares, a 2:1 award of Nokia 2025 performance shares was made. These vest in 2028 subject to relative TSR (50%), cumulative earnings per share (40%) and GHG emission reduction (10%) and continued holding of the purchased shares	Target EUR 5.6 m	In line with Policy and same as arrangement provided to Pekka Lundmark, Justin Hotard was invited to participate in the eLTI co-investment arrangement. This required him to make a substantial personal investment in Nokia shares aligning his personal interests with those of shareholders from joining.
Buyout of forfeited Restricted Stock awards	To compensate for the forfeiture of awards from the previous employer, and having duly considered the structure, time horizons, value and performance conditions of those forfeited awards, the Board granted the CEO EUR 6.0 million in restricted shares, vesting in three equal tranches in 2026, 2027 and 2028, as well as a cash payment of EUR 2.0 million, which was paid upon his commencement in April 2025.	EUR 8.0 m	In line with Policy and Executive Agreement and LTI Plan rules
Compensation for repayment of previous employer’s sign-on bonus	Cash in recognition of the repayment of sign-on bonus to previous employer	EUR 1.0 m	In line with Policy and Executive Agreement
Benefits	Paid from 1 April 2025	Standard Finnish benefits plus relocation support, temporary accommodation support, housing allowance, schooling allowance, and legal fees	In line with Policy and Executive Agreement

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2025 Short-term Incentive of the President and CEO

Targets for the STI are set annually at or before the start of the year (adjusted for exceptional one-off items), balancing the need to deliver value with the need to motivate and drive the performance of the Executive Team. Targets are determined for a set of strategic metrics that align with driving sustainable value for shareholders and are set in the context of market expectations and analyst consensus forecasts. For 2025, both Pekka Lundmark and Justin Hotard had a target STI opportunity of 125% of annual base salary. Their 2025 STI framework was based on a scorecard of financial and non-financial objectives. Achievements against the 2025 targets are set out in the table below. The outcomes for all metrics were calculated based on formulaic approach. For the health & safety metric, lost time injury frequency rate achieved an outcome of 225% of target. However, as a result of five subcontractor fatalities within Nokia's control during the year, the Board exercised downward discretion to reduce the payout under this element by 10%, which resulted in the final outcome of 203% for this metric.

Metric	Weight	Target	2025 performance outcome	2025 STI outcome (% of target)
Comparable operating profit in constant currency ⁽¹⁾	60%	EUR 2 093 m	EUR 2 168 m	115%
Cash release ⁽¹⁾	20%	EUR – 1 238 m	EUR – 338 m	198%
Gender diversity – women in leadership	5%	Female percentage of global leadership of 18.2%	17.2%	0%
Gender diversity – women in workforce	5%	Female percentage of global workforce 23.9%	22.9%	0%
Health & safety	10%	<ul style="list-style-type: none"> Employee lost time injury frequency rate (LTIFR) of 0.085 Fatality modifier (downward discretion in the event of fatalities, including all subcontractors) 	LTIFR of 0.055 with 5 fatalities	203%
Total STI outcome	100%			129%

(1) Comparable operating profit in constant currency and cash flow less comparable operating profit (i.e. cash release) are financial measures used only in calculation of short-term incentives for the President and CEO and the members of the Global Leadership Team. These measures are not used to communicate the management's view of Nokia's financial performance, and hence they are not considered as alternative performance measures. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measure, refer to the "Alternative performance measures" section.

Accordingly, the total 2025 STI payout for Pekka Lundmark and Justin Hotard for their respective periods of service as the President and CEO during 2025 was EUR 567 947 and EUR 1 703 840, respectively. Pekka Lundmark's total STI for 2025, reflecting continued service until year-end, amounted to EUR 2 271 787.

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Long-term Incentive awards granted to the President and CEO during 2025

In 2025, Justin Hotard was granted the following LTI (performance share) awards.

Targets for our LTI performance shares are set in a similar context to the STI. The performance shares targets are set at the start of the performance period reflecting the business strategy and priorities over the three-year performance period. The performance conditions for the 2025 performance shares are based on 50% relative TSR against our global peer group⁽¹⁾, 40% cumulative earnings per share (EPS) and 10% GHG emission reduction targets over the three-year performance period from 2025 to 2028. During 2025, Justin Hotard was invited to participate in the co-investment eLTI, under which he invested EUR 2.8 million in Nokia shares and received two-for-one matching performance shares in return. The matching performance shares were subject to the same performance conditions as set out above. Both the LTI performance shares and eLTI matching performance shares have a three-year performance and vesting period. The targets for all metrics as well as the performance and vesting outcomes will be disclosed in the 2028 Remuneration Report.

Performance share awards ^{(1) (2)}	Units awarded	Grant date face value ⁽³⁾ (EUR)	Grant date	Vesting
2025 LTI performance shares	608 000	2 681 280	7 July 2025	Q3 2028
2025 eLTI matching performance shares	1 218 548	5 666 248	3 June 2025	Q2 2028

(1) Global peer group consisted of 24 companies (see details under the "Global peer group" section).

(2) The maximum vesting is 200% of target if stretch performance targets are met.

(3) Grant date face value was calculated using the closing price of EUR 4.41 and EUR 4.65 on the date of grant for the 2025 performance shares and 2025 eLTI matching shares, respectively.

As part of Justin Hotard's joining arrangements as new President and CEO, he received a one-off buyout award of EUR 6.0 million in restricted shares vesting in three tranches over a period of three years, in lieu of his forfeited unvested equity from the previous employer. The value of this buyout award was determined taking account of the structure, time horizon, value and performance conditions (where applicable) of his forfeited awards from the previous employer.

Restricted share awards	Units awarded	Grant date face value (EUR) ⁽¹⁾	Grant date	Vesting
2025 LTI restricted shares (buyout)	1 287 600	6 438 000	1 April 2025	Q2 2026, Q2 2027, Q2 2028

(1) Grant date face value was calculated using the closing share price at the date of grant of EUR 5.00. The difference in the grant date face value and the originally agreed amount of EUR 6.0 million is due to the different share price used to calculate the number of shares to be granted using Nokia's averaging method.

Long-term Incentive awards and other equity awards vested for the President and CEO during 2025

Pekka Lundmark was granted LTI performance share award in March 2022. The award had a three-year performance period and was subject to dividend adjusted share price targets over the performance period. However, as the threshold share price was not achieved, the award lapsed in full on 6 July 2025.

Share awards vesting during the year	Units awarded	Target share price (EUR)	Share price achievement (EUR)	Vesting outcome (% of target)	Units vested	Value of vested award (EUR)
2022 LTI performance shares	543 900	6.50	4.88	0%	—	—

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The President and CEO's share ownership and unvested share awards

Our share ownership policy requires that the President and CEO holds a minimum of three times his or her annual base salary in Nokia shares in order to ensure alignment with shareholder interests over the long term. Justin Hotard significantly exceeds this requirement with a holding of 597%⁽¹⁾ well within the five-year allotted period.

Justin Hotard	Units	Value ⁽²⁾ (EUR)
Beneficially owned shares at 31 December 2025	609 274	3 393 656
Unvested shares under outstanding Nokia equity plans ⁽³⁾	3 114 148	17 345 804
Total	3 723 422	20 739 460

(1) Shareholding of 597% of annual base salary as of 14 November 2025, using 12-month average share price. This includes all beneficially owned Nokia shares and unvested restricted shares with no performance conditions.

(2) The values are based on the closing price of a Nokia share of EUR 5.57 on Nasdaq Helsinki on 30 December 2025.

(3) The number of units represents the number of unvested awards as of 31 December 2025.

The President and CEO's termination provisions 2025

Termination by	Reason	Notice	Compensation
Nokia	Cause	None	The President and CEO is entitled to no additional remuneration and all unvested equity awards would be forfeited after termination.
Nokia	Reasons other than cause	Up to 12 months	The President and CEO is entitled to a severance payment equaling to 12 months' remuneration (including annual base salary, benefits, and target short-term incentive). Unvested equity awards would be forfeited after termination, unless the Board determines otherwise. If termination occurs within three months before, or six months after a change of control event (double trigger), the CEO is entitled to shorten his notice period to three months, he receives 12 months' remuneration and all his equity awards vest subject to performance and time proration until the expiry of the agreement.
President and CEO	Any reason	12 months	The President and CEO may terminate his service agreement at any time with 12 months' notice. The President and CEO would either continue to receive salary and benefits during the notice period or, at Nokia's discretion, a lump sum of equivalent value. Additionally, the President and CEO would be entitled to any short- or long-term incentives that would normally vest during the notice period. Any unvested equity awards would be forfeited after termination, except in the event of death, permanent disability and retirement, and unless the Board determines otherwise.
President and CEO	Nokia's material breach of the service agreement	Up to 12 months	In the event that the President and CEO terminates his service agreement based on Nokia's material breach of the service agreement, he is entitled to reduce the notice period to two months, and to receive a severance payment equaling to 12 months' remuneration including the notice period. All equity awards vest, subject to any applicable performance criteria and prorated until the expiry of the agreement.

The President and CEO is subject to a 12-month non-competition and non-solicit obligation that applies after the termination of the service agreement or the date when he is released from his obligations and responsibilities, whichever occurs earlier.

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Remuneration Policy

Nokia Corporation's Remuneration Policy, which applies to the governing bodies of the Company, i.e. the Board of Directors and the President and CEO, was approved by shareholders at the Annual General Meeting 2025, receiving 61.78% of votes in favor. This Policy remained in force and unchanged during 2025. The information below is provided as a summary for ease of reference.

In addition to applying the Remuneration Policy to our President and CEO, the principles of our policy extend to the Group Leadership Team.

The Board regularly monitors the effectiveness of the measures used in our incentive plans to ensure that they align with and drive the strategy of the company.

The Remuneration Policy for the Board of Directors

In accordance with the Remuneration Policy, the Board's Corporate Governance and Nomination Committee periodically reviews the remuneration for the Chair and members of the Board against companies of similar size and complexity. The objective of the Corporate Governance and Nomination Committee is to enable Nokia to compete for top-of-class Board competence to maximize value creation for its shareholders. The Committee's aim is that the Company has an efficient Board composed of international professionals representing a diverse and relevant mix of skills, experience, background and other personal qualities. Competitive Board remuneration contributes to the achievement of this target.

The main structure of the Board remuneration as outlined in the Remuneration Policy is set out in the following table.

Fees	<p>Fees consist of annual fees and meeting fees.</p> <p>Approximately 40% of the annual fee is paid in Nokia shares purchased from the market on behalf of the Board members or alternatively delivered as treasury shares held by the Company. The balance is paid in cash, most of which is typically used to cover taxes arising from the paid remuneration.</p> <p>Meeting fees are paid in cash.</p>
Incentives	<p>Non-executive directors are not eligible to participate in any Nokia incentive plans and do not receive performance shares, restricted shares or any other equity-based or other form of variable compensation for their duties as members of the Board.</p>
Pension	<p>Non-executive directors do not participate in any Nokia pension plans.</p>
Share ownership requirement	<p>Members of the Board shall normally retain until the end of their directorship such number of shares that corresponds to the number of shares they have received as Board remuneration during their first three years of service on the Board (the net amount received after deducting those shares needed to offset any costs relating to the acquisition of the shares, including taxes).</p>
Other	<p>Directors are compensated for travel and accommodation expenses as well as other costs directly related to Board and Committee work. These are paid in cash.</p>

Proposals of the Board of Directors to the Annual General Meeting 2026 were published on 29 January 2026. The Corporate Governance and Nomination Committee has resolved to recommend to the Board that the annual fees of Board members would remain at an unchanged level. Consequently, the Board proposes to the Annual General Meeting 2026 that the annual fees payable for a term ending at the close of the next Annual General Meeting be as follows:

- EUR 440 000 for the Chair of the Board;
- EUR 210 000 for the Vice Chair of the Board;
- EUR 185 000 for each other member of the Board;
- EUR 30 000 each for the Chairs of the Audit Committee and the Personnel Committee and EUR 20 000 for the Chairs of the Technology Committee and the Strategy Committee as an additional annual fee; and
- EUR 15 000 for each member of the Audit Committee and the Personnel Committee and EUR 10 000 for each member of the Technology Committee and the Strategy Committee as an additional annual fee.

In addition, the Board of Directors proposes that the meeting fees for Board and Committee meetings remain at the current level. The meeting fees are based on potential travel required between the Board member's home location and the location of a meeting and are paid for a maximum of seven meetings per term as follows:

- EUR 5 000 per meeting requiring intercontinental travel; and
- EUR 2 000 per meeting requiring intracontinental travel.

Only one meeting fee is paid if the travel covered by the fee includes several meetings of the Board and its Committees. The Board also proposes that members of the Board shall be compensated for travel and accommodation expenses as well as other costs directly related to Board and Board Committee work.



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The Remuneration Policy for the President and CEO

Remuneration elements	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Base salary	To attract and retain individuals with the requisite level of knowledge, skills and experience to lead our businesses	Base salary is normally reviewed annually taking into consideration a variety of factors, including, for example, performance of the Company and the individual, remuneration of our global peer group, changes in individual responsibilities and employee salary increases.	Whilst there are no performance targets attached to the payment of base salary, performance is considered as context in the annual salary review.
Pension	To provide retirement benefit aligned with local country practice	Pension arrangements reflect the relevant market practice and may evolve year-on-year. The President and CEO may participate in the applicable pension programs available to other executives in the country of employment. Details of the actual pension arrangement will be shown in the annual Remuneration Report. In Finland, the President and CEO participates in the Finnish statutory Employee's Pension Act (TyEL), and there is no supplementary pension plan.	N/A
Other benefits	To provide a competitive level of benefits and to support recruitment and retention	<p>Benefits will be provided in line with local market practice in the country of employment and may evolve year-on-year. Benefits may include, for example, a company car (or cash equivalent), risk benefits (for example life and disability insurance) and employer contributions to insurance plans (for example medical insurance).</p> <p>Additional benefits and allowances may be offered in certain circumstances such as relocation support, expatriate allowances, and temporary living and transportation expenses aligned with Nokia's mobility policy.</p> <p>The President and CEO is also eligible to participate in similar programs which may be offered to Nokia's other employees such as the voluntary all-employee share purchase plan.</p>	N/A
Short-term incentive (STI)	To incentivize and reward performance against delivery of the annual business plan	<p>STI is based on performance against one-year financial and non-financial targets and normally paid in cash.</p> <p>Minimum payout is 0% of base salary. Target opportunity is 125% of base salary. Maximum opportunity is 281.25% of base salary.</p> <p>The malus and clawback conditions apply in accordance with Company clawback policies.</p>	<p>Performance measures, weightings and targets for the selected measures are set annually by the Board to ensure they continue to support Nokia's short-term business strategy. These measures can vary from year to year to reflect business priorities and may include a balance of financial, key operational and non-financial measures (including but not limited to strategic, customer satisfaction, employee engagement, environmental, social, governance or other sustainability-related measures).</p> <p>Although the performance measures and weighting may differ year to year reflecting the business priorities, in any given year, a minimum of 60% of measures will be based on financial criteria.</p> <p>Targets for the short-term incentives are set at the start of the year, in the context of analyst expectations and the annual plan, selecting measures that align to the delivery of Nokia's strategy.</p> <p>The performance metrics and weightings are disclosed retrospectively in the annual Remuneration Report.</p>

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Remuneration elements	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Long-term incentive (LTI) – performance share award	To reward for delivery of sustainable long-term performance, align the President and CEO's interests with those of shareholders, and aid retention	<p>Long-term incentive awards may be made annually in performance shares, vesting normally after three years dependent on the achievement of performance conditions measured over a three-year period.</p> <p>Target award level is 200% of base salary at the date of grant, with maximum vesting of 400% of base salary.</p> <p>The malus and clawback conditions apply in accordance with Company clawback policies.</p>	<p>Performance measures, weightings and target metrics for the selected measures are set by the Board to ensure they continue to support Nokia's long-term business strategy and financial success.</p> <p>Targets are set in the context of Nokia's long-term plans and analyst forecasts, ensuring that they are considered both achievable and sufficiently stretching.</p> <p>The Board may choose different measures and weightings each year based on the business plan. The measures consist of at least 60% financial and/or share price-related measures. The Performance metrics and weightings are disclosed retrospectively in the annual Remuneration Report.</p>
Long-term incentive (LTI) - restricted share award	To incentivize longer-term decision making for sustainable shareholder value creation and to aid retention	<p>Restricted share awards of up to 100% of base salary may be granted, vesting after at least three years, subject to financial underpins and continued service.</p> <p>The malus and clawback conditions apply in accordance with Company clawback policies.</p>	<p>Financial underpins are determined by the Board to ensure alignment with underlying company performance and shareholder experience.</p> <p>The Board may choose different financial underpins for each grant based on the business plan and strategic priority.</p>
Enhanced LTI (eLTI) – co-investment arrangement	To further align the President and CEO's interests with Nokia's long-term success and shareholder interests	<p>Unlike the LTI performance share award, this is not an annual award and is only granted in exceptional circumstances.</p> <p>The President and CEO may be invited, at the discretion of the Board, to purchase investment shares of up to 200% of base salary, and in return, receive two matching shares for every one investment share purchased.</p> <p>The matching shares are delivered in the form of performance shares, typically subject to the same performance conditions as for the LTI performance share award, with a three-year performance and vesting period.</p> <p>The minimum vesting of the matching shares is 0% of base salary and maximum vesting is two times grant level.</p> <p>The malus and clawback conditions apply in accordance with Company clawback policies.</p>	<p>The performance metrics, targets and weightings for the matching shares are typically the same as those for LTI performance shares granted in the same year.</p>
Shareholding requirement	Align the President and CEO's interests with those of shareholders and ensure any decisions made are in the long-term interest of the Company	The President and CEO is required to build and maintain a shareholding equivalent to 300% of base salary, to be achieved normally within five years of appointment.	N/A

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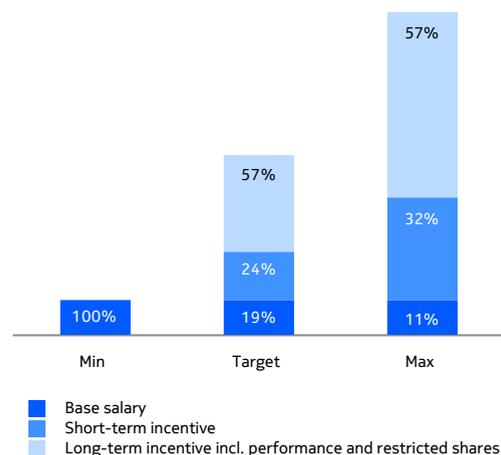
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Pay mix and remuneration scenarios for the President and CEO

Aligned with Nokia's pay-for-performance remuneration principle, performance-based remuneration is emphasized over base salary. The chart below illustrates how the proportion of the President and CEO's remuneration package varies at the minimum, target and maximum levels of performance. A significant proportion of remuneration is linked to performance, especially at maximum performance levels. Actual pay mix is influenced by the extent to which the performance targets set for the STI and LTI are achieved and may vary from the scenarios below.

The long-term incentive vesting outcomes in the chart below ignore share price movement from grant to vest. The eLTI is not included in this analysis as it is not an annual award and is only granted in exceptional circumstances. The vesting outcome of the matching performance shares under the eLTI would be dependent, besides the performance, on the value of the investment, which could range from 0% to 200% of base salary for the President and CEO. The minimum and maximum vesting levels for the matching performance shares are provided in the above summary table of the remuneration elements.

President and CEO pay mix scenarios



Share ownership requirement

Nokia believes that it is desirable for its executives to own shares in Nokia to align their interests with those of shareholders and to ensure that their decisions are in the long-term interest of the Company. The President and CEO is required to own three times his or her annual base salary in Nokia shares and is given a period of five years from appointment to achieve the required level of share ownership.

Malus and clawback

The malus and clawback conditions apply in accordance with Company's clawback policies to the short-term and long-term incentives for all participants, including the President and CEO.

Nokia's Executive Officer Clawback Policy is applied in the case of any erroneously awarded compensation due to restatement in the Company's Financial Statements with a three-year lookback period, resulting in the reclaiming of amounts then-outstanding or previously paid.

Additionally, under the Nokia Incentive Compensation Clawback Policy, unless the Personnel Committee otherwise decides, the recoupment of previously awarded, paid or received compensation is triggered in situations of reputational damage, willful breach of internal control procedures, gross misconduct and restatement of financial statement (clawback triggers) with a recoupment period not exceeding three years in total.

Remuneration on recruitment

Our policy on recruitment is to offer a remuneration package that is sufficient to attract, retain and motivate the individual with the right skills for the required role.

On occasion, we may offer buy-out awards to compensate for a candidate's forfeited awards on leaving a previous employer. Such buy-out awards would, where possible, reflect the nature of the forfeited awards in terms of delivery mechanism, time horizons, attributed expected value and performance conditions.

Termination provisions

In the event of a termination of employment, any payable remuneration is determined in line with legal advice regarding local legislation, country policies, contractual obligations and the rules of the applicable incentive and benefit plans. Payment in lieu of notice will not typically exceed the value of 12 months' remuneration (including base salary, benefits, STI and pension contribution, if applicable). The treatment of equity incentive awards may depend on the circumstances of the departure. In the event of death, permanent disability or retirement, unvested awards are normally allowed to be retained. These awards will vest either on departure or at normal vesting date, subject to performance (if applicable) and time proration, unless the Board of Directors determines otherwise. Current termination provisions of the President and CEO's service agreement are described in the Remuneration Report.

Change of control arrangements, if any, are based on a double trigger structure, which means that both a specified change of control event and termination of the individual's employment must take place for any change of control-based severance payment to materialize.

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Remuneration governance

We manage our remuneration through clearly defined processes, with well-defined governance principles, ensuring that no individual is involved in the decision making related to their own remuneration, and that there is appropriate oversight of any remuneration decision. Remuneration of the Board is annually presented to shareholders for approval at the Annual General Meeting. The Board submits its proposal to the Annual General Meeting on the recommendation of the Board's Corporate Governance and Nomination Committee, which actively considers and evaluates the appropriate level and structure of directors' remuneration. Shareholders also authorize the Board to resolve to issue shares, for example to settle Nokia's equity-based incentive plans, based on the proposal of the Board.

The Board of Directors approves, and the independent members of the Board confirm, the remuneration of the President and CEO, upon recommendation of the Personnel Committee.

The Personnel Committee consults regularly with the President and CEO and the Chief People Officer. The President and CEO has an active role in the remuneration governance and performance management processes for the GLT and the wider employee population at Nokia. However, the President and CEO or the Chief Personnel Officer are not present when their own remuneration is reviewed or discussed. This enables the Personnel Committee to be mindful of employee pay and conditions across the broader employee population.

The Committee has the power, in its sole discretion, to retain remuneration advisers to assist the Personnel Committee in evaluating executive remuneration. During 2025, the Personnel Committee engaged Alvarez & Marsal, an independent external adviser, to assist in the review and determination of executive remuneration and program design, as well as to provide insight into market trends. Willis Towers Watson was retained as a market data provider for the Committee.

The Personnel Committee Chair regularly engages with shareholders to discuss their views on our remuneration policies, programs and associated disclosures and reflects on their feedback. These insights are taken account of in the Committee's and Board's decision-making process for executive remuneration.

Work of the Personnel Committee

The Personnel Committee convened five times during 2025 with a general theme for each meeting



- 1 Approvals & reporting
- 2 Philosophy & structure
- 3 Long-term direction & market review
- 4 Planning

January

- 2024 STI performance outcome
- 2025 STI and LTI metrics and target setting
- President and CEO remuneration review
- Equity plan vesting and granting during 2025
- Remuneration Report for 2024

June

- 2025 Annual General Meeting season review
- GLT remuneration review
- Culture update
- GLT succession planning

July

- Remuneration Policy review
- GLT succession planning
- Inflight LTI awards performance update
- Market practice update
- People risks including physical safety review

September

- Workforce demographics
- 2026 STI and LTI performance metrics initial discussion

December

- Preliminary review of metrics and targets for 2026 STI and LTI
- 2026 equity plan budget and allocation
- Proxy agency and shareholder consultation feedback
- Planning of Remuneration Report for 2025
- Annual GLT and CEO benchmarking
- Executive shareholding assessment
- Personnel Committee charter review

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Remuneration of the Nokia Group Leadership Team in 2025

The remuneration of the members of the GLT (excluding the President and CEO) consists of base salary, other benefits, and short-term and long-term incentives. Short-term incentive plans are based on rewarding the delivery of business performance utilizing certain, or all, of the following metrics as appropriate to the member's role: comparable operating profit in constant currency⁽¹⁾, cash release⁽¹⁾ and ESG-related measures such as health & safety.

Executives in the GLT are subject to the same remuneration policy framework as the President and CEO. This includes being subject to the malus and clawback conditions and shareholding requirements. The shareholding requirement for members of the GLT is two times their annual base salary, built within a period of five years of their appointment.

At the end of 2025, the Group Leadership Team consisted of 12 persons split between Finland, UK and the United States. For information regarding the current Group Leadership Team composition, refer to the Corporate Governance Statement.

Name	Position in 2025	Appointment date
Justin Hotard	President and CEO	1 April 2025
Louise Fisk	Chief Communications Officer (currently Chief Communications and Marketing Officer)	18 October 2024
Patrik Hammarén	President of Nokia Technologies (currently President of Technology Standards)	18 October 2024
Victoria Hanrahan	Chief of Staff to the President and CEO	16 June 2025
Mikko Hautala	Chief Geopolitical and Government Relations Officer	1 November 2024
David Heard	President of Network Infrastructure	1 July 2025
Pallavi Mahajan	Chief Technology and AI Officer	1 October 2025
Esa Niinimäki	Chief Legal Officer (currently Chief Legal and Administrative Officer) and interim Chief People Officer	25 January 2023
Konstanty Owczarek	Chief Corporate Development Officer	1 October 2025
Raghav Sahgal	President of Cloud and Network Services (currently Chief Customer Officer)	1 June 2020
Tommi Uitto	President of Mobile Networks	31 January 2019
Marco Wirén	Chief Financial Officer	1 September 2020

Remuneration of the Group Leadership Team members in 2025

Remuneration of the Group Leadership Team (excluding the President and CEO) in 2024 and 2025, in the aggregate, was as follows:

EURm ⁽¹⁾	2025	2024
Salary, short-term incentives and other compensation ⁽²⁾	14.3	11.3
Long-term incentives ⁽³⁾	3.1	3.9
Total	17.4	15.2

(1) The values represent each member's time on the Group Leadership Team.

(2) Short-term incentives represent amounts earned in respect of 2025 performance. Other compensation includes mobility-related payments, local benefits and pension costs.

(3) The amounts represent the equity awards that vested in 2025 and 2024.

The members of the Group Leadership Team (excluding the President and CEO) were awarded the following equity awards under the Nokia equity program in 2025:

Award	Units awarded ⁽¹⁾	Grant date fair value (EUR)	Grant date	Vesting
Performance share award ⁽²⁾	2 552 690	11 289 683	7 July 2025, 13 October 2025	Q3 & Q4 2028
Restricted share award ⁽³⁾	1 957 270	8 663 881	7 July 2025, 13 October 2025	Q3 & Q4 2026, Q3 & Q4 2027, Q3 & Q4 2028

(1) Includes units awarded to persons who were Group Leadership Team members during 2025.

(2) The 2025 performance shares have a three-year performance period based on 50% relative total shareholder return, 40% three-year cumulative EPS and 10% GHG emission reduction scope 1, 2 and 3 targets. The maximum payout is 200% of target subject to maximum performance against the performance criteria. Vesting is subject to continued employment.

(3) Vesting of each tranche of the restricted share awards is conditional on continued employment.

(1) Comparable operating profit in constant currency and cash flow less comparable operating profit (i.e. cash release) are financial measures used only in calculation of short-term incentives for the President and CEO and the members of the Global Leadership Team. These measures are not used to communicate the management's view of Nokia's financial performance, and hence they are not considered as alternative performance measures. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measure, refer to the "Alternative performance measures" section.



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Unvested equity awards held by the Group Leadership Team, including the President and CEO

The following table sets forth the potential aggregate ownership interest through the holding of equity-based long-term incentives of the Group Leadership Team in office, including the President and CEO, at 31 December 2025:

	Shares receivable through performance shares at grant	Shares receivable through performance shares at maximum ⁽⁴⁾	Shares receivable through restricted shares
Number of equity awards held by the Group Leadership Team ⁽¹⁾	7 659 499	15 307 998	6 545 123
% of the outstanding shares ⁽²⁾	0.14%	0.27%	0.12%
% of the total outstanding equity incentives (per instrument) ⁽³⁾	19.25%	20.09%	4.67%

(1) Includes the 12 members of the Group Leadership Team in office at 31 December 2025.

(2) The percentages are calculated in relation to the outstanding number of shares and total voting rights of Nokia at 31 December 2025, excluding shares held by the Nokia Group. No member of the Group Leadership Team owned more than 1% of the outstanding Nokia shares.

(3) The percentages are calculated in relation to the total outstanding equity incentives per instrument.

(4) At maximum performance, under the performance share plans outstanding at 31 December 2025, the payout would be 200% and the table reflects this potential maximum payout.

Employee Share Purchase Plan

All eligible Nokia employees, including the President and CEO and our GLT members, can participate in the Employee Share Purchase Plan, by making contributions from their monthly net salaries (up to a cap) to purchase Nokia shares at market value. Participants will receive one matching share for every two purchased shares they still hold at the end of the applicable annual plan cycle. Until the matching shares are delivered, the participants have no shareholder rights, such as voting or dividend rights associated with the matching shares.

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Selected financial data

The below table presents selected financial and other measures for the Nokia Group as of and for the financial years ended on 31 December 2025, 2024 and 2023. The information has been derived from Nokia's consolidated financial statements prepared in accordance with IFRS Accounting Standards.

EURm (except for percentage and personnel data)	2025	2024	2023
From the consolidated income statement			
Net sales	19 889	19 220	21 138
Operating profit ⁽¹⁾	885	1 970	1 733
% of net sales	4.4%	10.2%	8.2%
Profit before tax	915	2 091	1 469
Profit from continuing operations	638	1 711	649
Profit/(loss) from discontinued operations	22	(427)	30
Profit for the year	660	1 284	679
From the consolidated statement of financial position			
Non-current assets	21 805	21 162	21 694
Current assets	15 792	17 987	18 087
Assets held for sale	—	—	79
Total assets	37 597	39 149	39 860
Total shareholders' equity	20 967	20 657	20 537
Non-controlling interests	91	90	91
Total equity	21 058	20 747	20 628
Interest-bearing liabilities ⁽²⁾	3 413	3 887	4 191
Lease liabilities ⁽²⁾	1 000	863	997
Provisions ⁽²⁾	1 416	1 228	1 262
Other liabilities ⁽²⁾	10 710	12 424	12 782
Total shareholders' equity and liabilities	37 597	39 149	39 860
Other information			
Research and development expenses ⁽³⁾	(4 855)	(4 512)	(4 277)
% of net sales	(24.4)%	(23.5)%	(20.2)%
Capital expenditure ⁽⁴⁾	(606)	(472)	(652)
% of net sales	(3.0)%	(2.5)%	(3.1)%
Personnel expenses ⁽³⁾	7 831	7 563	7 294
Average number of employees ⁽³⁾	78 005	78 434	84 795
Order backlog, EUR billion ⁽⁵⁾	19.5	20.0	22.0

EURm (except for percentage and personnel data)	2025	2024	2023
Key financial indicators and ratios			
Earnings per share attributable to equity holders of the parent			
Basic earnings per share, EUR			
Continuing operations	0.12	0.31	0.11
Profit for the year	0.12	0.23	0.12
Diluted earnings per share, EUR			
Continuing operations	0.11	0.31	0.11
Profit for the year	0.12	0.23	0.12
Proposed dividend per share, EUR ⁽⁶⁾	0.14	0.14	0.13
Return on capital employed % ⁽⁴⁾	4.3%	9.3%	6.6%
Return on shareholders' equity % ⁽⁴⁾	3.1%	6.2%	3.2%
Equity ratio % ⁽⁴⁾	56.0%	53.0%	51.8%
Net debt to equity (gearing) % ⁽⁴⁾	(16.0)%	(23.4)%	(21.0)%
Cash and cash equivalents	5 462	6 623	6 234
Total cash and interest-bearing financial investments ⁽⁴⁾	6 791	8 741	8 514
Net cash and interest-bearing financial investments ⁽⁴⁾	3 378	4 854	4 323
Net cash flows from operating activities	2 071	2 493	1 317
Free cash flow ⁽⁴⁾	1 465	2 021	665

(1) In 2025, Nokia changed the presentation of gains and losses from venture fund investments from selling, general and administrative expenses and other operating income to financial income. The comparative amounts for 2024 and 2023 have been recast accordingly. For more information, refer to Note 1.2. General accounting policies in the consolidated financial statements.

(2) Includes both current and non-current liabilities in the consolidated statement of financial position.

(3) Presented for continuing operations.

(4) Non-IFRS measures. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measures, refer to the "Alternative performance measures" section.

(5) Order backlog includes EUR 1.7 billion in 2023 related to discontinued operations sold in 2024.

(6) The Board of Directors proposes to the Annual General Meeting 2026 to be authorized to decide in its discretion on the distribution of an aggregate maximum of EUR 0.14 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity.



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Operating and financial review

The financial information included in this “Operating and financial review” section as of and for the years ended 31 December 2025 and 2024 has been derived from, and should be read in conjunction with, Nokia’s consolidated financial statements included in this report. For discussion of the year ended 31 December 2024 compared to the year ended 31 December 2023, please refer to this section of Nokia’s Annual Report on Form 20-F for the year ended 31 December 2024.

On 28 February 2025, Nokia completed the acquisition of Infinera Corporation (Infinera), pursuant to the definitive agreement announced on 27 June 2024. Infinera, a San Jose based global supplier of innovative open optical networking solutions and advanced optical semiconductors, became part of the Nokia group effective as of the closing, with Nokia holding 100% of its equity and voting rights. The acquisition is expected to significantly improve Nokia’s scale and profitability in optical networks, and accelerate Nokia’s growth strategy in data centers and strengthen its presence both in North America and with hyperscalers. Nokia is reporting the acquired business as part of its Network Infrastructure segment. For more information, refer to Note 6.2. Acquisitions in the consolidated financial statements.

In 2025, Nokia completed a strategic review of its venture fund investment activities. As a result, Nokia no longer views broad-based venture fund investments as having a strategic role and has initiated a process to scale down these investments. Consequently, the presentation of the results of venture fund investments as operating activities is no longer considered relevant, and therefore Nokia is presenting the gains and losses from venture fund investments, including the changes in fair value and the fund management fees, as financial income. For the segment reporting purposes, the results of venture fund investments had previously been included in the operating results of Group Common and Other. The comparative financial information has been recast accordingly. As a result of the recast, in 2024, selling, general and administrative costs decreased by EUR 18 million, other operating income decreased by EUR 47 million and financial income increased by EUR 29 million.

Results of operations

Nokia Group

The following table sets forth the segment operating results and the percentage of net sales for the years indicated.

For the year ended 31 December 2025 compared to the year ended 31 December 2024

	2025		2024		Change %
	EURm	% of net sales	EURm	% of net sales	
Net sales	19 889	100.0%	19 220	100.0%	3%
Cost of sales	(11 230)	(56.5)%	(10 356)	(53.9)%	8%
Gross profit	8 659	43.5%	8 864	46.1%	(2)%
Research and development expenses	(4 855)	(24.4)%	(4 512)	(23.5)%	8%
Selling, general and administrative expenses ⁽¹⁾	(3 073)	(15.5)%	(2 872)	(14.9)%	7%
Other operating income and expenses ⁽¹⁾	154	0.8%	490	2.5%	(69)%
Operating profit⁽¹⁾	885	4.4%	1 970	10.2%	(55)%
Share of results of associated companies and joint ventures	19	0.1%	7	0.0%	171%
Financial income and expenses ⁽¹⁾	11	0.1%	114	0.6%	(90)%
Profit before tax	915	4.6%	2 091	10.9%	(56)%
Income tax expense	(277)	(1.4)%	(380)	(2.0)%	(27)%
Profit from continuing operations	638	3.2%	1 711	8.9%	(63)%
Profit/(loss) from discontinued operations	22	0.1%	(427)	(2.2)%	(105)%
Profit for the year	660	3.3%	1 284	6.7%	(49)%
Attributable to:					
Equity holders of the parent	651	3.3%	1 277	6.6%	(49)%
Non-controlling interests	9	0.0%	7	0.0%	29%

(1) In 2025, Nokia changed the presentation of gains and losses from venture fund investments from selling, general and administrative expenses and other operating income to financial income. The comparative amounts for 2024 have been recast accordingly. For more information, refer to Note 1.2. General accounting policies in the consolidated financial statements.



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Net sales

Net sales in 2025 were EUR 19 889 million, an increase of EUR 669 million, or 3%, compared to EUR 19 220 million in 2024. The acquisition of Infinera contributed EUR 1 258 million to net sales and changes in foreign exchange rates had a negative impact on net sales of approximately 4%. Beyond these impacts, the net sales increase was driven by a strong performance in Network Infrastructure, particularly in Optical Networks with strong demand trends among AI & Cloud customers.

The following table sets forth distribution of net sales by region for the years indicated.

EURm	2025	2024	Change %
Americas	6 985	6 276	11%
Latin America	784	895	(12)%
North America	6 201	5 381	15%
APAC	4 639	4 549	2%
Greater China	913	1 134	(19)%
India	1 534	1 373	12%
Rest of APAC	2 192	2 042	7%
EMEA	8 265	8 395	(2)%
Europe ⁽¹⁾	6 165	6 362	(3)%
Middle East & Africa	2 100	2 033	3%
Total	19 889	19 220	3%

(1) All Nokia Technologies IPR and licensing net sales are allocated to Finland.

The following table sets forth distribution of net sales by customer type for the years indicated.

EURm	2025	2024	Change %
Telecom providers	15 313	15 085	2%
AI & Cloud and Mission Critical Enterprise & Defense	3 085	2 180	42%
Licensees	1 501	1 928	(22)%
Other ⁽¹⁾	(10)	27	(137)%
Total	19 889	19 220	3%

(1) In 2025, includes eliminations of inter-segment revenues, unallocated items and certain other items. In 2024, includes net sales of Radio Frequency Systems (RFS), which was managed as a separate entity, and certain other items, such as eliminations of inter-segment revenues. RFS net sales also include revenue from telecom providers and AI & Cloud and Mission Critical Enterprise & Defense.

Gross profit

Gross profit in 2025 was EUR 8 659 million, a decrease of EUR 205 million, or 2%, compared to EUR 8 864 million in 2024. The decrease in gross profit was primarily related to a reduction in the profit contribution from Nokia Technologies which benefited from more than EUR 400 million of one-time catch up net sales in 2024 and to lesser extent attributable to acquisition related charges of the Infinera acquisition and a provision for a contractual claim. This was partly offset by the increase in gross profit related to the Infinera acquisition. Gross profit in 2025 also reflected relatively stable restructuring and associated charges, which amounted to EUR 148 million in 2025, compared to EUR 155 million in 2024. Gross margin in 2025 was 43.5%, compared to 46.1% in 2024 due to these same factors.

Operating expenses

Research and development expenses in 2025 were EUR 4 855 million, an increase of EUR 343 million, or 8%, compared to EUR 4 512 million in 2024. Research and development expenses represented 24.4% of the net sales in 2025 compared to 23.5% in 2024. The increase in research and development expenses was primarily related to the acquisition of Infinera and higher investment in Network Infrastructure which offset cost savings elsewhere in the business. Research and development expenses in 2025 contained similar levels of restructuring and associated charges, which amounted to EUR 137 million in 2025, compared to EUR 135 million in 2024.

Selling, general and administrative expenses in 2025 were EUR 3 073 million, an increase of EUR 201 million compared to EUR 2 872 million in 2024. Selling, general and administrative expenses represented 15.5% of the net sales in 2025 compared to 14.9% in 2024. The increase in selling, general and administrative expenses was driven by higher costs associated with the acquisition of Infinera. This was somewhat offset by ongoing cost savings actions. 2025 included restructuring and associated charges of EUR 191 million, compared to EUR 145 million in 2024. In 2025, selling, general and administrative expenses included amortization and depreciation of acquired intangible assets and property, plant and equipment of EUR 358 million, compared to EUR 294 million in 2024.

Other operating income and expenses in 2025 were a net income of EUR 154 million, a decrease of EUR 336 million, compared to a net income of EUR 490 million in 2024. The decrease in other operating income and expenses was primarily driven by the absence of a gain on sale of TD Tech and a gain on sale of the Device Management and Service Management Platform businesses of EUR 191 million and EUR 68 million, respectively, that benefited 2024. In addition, the reversals of expected credit losses on trade receivables reduced by EUR 77 million and gains on sale of property, plant and equipment decreased by EUR 73 million, compared to 2024. The decrease in other operating income and expenses was partially offset by the impact of hedging which was positive EUR 81 million in 2025, compared to a positive impact of EUR 23 million in 2024.

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Operating profit

Operating profit in 2025 was EUR 885 million, a decrease of EUR 1 085 million, compared to an operating profit of EUR 1 970 million in 2024. The decrease in operating profit was due to lower gross profit as described above, and the net negative fluctuation in other operating income and expenses, in addition to which research and development expenses and selling, general and administrative expenses were higher related to the Infinera acquisition. Operating margin in 2025 was 4.4%, compared to 10.2% in 2024.

Financial income and expenses

Financial income and expenses were a net income of EUR 11 million in 2025, a negative fluctuation of EUR 103 million, compared to a net income of EUR 114 million in 2024. The net negative fluctuation in financial income and expenses mainly resulted from decrease in interest income on financial investments of EUR 135 million and net negative fluctuation in the results of venture fund investments of EUR 95 million partly offset by decrease in interest expense on interest-bearing liabilities of EUR 68 million.

Profit before tax

Profit before tax in 2025 was EUR 915 million, a decrease of EUR 1 176 million, compared to EUR 2 091 million in 2024.

Income tax

Income taxes were a net expense of EUR 277 million in 2025, a net positive fluctuation of EUR 103 million compared to a net expense of EUR 380 million in 2024. The positive fluctuation in net income taxes was primarily attributable to decrease in the profit before tax year-over-year, and to lesser extent to the change in geographical sales and profit mix. For more details on these items, please refer to Note 2.5. Income taxes in the consolidated financial statements.

Profit from continuing operations

Profit from continuing operations in 2025 was EUR 638 million, a decrease of EUR 1 073 million, compared to a profit of EUR 1 711 million in 2024. The change was due to the lower operating profit and the net negative fluctuation in financial income and expenses, partially offset by the lower income tax expenses.

EPS from continuing operations in 2025 was EUR 0.12 (basic) and EUR 0.11 (diluted) compared to EUR 0.31 (basic) and EUR 0.31 (diluted) in 2024.

Profit/loss from discontinued operations

Profit from discontinued operations in 2025 was EUR 22 million, a change of EUR 449 million, compared to a loss of EUR 427 million in 2024. For discussion of results on discontinued operations, refer to Discontinued operations section below.

Profit for the year

Profit for the year in 2025 was EUR 660 million, a decrease of EUR 624 million, compared to a profit of EUR 1 284 million in 2024. The change in profit for the year was primarily due to the lower profit from continuing operations.

EPS in 2025 was EUR 0.12 (basic) and EUR 0.12 (diluted) compared to EUR 0.23 (basic) and EUR 0.23 (diluted) in 2024.

Order backlog

At 31 December 2025, the order backlog amounted to EUR 19.5 billion compared to EUR 20.0 billion at 31 December 2024. The slight decline in order backlog year-on-year primarily related to changes in foreign exchange rates as a significant portion of Nokia's orders are in US Dollars. Nokia Technologies backlog declined due to its normal contract cycle as Nokia recognises revenue over time from multi-year contracts. Backlog increased in Network Infrastructure and Mobile Networks and decreased in Cloud and Network Services.

Management has estimated that the order backlog will be recognized as revenue as follows:

	2025	2024
Within 1 year	57%	53%
2-3 years	28%	27%
More than 3 years	15%	20%
Total	100%	100%



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Cost savings program

On 19 October 2023, Nokia announced actions being taken across segments to address the challenging market environment that the company faced. The company will reduce its cost base and increase operational efficiency while protecting its R&D capacity and commitment to technology leadership. Nokia targets to lower its cost base on a gross basis (i.e. before inflation) by between EUR 800 million and EUR 1 200 million by the end of 2026 compared to 2023, assuming on-target variable pay in both periods. This represents a 10-15% reduction in personnel expenses. The program is expected to lead to a 72 000–77 000 employee organization compared to the 86 000 employees Nokia had when the program was announced. The headcount figures represent the originally planned headcount targets and do not take into consideration the completed divestment of Submarine Networks or planned divestments or acquisitions.

Actual headcount at 31 December 2024 was 75 600. The plan does not reflect the additional headcount coming from the acquisition of Infinera which was completed in Q1 2025. The headcount at 31 December 2025 would have been 74 100 had Nokia not acquired Infinera.

The program is expected to deliver savings on a net basis but the magnitude will depend on inflation. The cost savings are expected to primarily be achieved in Mobile Networks, Cloud and Network Services and Nokia's corporate functions. One-time restructuring charges and cash outflows of the program are expected to be similar to the annual cost savings achieved.

The current plan envisages achieving gross cost savings of EUR 1 200 million within the 2024–2026 program although this remains subject to change depending on the evolution of end market demand. This includes the expected gross cost savings along with the associated restructuring charges and cash outflows for the program. Nokia expects approximately 70% of the savings to be achieved within operating expenses and 30% within cost of sales. By segments, approximately 50-60% of the savings are expected to be achieved within Mobile Networks, 30% within Cloud and Network Services and the remaining 10-20% between Network Infrastructure and corporate center.

Discontinued operations

For the year ended 31 December 2025 compared to the year ended 31 December 2024

The following table sets forth the results for discontinued operations, and the percentage of net sales for the years indicated. On 27 June 2024, Nokia announced it had entered into a put option agreement to sell its wholly owned subsidiary Alcatel Submarine Networks (ASN) to the French State. As a result, Nokia classified the Submarine Networks business as a discontinued operation and recast the comparative amounts accordingly. The sale was completed on 31 December 2024.

	2025		2024		Change %
	EURm	% of net sales	EURm	% of net sales	
Net sales	—	100.0%	1 059	100.0%	(100)%
Expenses	—	0.0%	(989)	(93.4)%	(100)%
Operating profit	—	0.0%	70	6.6%	(100)%
Financial income and expenses	—	0.0%	(7)	(0.7)%	(100)%
Impairment loss recognized on the remeasurement to fair value less costs to sell	—	0.0%	(514)	(48.5)%	(100)%
Gain on sale	22	0.0%	29	2.7%	(24)%
Profit/(loss) from discontinued operations before tax	22	0.0%	(422)	(39.8)%	(105)%
Income tax expense	—	0.0%	(5)	(0.5)%	(100)%
Profit/(loss) from discontinued operations⁽¹⁾	22	0.0%	(427)	(40.3)%	(105)%

(1) Profit/loss from discontinued operations is attributable to the equity holders of the parent in its entirety.

Considering Nokia had completed the sale of ASN by the end of 2024, Nokia had no functioning discontinued operations during 2025. The only impact to Nokia's financial performance in 2025 from discontinued operations was a EUR 22 million gain on sale which relates to positive post-closing purchase price adjustments and an earn-out mechanism related to ASN's financial performance during 2025 exceeding the targets.



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Results of segments

During 2025, Nokia had four operating and reportable segments for financial reporting purposes: (1) Network Infrastructure, (2) Cloud and Network Services, (3) Mobile Networks and (4) Nokia Technologies. Nokia also presents segment-level information for Group Common and Other. The amounts presented in this “Results of segments” section for each reportable segment and Group Common and Other represent the amounts reported to the management for the purpose of assessing performance and making decisions about resource allocation. Certain costs and revenue adjustments are not allocated to the segments for this purpose. For more information on Nokia’s operational and reporting structure as well as the reconciliation of reportable segment measures to those of the Nokia Group, refer to Note 2.2. Segment information, in the consolidated financial statements.

Network Infrastructure

For the year ended 31 December 2025 compared to the year ended 31 December 2024

The following table sets forth the segment operating results and the percentage of net sales for the years indicated.

	2025		2024		Change %
	EURm	% of net sales	EURm	% of net sales	
Net sales⁽¹⁾	7 986	100.0%	6 518	100.0%	23%
Cost of sales	(4 700)	(58.9)%	(3 781)	(58.0)%	24%
Gross profit	3 286	41.1%	2 737	42.0%	20%
Research and development expenses	(1 536)	(19.2)%	(1 207)	(18.5)%	27%
Selling, general and administrative expenses	(985)	(12.3)%	(815)	(12.5)%	21%
Other operating income and expenses	15	0.2%	46	0.7%	(67)%
Operating profit	780	9.8%	761	11.7%	2%

(1) In 2025, net sales include Optical Networks net sales of EUR 3 019 million, IP Networks net sales of EUR 2 594 million and Fixed Networks net sales of EUR 2 373 million. In 2024, net sales include Optical Networks net sales of EUR 1 636 million, IP Networks net sales of EUR 2 583 million and Fixed Networks net sales of EUR 2 299 million.

Net sales

Network Infrastructure net sales in 2025 were EUR 7 986 million, an increase of EUR 1 468 million, or 23%, compared to EUR 6 518 million in 2024. The acquisition of Infinera at the end of February contributed EUR 1 273 million in net sales growth. Nokia saw growth on an organic basis in all three of the units within Network Infrastructure while foreign exchange rate fluctuations had an approximately 4% negative impact on net sales for Network Infrastructure.

Optical Networks net sales were EUR 3 019 million in 2025, an increase of EUR 1 383 million, or 85%, compared to EUR 1 636 million in 2024. The acquisition of Infinera at the end of February contributed EUR 1 273 million in net sales growth. Foreign exchange rate fluctuations had an approximately 5% negative impact on net sales. Demand increased from AI & Cloud and Mission Critical Enterprise & Defense customers while demand from telecom providers remained largely stable.

IP Networks net sales were EUR 2 594 million in 2025, an increase of EUR 11 million compared to EUR 2 583 million in 2024. Foreign exchange rate fluctuations had an approximately 5% negative impact on net sales. Net sales in IP Networks increased in 2025, as growth in sales to AI & Cloud and Mission Critical Enterprise & Defense offset a slight decline in sales to telecom providers.

Fixed Networks net sales were EUR 2 373 million in 2025, an increase of EUR 74 million, or 3%, compared to EUR 2 299 million in 2024. Foreign exchange rate fluctuations had an approximately 4% negative impact on net sales. The increase in Fixed Networks net sales reflected growth in the fiber product families and fixed wireless access, offsetting some declines in product areas that are being deprioritized such as Site Implementation and Outside Plant.

The following table sets forth distribution of net sales by region for the years indicated.

EURm	2025	2024	Change %
Americas	3 688	2 726	35%
APAC	1 648	1 426	16%
EMEA	2 650	2 366	12%
Total	7 986	6 518	23%

Gross profit

Network Infrastructure gross profit in 2025 was EUR 3 286 million, an increase of EUR 549 million, or 20%, compared to EUR 2 737 million in 2024. Network Infrastructure gross margin in 2025 was 41.1%, compared to 42.0% in 2024. Gross profit increased primarily related to the acquisition of Infinera. Gross margin declined, reflecting changes in product mix in the year.

Operating expenses

Network Infrastructure research and development expenses were EUR 1 536 million in 2025, an increase of EUR 329 million, or 27% compared to EUR 1 207 million in 2024. The increase in research and development expenses reflected the acquisition of Infinera and investments in future growth opportunities.

Network Infrastructure selling, general and administrative expenses were EUR 985 million in 2025, an increase of EUR 170 million, or 21%, compared to EUR 815 million in 2024. The increase in selling, general and administrative expenses largely reflected the acquisition of Infinera and investments in sales resources for future growth opportunities.

Network Infrastructure other operating income and expenses was an income of EUR 15 million in 2025, a change of EUR 31 million compared to an income of EUR 46 million in 2024. The change in other operating income and expenses was mainly due to lower proceeds from the sale of digital assets. The other operating income was primarily related to hedging.

Operating profit

Network Infrastructure operating profit was EUR 780 million in 2025, an increase of EUR 19 million, or 2%, compared to EUR 761 million in 2024. Network Infrastructure operating margin in 2025 was 9.8%, compared to 11.7% in 2024.

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Cloud and Network Services

For the year ended 31 December 2025 compared to the year ended 31 December 2024

The following table sets forth the segment operating results and the percentage of net sales for the years indicated.

	2025		2024 ⁽¹⁾		Change %
	EURm	% of net sales	EURm	% of net sales	
Net sales	2 606	100.0%	2 589	100.0%	1%
Cost of sales	(1 307)	(50.2)%	(1 432)	(55.3)%	(9)%
Gross profit	1 299	49.8%	1 157	44.7%	12%
Research and development expenses	(567)	(21.8)%	(550)	(21.3)%	3%
Selling, general and administrative expenses	(421)	(16.2)%	(444)	(17.2)%	(5)%
Other operating income and expenses	27	1.0%	43	1.7%	(37)%
Operating profit	338	13.0%	206	8.0%	64%

(1) In 2025, Nokia moved Managed Services business from Cloud and Network Services to Mobile Networks. The comparative amounts for 2024 have been recast accordingly. For more information, refer to Note 2.2. Segment information in the consolidated financial statements.

Net sales

Cloud and Network Services net sales in 2025 were EUR 2 606 million, an increase of EUR 17 million, or 1%, compared to EUR 2 589 million in 2024. Foreign exchange rate fluctuations had an approximately 5% negative impact on net sales. Enterprise Campus Edge and Core Networks grew, but this was partially offset by the impact of the disposal of the Device Management and Service Management Platform businesses during 2024.

The following table sets forth distribution of net sales by region for the years indicated.

EURm	2025	2024	Change %
Americas	1 120	1 153	(3)%
APAC	529	517	2%
EMEA	957	919	4%
Total	2 606	2 589	1%

Gross profit

Cloud and Network Services gross profit in 2025 was EUR 1 299 million, an increase of EUR 142 million, or 12%, compared to EUR 1 157 million in 2024. Cloud and Network Services gross margin in 2025 was 49.8%, compared to 44.7% in 2024. Gross profit increased mainly as a result of higher gross margin reflecting favorable product mix.

Operating expenses

Cloud and Network Services research and development expenses were EUR 567 million in 2025, an increase of EUR 17 million or 3%, compared to EUR 550 million in 2024. The increase in research and development expenses largely reflected increased investments in Core Networks.

Cloud and Network Services selling, general and administrative expenses were EUR 421 million in 2025, a decrease of EUR 23 million, or 5%, compared to EUR 444 million in 2024. The decrease in selling, general and administrative expenses largely reflected continued discipline on cost control.

Cloud and Network Services other operating income and expenses was an income of EUR 27 million in 2025, a change of EUR 16 million compared to an income of EUR 43 million in 2024.

Operating profit

Cloud and Network Services operating profit was EUR 338 million in 2025, an increase of EUR 132 million, compared to EUR 206 million in 2024. Cloud and Network Services operating margin in 2025 was 13.0% compared to 8.0% in 2024.



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Mobile Networks

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The following table sets forth the segment operating results and the percentage of net sales for the years indicated.

	2025		2024 ⁽¹⁾		Change %
	EURm	% of net sales	EURm	% of net sales	
Net sales	7 806	100.0%	8 158	100.0%	(4)%
Cost of sales	(4 914)	(63.0)%	(4 939)	(60.5)%	(1)%
Gross profit	2 892	37.0%	3 219	39.5%	(10)%
Research and development expenses	(2 076)	(26.6)%	(2 160)	(26.5)%	(4)%
Selling, general and administrative expenses	(687)	(8.8)%	(756)	(9.3)%	(9)%
Other operating income and expenses	91	1.2%	149	1.8%	(39)%
Operating profit	220	2.8%	452	5.5%	(51)%

(1) In 2025, Nokia moved Managed Services business from Cloud and Network Services to Mobile Networks. The comparative amounts for 2024 have been recast accordingly. For more information, refer to Note 2.2. Segment information in the consolidated financial statements.

Net sales

Mobile Networks net sales in 2025 were EUR 7 806 million, a decrease of EUR 352 million, or 4%, compared to EUR 8 158 million in 2024. Foreign exchange rate fluctuations had an approximately 4% negative impact on net sales. Net sales declined in the America's region and APAC. Sales in APAC declined in Greater China, partially offset by increase in the rest of APAC. Sales in EMEA were stable.

The following table sets forth distribution of net sales by region for the years indicated.

EURm	2025	2024	Change %
Americas	2 182	2 396	(9)%
APAC	2 464	2 593	(5)%
EMEA	3 160	3 169	0%
Total	7 806	8 158	(4)%

Gross profit

Mobile Networks gross profit in 2025 was EUR 2 892 million, a decrease of EUR 327 million, or 10%, compared to EUR 3 219 million in 2024. Mobile Networks gross margin in 2025 was 37.0%, compared to 39.5% in 2024. The decrease in gross profit and gross margin was mainly driven by two one-time factors. In 2024, Nokia benefited from EUR 150 million of accelerated revenue recognition related to the AT&T settlement. In 2025, Nokia had a one-time contract settlement related to a project that started in 2019 which had a net negative effect of EUR 120 million on gross profit.

Operating expenses

Mobile Networks research and development expenses were EUR 2 076 million in 2025, a decrease of EUR 84 million, or 4% compared to EUR 2 160 million in 2024. The lower research and development expenses mainly reflected underlying cost reductions and foreign exchange rate fluctuations.

Mobile Networks selling, general and administrative expenses were EUR 687 million in 2025, a decrease of EUR 69 million, or 9%, compared to EUR 756 million in 2024. The decrease in selling, general and administrative expenses mainly reflected underlying cost reductions and foreign exchange rate fluctuations.

Mobile Networks other operating income and expenses was an income of EUR 91 million in 2025, a decline of EUR 58 million compared to an income of EUR 149 million in 2024. The change in other operating income and expenses was primarily due to lower proceeds from the sale of digital assets.

Operating profit

Mobile Networks operating profit was EUR 220 million in 2025, a decrease of EUR 232 million, compared to EUR 452 million in 2024. Mobile Networks operating margin was 2.8% in 2025 compared to 5.5% in 2024.



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The following table sets forth the segment operating results and the percentage of net sales for the years indicated.

	2025		2024		Change %
	EURm	% of net sales	EURm	% of net sales	
Net sales	1 501	100.0%	1 928	100.0%	(22)%
Cost of sales	—	0.0%	(2)	(0.1)%	(100)%
Gross profit	1 501	100.0%	1 926	99.9%	(22)%
Research and development expenses	(309)	(20.6)%	(250)	(13.0)%	24%
Selling, general and administrative expenses	(149)	(9.9)%	(163)	(8.5)%	(9)%
Other operating income and expenses	16	1.1%	1	0.1%	1 500%
Operating profit	1 059	70.6%	1 514	78.5%	(30)%

Net sales

Nokia Technologies net sales in 2025 were EUR 1 501 million, a decrease of EUR 427 million, or 22%, compared to EUR 1 928 million in 2024. Foreign exchange rate fluctuations had an approximately 1% negative impact on net sales. The decline in Nokia Technologies net sales was primarily due to more than EUR 400 million catch-up net sales recognized in 2024, partially offset by new multimedia deals signed in 2025. Nokia Technologies continued to make good progress in expanding in areas such as automotive, consumer electronics, IoT and multimedia.

Gross profit

Nokia Technologies gross profit in 2025 was EUR 1 501 million, a decrease of EUR 425 million, or 22%, compared to EUR 1 926 million in 2024. The lower gross profit was due to lower net sales.

Operating expenses

Nokia Technologies research and development expenses in 2025 were EUR 309 million, an increase of EUR 59 million, or 24%, compared to EUR 250 million in 2024. The increase in research and development expenses was primarily due to higher investments to drive the creation of intellectual property and an approximately EUR 20 million impairment charge to previously acquired assets.

Nokia Technologies selling, general and administrative expenses in 2025 were EUR 149 million, a decrease of EUR 14 million, or 9%, compared to EUR 163 million in 2024. The decrease in selling, general and administrative expenses was primarily due to lower litigation costs.

Nokia Technologies other operating income and expenses in 2025 was an income of EUR 16 million, a change of EUR 15 million compared to an income of EUR 1 million in 2024. The change in other operating income and expenses was primarily related to currency hedging.

Operating profit

Nokia Technologies operating profit in 2025 was EUR 1 059 million, a decrease of EUR 455 million, or 30%, compared to an operating profit of EUR 1 514 million in 2024. Nokia Technologies operating margin in 2025 was 70.6% compared to 78.5% in 2024.



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Group Common and Other

For the year ended 31 December 2025 compared to the year ended 31 December 2024

The following table sets forth the operating results for Group Common and Other, and the percentage of net sales for the years indicated.

	2025		2024		Change %
	EURm	% of net sales	EURm	% of net sales	
Net sales	17	100.0%	34	100.0%	(50)%
Cost of sales	(21)	(123.5)%	(29)	(85.3)%	(28)%
Gross profit	(4)	(23.5)%	5	14.7%	(180)%
Research and development expenses	(126)	(741.2)%	(131)	(385.3)%	(4)%
Selling, general and administrative expenses ⁽¹⁾	(243)	(1 429.4)%	(227)	(667.6)%	7%
Other operating income and expenses ⁽¹⁾	—	0.0%	4	11.8%	(100)%
Operating loss⁽¹⁾	(373)	(2 194.1)%	(349)	(1 026.5)%	7%

(1) In 2025, Nokia changed the presentation of gains and losses from venture fund investments from selling, general and administrative expenses and other operating income to financial income. The comparative amounts for 2024 have been recast accordingly. For more information, refer to Note 1.2. General accounting policies in the consolidated financial statements.

Net sales

Group Common and Other net sales in 2025 were EUR 17 million, a decrease of EUR 17 million, or 50%, compared to EUR 34 million in 2024. The decrease in Group Common and Other net sales was related to Radio Frequency Systems, which was substantially divested in 2024.

Gross profit

Group Common and Other gross profit in 2025 was negative EUR 4 million, compared to positive EUR 5 million in 2024.

Operating expenses

Group Common and Other research and development expenses in 2025 were EUR 126 million, a decrease of EUR 5 million, or 4%, compared to EUR 131 million in 2024.

Group Common and Other selling, general and administrative expenses in 2025 were EUR 243 million, an increase of EUR 16 million, or 7%, compared to EUR 227 million in 2024.

Group Common and Other other operating income and expenses in 2025 were zero, a net negative fluctuation of EUR 4 million compared to an income of EUR 4 million in 2024.

Operating loss

Group Common and Other operating loss in 2025 was EUR 373 million, an increase of EUR 24 million, compared to an operating loss of EUR 349 million in 2024.



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Cash and cash equivalents

At 31 December 2025, Nokia's cash and cash equivalents equaled EUR 5 462 million, a decrease of EUR 1 161 million compared to EUR 6 623 million as of 31 December 2024. The decrease was primarily attributable to acquisition of businesses of EUR 1 730 million, dividends of EUR 759 million, net cash outflow related to long-term borrowings of EUR 724 million, share repurchases of EUR 624 million, capital expenditure of EUR 606 million, purchase of unowned share of Nokia Shanghai Bell of EUR 501 million, partially offset by net cash inflow from operating activities of EUR 2 071 million, proceeds from issuance of shares to NVIDIA of EUR 859 million and net cash inflow related to interest-bearing financial investments of EUR 765 million.

Total cash and interest-bearing financial investments⁽¹⁾

At 31 December 2025, Nokia's total cash and interest-bearing financial investments⁽¹⁾ equaled EUR 6 791 million, a decrease of EUR 1 950 million, compared to EUR 8 741 million as of 31 December 2024. Decrease was attributable to the decrease in cash and cash equivalents of EUR 1 161 million, current interest-bearing financial investments of EUR 700 million and non-current interest-bearing financial investments of EUR 89 million.

Net cash and interest-bearing financial investments⁽¹⁾

At 31 December 2025, Nokia's net cash and interest-bearing financial investments⁽¹⁾ equaled EUR 3 378 million, a decrease of EUR 1 476 million, compared to EUR 4 854 million as of 31 December 2024. Decrease was attributable to the decrease in cash and cash equivalents of EUR 1 161 million, current interest-bearing financial investments of EUR 700 million, non-current interest-bearing financial investments of EUR 89 million and an increase in short-term interest-bearing liabilities of EUR 115 million, partially offset by a decrease in long-term interest-bearing liabilities of EUR 589 million.

(1) Non-IFRS measures. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measures, refer to the "Alternative performance measures" section.

Cash flow

Operating activities

The cash inflow from operating activities in 2025 was EUR 2 071 million, a decrease of EUR 422 million compared to a cash inflow of EUR 2 493 million in 2024. The decrease was primarily attributed to a decrease of EUR 716 million in net profit, adjusted for non-cash items, which equaled EUR 2 725 million compared to EUR 3 441 million in 2024, which was offset by a decrease in cash tied-up to net working capital of EUR 209 million, compared to EUR 569 million cash tied-up in 2024. The primary drivers for the decrease in cash tied-up to net working capital were related to a decrease in liabilities of EUR 333 million compared to a decrease of EUR 609 million in 2024 and an increase in receivables of EUR 25 million compared to an increase in receivables of EUR 364 million in 2024. This was partly offset by a decrease in inventories of EUR 149 million compared to a decrease of EUR 404 million in 2024. The increase in receivables during 2025 was primarily driven by account receivables. The decrease in liabilities during 2025 was primarily due to restructuring and associated cash outflows and a decrease in trade payables.

In 2025, the cash inflow from operating activities included paid taxes of EUR 396 million, an increase of EUR 54 million compared to EUR 342 million in 2024, interest received of EUR 163 million compared to EUR 226 million in 2024 and interest paid of EUR 212 million compared to EUR 263 million in 2024.

Investing activities

The cash outflow from investing activities was EUR 1 396 million in 2025, compared to a EUR 117 million cash outflow in 2024. Cash outflows from investing activities was primarily driven by acquisition of businesses of EUR 1 730 million compared to EUR 37 million in 2024, capital expenditure of EUR 606 million compared to EUR 472 million in 2024 and purchase of shares in associated companies of EUR 50 million. These were partially offset by net cash inflow of EUR 765 million of interest-bearing financial investments compared to net cash inflows of EUR 214 million in 2024 and net cash inflow from other financial assets of EUR 69 million compared to EUR 210 million in 2024.

Major items of capital expenditure in 2025 included investments in R&D and test equipment, lab and factory infrastructure, strategic patent portfolios and repairs or improvements of sites.

Financing activities

In 2025, the cash outflow from financing activities was EUR 1 610 million, compared to a EUR 2 003 million cash outflow in 2024. The cash outflows was driven by repayments of long-term borrowings of EUR 875 million compared to EUR 462 million in 2024, dividend payments of EUR 759 million, compared to EUR 723 million in 2024, share repurchases of EUR 624 million compared to EUR 680 million in 2024, purchase of unowned share of Nokia Shanghai Bell of EUR 501 million and payments of the principal portion of lease liabilities of EUR 221 million, compared to EUR 233 million in 2024. These were partially offset by proceeds from issuance of shares to NVIDIA of EUR 859 million and proceeds from long-term borrowings of EUR 151 million, compared to EUR 101 million in 2024.



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Financial assets and debt

At 31 December 2025, Nokia's net cash and interest-bearing financial investments⁽¹⁾ equaled EUR 3 378 million consisting of EUR 6 791 million in total cash and interest-bearing financial investments⁽¹⁾, and EUR 3 413 million of long-term and short-term interest-bearing liabilities.

Nokia holds total cash and interest-bearing financial investments⁽¹⁾ predominantly in euro. Interest-bearing financial investments mainly include high-quality money market and fixed income instruments with strict maturity limits and diversified counterparty risk limits. Nokia also has EUR 2 000 million revolving credit facilities available for liquidity purposes. The facilities have no financial covenants and remain undrawn.

At 31 December 2025, Nokia's interest-bearing liabilities consisted of the following liabilities:

Instrument	Currency	Final maturity	Nominal (million)
2.00% Senior Notes	EUR	3/2026	630
4.375% Senior Notes	USD	6/2027	500
6.50% Senior Notes	USD	1/2028	74
3.125% Senior Notes	EUR	5/2028	500
6.45% Senior Notes	USD	3/2029	206
4.375% Sustainability-linked Senior Notes	EUR	8/2031	500
NIB R&D loan	EUR	10/2032	250
6.625% Senior Notes	USD	5/2039	500
Other borrowings	EUR		466

The EUR notes maturing in 2026, 2028 and 2031, as well as the USD notes maturing in 2027 and 2039, are issued by Nokia Corporation, while the USD notes maturing in 2028 and 2029 are issued by Lucent Technologies Inc., a predecessor to Nokia of America Corporation (Nokia's wholly-owned subsidiary, formerly known as Alcatel-Lucent USA Inc.). The loan from the Nordic Investment Bank (NIB) is drawn by Nokia Corporation. For more information on the interest-bearing liabilities, refer to Note 5.2. Financial assets and liabilities in the consolidated financial statements.

In March 2025, Nokia established a new EUR 500 million revolving credit facility maturing in March 2027. This facility has a one-year extension option, its pricing is linked to Nokia's credit ratings, it has no financial covenants and the facility remains undrawn as of 31 December 2025.⁽²⁾

In June 2025, Nokia refinanced its undrawn EUR 1 412 million revolving credit facility maturing in June 2026 with a new facility in size of EUR 1 500 million maturing in June 2030. The new facility has two one-year extension options, its pricing is linked to Nokia's key sustainability targets in addition to credit ratings, it has no financial covenants and the facility remains undrawn as of 31 December 2025.

In December 2025, Nokia signed a loan facility agreement of EUR 435 million for financing research and development with the European Investment Bank (EIB). The availability period of the loan facility ends in December 2027. The loan facility was not disbursed as of 31 December 2025 and will have an average maturity of approximately seven years after disbursement.

Nokia considers that with EUR 6 791 million of total cash and interest-bearing financial investments⁽¹⁾ and with its undrawn revolving credit facilities, it has sufficient funds to satisfy its future working capital needs, capital expenditure, R&D investments, structured finance, venture fund commitments, acquisitions and debt service requirements, at least through 2026. Nokia further considers that with its current credit ratings of BBB- (stable) by Fitch, Ba1 (positive) by Moody's, and BBB- (stable) by S&P Global, it has access to the capital markets should any funding needs arise in 2026.

Nokia aims to maintain investment grade credit ratings.

Off-balance sheet arrangements

There are no material off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on Nokia's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors, except for the purchase obligations and lease commitments, as well as guarantees and financing commitments disclosed in Note 6.1. Commitments, contingencies and legal proceedings, and in Note 5.4. Financial risk management, of the consolidated financial statements.

- (1) Non-IFRS measures. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measures, refer to "Alternative performance measures" section.
 (2) On 3 March 2026, Nokia voluntarily canceled the EUR 500 million revolving credit facility with the effective date of 6 March 2026.

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Venture fund investments and commitments

Nokia makes financing commitments to a number of unlisted venture funds that make technology-related investments. The majority of the investments are managed by NGP Capital, a global venture capital firm backing exceptional entrepreneurs focused on Deeptech opportunities in data infrastructure, AI, semiconductors and space. In 2025, Nokia completed a strategic review of its venture fund investment activities. As a result, it no longer views broad-based venture fund investments as having a strategic role and has initiated a process to scale down these investments. This also led to a change in the presentation of the results of venture fund investments from operating activities to financial income.

As of 31 December 2025, the fair value of the venture fund investments and similar investments equaled EUR 857 million, compared to EUR 865 million as of 31 December 2024. For more information on the fair value of the venture fund investments, refer to Note 5.2. Financial assets and liabilities in the consolidated financial statements.

As of 31 December 2025, Nokia's investment commitments equaled EUR 221 million, compared to EUR 306 million as of 31 December 2024. As a limited partner in venture funds, Nokia is committed to capital contributions and entitled to cash distributions according to the respective partnership agreements and underlying fund activities. For more information on venture fund commitments, refer to Note 6.1. Commitments, contingencies and legal proceedings in the consolidated financial statements.

Treasury Policy

Treasury activities are governed by the Nokia Treasury Policy approved by the President and CEO and supplemented by operating procedures approved by the Chief Financial Officer, covering specific areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The objective of treasury's liquidity and capital structure management activities is to ensure that Nokia has sufficient liquidity to go through unfavorable periods without being severely constrained by the availability of funds to execute Nokia's business plans and implement Nokia's long-term business strategy. Nokia is risk-averse in its treasury activities.

Foreign exchange impact

Nokia is a company with global operations and net sales derived from various countries, invoiced in various currencies. Therefore, Nokia's business and results from operations are exposed to changes in exchange rates between the euro, Nokia's reporting currency, and other currencies, such as the US dollar. The magnitude of foreign exchange exposures changes over time as a function of Nokia's net sales and costs in different markets, as well as the prevalent currencies used for transactions in those markets. Significant changes in exchange rates may also impact Nokia's competitive position and related price pressures through their impact on its competitors.

To mitigate the impact of changes in exchange rates on its results, Nokia hedges material net foreign exchange exposures (net sales less costs in a currency) typically with a hedging horizon of approximately 12 months. For the majority of these hedges, hedge accounting is applied to reduce income statement volatility.

In 2025, Group net sales were mostly denominated in US dollars, euros and Indian rupee and total costs mostly in US dollars, euros, Indian rupee and Chinese yuan.

The average currency mix for Group net sales and total costs:

Currency	2025		2024	
	Net sales	Total costs	Net sales	Total costs
EUR	~25%	~25%	~25%	~30%
USD	~55%	~50%	~55%	~45%
CNY	~0%	~5%	~5%	~5%
INR	~5%	~5%	~0%	~5%
Other	~15%	~15%	~15%	~15%
Total	~100%	~100%	~100%	~100%

For the full year 2025 compared to the previous year, the US dollar was weaker against the euro. The weaker US dollar in 2025 on a year-on-year basis had a significantly negative impact on Nokia's net sales reported in euros. However, the weaker US dollar also contributed to lower costs of sales and slightly lower operating expenses on a year-on-year basis. In total, before hedging, the weaker US dollar on a year-on-year basis had a negative effect on Nokia's operating profit in 2025.

For a discussion of the instruments used by Nokia in connection with its hedging activities, refer to Note 5.4. Financial risk management in the consolidated financial statements. Refer also to the "Risk factors" section.



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Management of business conduct

Culture of integrity

Nokia is consistently recognized as one of the World's Most Ethical Companies® by Ethisphere. Nokia upholds high ethical standards through its Code of Conduct, training, processes, and controls. The company promotes integrity and encourages employees to voice concerns without fear of retaliation. Every employee in the company is responsible for adhering to our Code of Conduct and is held accountable for violations.

The Code of Conduct includes a section that outlines leader and manager expectations for cultivating Nokia's culture of integrity within their respective organizations. Many resources are available to educate managers about these responsibilities and to facilitate discussions with team members about compliance risks. Nokia measures the level of manager engagement via an annual survey.

Nokia's corporate culture of integrity is supported by its comprehensive compliance training program, including its annual mandatory "Ethical Business Training" course. The topics within the mandatory training program are rotated every year to raise awareness on high-risk areas, emerging risks, and key focus areas.

Nokia's culture of integrity helps to prevent unlawful or unethical behavior and reduces risks related to anti-corruption, competition, bribery, fraud, money laundering, privacy and data protection, human rights and other high-risk areas. Training and awareness initiatives make it clear that Nokia expects employees to follow laws and policies, and they will be subject to discipline, up to and including termination of employment, for unlawful or unethical behavior.

Compliance Program governance

Nokia's compliance program is supported by its Ethics and Regulatory Compliance team, comprised of approximately 100 experienced compliance professionals, which is led by the Chief Compliance Officer, who reports to the Chief Legal and Administrative Officer. The team includes several distinct functions, including regional and business-specific compliance leaders, a risk assessment function and a global team of dedicated investigators, who are independent from Nokia's business segments to ensure utmost objectivity, discreteness and confidentiality and are responsible for compliance concerns that are reported to Nokia.

The organization also includes an Anti-Corruption Center of Excellence that is responsible for conducting due diligence of

commercial third parties, customers, and high risk suppliers and oversees the due diligence of high-risk transactions. It is also responsible for Nokia's global Anti-Corruption Program, which includes policies and processes, controls, and training.

The Chief Compliance Officer has direct access to the Audit Committee of the Board, which provides oversight of Nokia's Compliance Program. The Chief Compliance Officer meets at least quarterly with the Audit Committee and as needed based on specific matters. The Chief Compliance Officer also meets at least annually with the full Board of Directors.

Nokia has robust policies and processes to avoid unlawful behavior and unethical acts by its employees or by third parties with which Nokia does business. With respect to anti-corruption and bribery, the key risk is that a rogue employee or a third party with which Nokia does business (primarily high-risk suppliers or commercial third parties) engages in behavior that violates Nokia's anti-corruption policies and/or applicable laws or fails to comply with or circumvents one of Nokia's anti-corruption processes or control points. Potential violations of anti-corruption laws may result in investigations; and if a violation is substantiated, the results may include reputational damage, fines and forfeiture awards, and potential criminal action against individuals involved, as well as against those who should have been aware that a violation was occurring. Nokia strives to stay abreast of geopolitical changes, business models and strategies that may increase the risk of corruption, such as planned expansion in a high-risk market or segment. As these are identified, the Ethics & Regulatory Compliance organization works closely with the business to develop risk mitigants proactively to minimize residual risk. These efforts may include targeted and focused training, the implementation of additional control points and processes, and increased review and monitoring.

Anti-corruption and bribery risks can exist in many aspects of our operations, including certain go-to-market sales models and in project delivery and execution. To effectively mitigate these risks, the Ethics and Regulatory Compliance organization has compliance professionals who partner closely with various parts of our business. Through this collaboration, the organization proactively manages these changing risks by continually evolving the Anti-Corruption Compliance Framework and Program. Business activity presents risk with respect to the possibility of third parties engaging in violations of anti-corruption laws. The third parties with the highest risk include

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certain high-risk suppliers (those dealing in customs, site acquisition work, or other engagements with governmental agencies) and commercial third parties (distributors, resellers and indirect resellers). To mitigate this risk, Nokia provides training to those third parties with the highest risk and requires annual compliance acknowledgments, as well as acknowledgment of Nokia's Third-Party Code of Conduct. These actions, as well as clear contractual provisions including compliance with laws, are designed to ensure that third parties understand the expectations for compliant behavior. In addition, suppliers and commercial third parties must successfully complete a risk-based due diligence vetting process. This vetting process often results in approval with risk mitigants, such as periodic review of transactions, additional contractual terms, or monitoring.

Business conduct policies and corporate culture

Nokia's clear and readily accessible policies and standard operating procedures (SOPs) guide our employees on how to behave and mitigate the risk of unlawful or unethical behavior.

Nokia's policy framework begins with the Nokia Code of Conduct, which includes the company's basic principles of business conduct and high-level policy statements related to critical business topics. Policy documents further define, support and explain specific areas of focus. SOPs are created, where needed, to instruct employees on specific procedures to implement the policies. Finally, supplemental guidelines (e.g., country-specific guidance) or other training materials may be created for specific implementation of certain procedures. The full set of supporting policies and related procedures for the Code of Conduct's risk areas are available online to Nokia's employees.

Employees and third parties that fail to behave ethically and lawfully are held accountable. A dedicated intranet page provides an overview of company level policies and SOPs. The available policies are aligned with all business segments and corporate functions and are disseminated to employees in several ways, including:

- Training programs, both online and live; online training typically includes quiz questions to test comprehension.
- The central SOP/policy repository on the company intranet.

- Quarterly global communications from the Chief Compliance Officer and targeted communications from regional and business compliance leaders.
- Examples and real cases to highlight the importance of compliance both for Nokia and the individual employee.

Nokia's Code of Conduct is available in a web-based format in 20 languages. It enforces Nokia's values and expectations, outlines Nokia's 14 key compliance policy statements and unites all Nokia employees around a common vision. The Code serves as a guiding framework that provides clarity and consistency in decision making and defines the principles of ethical and compliant business practices that all employees and managers are expected to follow. Everyone in the company is required to review and acknowledge the Code annually as part of mandatory compliance training.

A separate Code of Ethics is in place for Nokia's President and CEO, Nokia's Chief Financial Officer, and Nokia's Corporate Controller. The purpose of the Code of Ethics is to reinforce ethical behavior, promote high standards of corporate governance, and highlight the additional responsibilities of these functions. It complements Nokia's Code of Conduct and Insider Trading Policy, as well as other applicable company guidelines.

Nokia's Third-Party Code of Conduct requires Nokia's third-party business partners to follow similar ethical practices to those included in Nokia's Code of Conduct.

Nokia nurtures, promotes and evaluates its compliance culture using varied mediums. It uses multiple feedback channels, discussions and training courses to drive continuous improvement in Nokia's Compliance Program. Nokia gauges employee attitudes, perceptions, and experiences regarding the compliance culture using survey results and other collected inputs. These results are shared with relevant business/regional teams, managed through mitigation plans, and integrated into the annual risk assessment and training and communications planning for ongoing management of Nokia's ethical culture.

Beyond a company-wide survey, Nokia also uses other means to gauge the effectiveness of our Compliance Program, including short pulse surveys on specific topics for more frequent feedback on the overall climate in the company as it relates to Nokia's essentials: open, fearless, and empowered. As an example, Nokia's 2025 mandatory Ethical Business Training course integrated anonymous questions related to fear of

retaliation, usage of Nokia's Code of Conduct, reporting concerns, specific policies, and line manager engagement. 75% of respondents to the voluntary 2025 survey indicated that their manager discussed ethics and compliance with their team.

Below are some of the resources, platforms and methods that Nokia uses to regularly reinforce its culture of doing business with integrity:

- Nokia Code of Conduct
- Manager internal posts and news articles
- Social media posts from subject matter topical experts, Nokia's Chief Compliance Officer and other senior leaders
- Internal news articles with topic-related links and resources
- Awareness campaigns and resources (i.e. speaking up and anti-retaliation)
- Ombuds program, dedicated resources, and campaigns
- Dedicated web pages for Compliance Program elements with related resource documents and contacts
- Quarterly newsletter
- Podcasts, animations, videos, posters, brochures
- Annual Integrity Day event: senior leader/Group Leadership Team participation and web event, local events around the world, global-level and local messaging, compliance awards, compliance games

Reporting channels and investigations process

Nokia provides multiple channels to report compliance concerns: Legal, Compliance and Sustainability, Ombuds leaders, People organization, a dedicated email, and an Ethics Helpline (EU Whistleblower Directive compliant) with online and country-specific options. Internal and external webpages also support concern reporting. The external reporting web page explains the reporting process and provides links and information about all the available reporting options. The Ethics Helpline allows for anonymous reporting and is open to employees and external stakeholders.

Nokia's Ombuds network is a critical element of Nokia's Compliance Program and is available to employees, in addition to the Nokia Ethics Helpline and/or consulting with the Legal, Compliance and Sustainability team, the People organization, or managers. Ombuds leaders sit outside of the Legal, Compliance and Sustainability team, and People organization and serve as confidential, neutral, supplemental resources for employees to



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raise compliance questions, concerns and requests for guidance. They expand the reach of Nokia’s Compliance Program and provide another means to report suspected policy and law violations, as well as assist in preventing, detecting, and addressing wrongdoing. At the end of 2025, Nokia had 215 Ombuds leaders around the world, and 80 percent of Nokia’s employees worked in locations with an on-site Ombuds leader. It is important to note that the full Ombuds network is available to support all employees globally and is not restricted to employees within their respective location and/or organization.

The Ethics and Regulatory Compliance Investigations Group is primarily responsible for managing the intake of all compliance concerns in the company across multiple channels, as well as case assignment, investigation, closure, and follow-up with respect to remediation and discipline. Nokia’s team of dedicated investigators, which sits centrally within the Ethics and Regulatory Compliance function, is not attached to any particular business segment or function and reports into the Legal Compliance and Sustainability leadership. The investigator of any matter is fully independent of the chain of management of the alleged subject and the individual raising the concern.

In 2025, Nokia’s Ethics and Regulatory Compliance Investigations Group received a total of 884 reports, of which 346 were investigated by the Investigations Group as suspected violations of applicable law, policy, or Nokia’s Code of Conduct. In 2025, the Investigations Group closed 313 investigations into alleged violations of Nokia’s Code of Conduct, of which 118 were substantiated with cause found after investigation. Nokia implemented corrective actions including 24 dismissals and 32 written warnings. Beyond individual discipline, detailed root cause analysis was conducted for substantiated cases, and unsubstantiated cases as appropriate, to identify, implement and monitor remedial measures and improvements.

Nokia integrates its investigation process into its corporate culture by regularly communicating major findings and trends in a transparent fashion and raising awareness about the reporting process and the importance of speaking up. Regular read-outs about investigation statistics, key findings, and trends are provided to several internal groups, including regional/business segment compliance leaders, who include investigations findings in the reporting for their respective jurisdictions and share this information with business leadership several times per year; Ombuds leaders, who share this type of information

with employees in local awareness sessions; and senior management, as well as the Board of Directors and external auditors. Global trends and anonymized real cases are shared with all employees in Nokia’s internal quarterly company-wide Ethics and Regulatory Compliance newsletter (“Integrity Matters”). Additionally, annual investigation statistics by category, as well as links to anonymized case examples are provided externally. Each quarter, the Chief Compliance Officer updates the Audit Committee regarding significant allegations and outcomes of investigations and once per year reports this information to the Board and the Group Leadership Team.

Protecting against retaliation

Nokia has always positioned itself as a company committed to combating and avoiding all forms of retaliation and maintaining a culture in which its employees and partners feel comfortable raising concerns about suspected violations of Nokia’s Code of Conduct and policies, or applicable laws or regulations. Nokia will not tolerate any adverse treatment of an employee or partner (to the extent reasonably within Nokia’s control for a non-employee) who raises a concern in good faith or provides evidence in support of such a concern. Any employee who retaliates or participates in retaliating against another employee for raising a compliance concern or for assisting in an investigation will be subject to discipline, up to and including termination of employment.

In a clear, widely-disseminated and readily-accessible manner, Nokia provides employees with many avenues to report concerns, as well as resource documents and information on external reporting channels. This includes region- and location-specific external reporting options. Annual comprehensive campaigns (consisting of various training initiatives, media and communications) remind and train employees on reporting concerns, available resources, and Nokia’s anti-retaliation policy. Managers are provided additional resources, including a toolkit and checklist, for handling concern reporting. A dedicated internal web page on retaliation provides employees with valuable resource information and guidance, including employee and manager anti-retaliation guides.

Training

The Ethics and Regulatory Compliance organization maintains a three-year strategic approach and roadmap for training. Nokia’s Ethical Business Training course is updated every year and

required annually for all employees. It was one of the three mandatory, web-based training courses deployed in the mandatory 2025 curriculum, with the other modules covering information security and privacy awareness and safety and security. The Ethical Business Training course included a review and acknowledgment of Nokia’s Code of Conduct and the related 14 policy areas; a requirement to declare potential conflicts of interest; and short reviews of key topics including competitive intelligence, purchasing policy and process, use of AI tools, ESG, working with government officials, use of corporate credit cards, and a reminder of managers’ compliance responsibilities. In 2025, 98% (target 95%) of Nokia’s employees completed the Ethical Business Training module. New employees are assigned a new-hire training curriculum that includes the current annual mandatory training curriculum.

In 2025, Nokia also provided training (online and in-person) and communications on emerging risks along with important reminders about roles and responsibilities. Examples include:

1. Just-in-time training videos to provide information at the time most needed, triggered by specific employee requests or actions (e.g., employees who are involved in indirect sales transactions receive a three-minute video on the required due diligence process).
2. Risk-specific training and communications on privacy, anti-corruption, competition law, site permitting, human rights due diligence, and Nokia’s indirect sales process.
3. Anti-retaliation awareness messaging, videos and resources to heighten awareness of potential retaliatory behaviors and available support channels.
4. Launched targeted training on anti-corruption and competition law to individuals in sales roles.
5. New awareness videos on corruption and conflicts of interest, and micro-learning to emphasize the importance of bystander reporting.

These resources were supplemented by live training sessions delivered to target audiences on various compliance topics throughout the year.

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Nokia opportunity: Anti-Corruption and Anti-Bribery Program

Nokia has a robust Anti-Corruption Program that focuses on identifying and mitigating compliance risks associated with third parties and multi-layer transactions, as well as geopolitical events that may pose a risk under applicable laws, including anti-corruption.

Nokia's Global Anti-Corruption Program

Nokia's Code of Conduct

Covers the following topics:

- Dealing with Government Officials
- Improper Payments
- Working with Third Parties
- Controllership
- Speaking up (our whistleblowing program)

Third party code of conduct

- Includes Nokia's expectations relating to anti-corruption and bribery

Training specific to anti-corruption and bribery

- Included in Nokia's annual mandatory Ethical Business Training required of all employees
- Focused training on anti-corruption and bribery that is assigned to high-risk employee populations, such as training for employees involved in projects requiring site acquisition and customer-facing sales teams

Policies supporting the anti-corruption program

Various policies are available to all employees on Nokia's intranet site, including the following:

- Anti-Corruption Policy
- Conflict of Interest Policy
- No PO/No Pay Policy
- Travel Policy
- Dealing with Government Officials contained in our Code of Conduct
- Controllership contained in our Code of Conduct
- Working With Third Parties contained in our Code of Conduct
- Improper payments contained in our Code of Conduct
- Corporate Hospitality and Gift SOP
- Global Donations, Other Contributions and Sponsorships SOP
- Third-Party Risk Management SOP
- Prohibition of Facilitation Payments SOP
- Site Acquisition Permitting and Site Access Fees SOP

Nokia also has monitoring processes in place to identify possible process gaps, including: monitoring our customer relationship management and deal opportunity tool to ensure in scope commercial third parties have been screened by Nokia's Anti-Corruption Center of Excellence; monitoring expense reimbursement claims relating to hospitality to third parties to ensure that the gifts, travel and entertainment ('GTE') pre-approval process was followed; reviewing spend reports to ensure that any high-risk suppliers have been vetted at the appropriate due diligence level; conducting risk-based due diligence on all third parties to identify any red flags or risk before engaging in business with them, with a three-year re-screening required; and reviewing any concerns that are raised relating to improper payments through Nokia's whistleblower system.

The groups of employees deemed to be highest risk with respect to Nokia's business include:

- sales and pre-sales employees
- employees working with government officials
- employees involved in site acquisition and site access permitting
- employees involved with customs clearance and logistics vendors
- employees involved with tax advisors and related services
- the Geopolitics and Government Relation team and
- the Finance team, since they have a key controllership role



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Training specific to anti-corruption and bribery is included in Nokia's annual, mandatory Ethical Business Training course and is required of 100% of Nokia employees: all administrative, management and supervisory bodies. Anti-corruption is highlighted in this course given the potential high-risk exposure and is rolled out not only to all employees but also to Nokia's Board of Directors. Nokia also has a separate standalone course that focuses on corruption risk and speak-up channels.

All suspected breaches in procedures and standards of anti-corruption and anti-bribery are investigated. When an investigation concludes that there has been a violation of Nokia's policies, including Nokia's Anti-Corruption and Anti-Bribery policy, appropriate disciplinary action is taken. Such actions may include financial loss, termination of employment, demotion or role change, a written warning, and/or mandatory training.

Nokia's Anti-Corruption Center of Excellence has a comprehensive, multifaceted, risk-based approach to help identify and mitigate risks to the company while empowering Nokia's business teams to sell Nokia products and services responsibly.

Actions

Actions taken to support Nokia's Compliance Program and culture:

1. Everyone in the company is required to review and acknowledge the Nokia Code of Conduct annually and disclose any conflicts of interest as part of annual mandatory Ethical Business compliance training. The topics within the mandatory training are rotated every year to spread awareness on high-risk areas, emerging risks, and key current topics. Anti-corruption is highlighted in the same course because it is a high-risk area, and Nokia also has a separate standalone course that focuses on corruption risk and speak-up channels. In addition to annual mandatory training, Nokia supplements training and awareness with numerous live and recorded training sessions delivered to smaller target audiences on various compliance topics throughout the year.

2. Nokia combats and prohibits all forms of retaliation and is committed to maintaining a culture in which its employees feel comfortable raising concerns about suspected violations of the Code of Conduct, and related company policies or laws and regulations. Nokia will not tolerate any adverse employment action against an employee who raises a compliance concern or assists in an investigation in good faith.
3. Nokia provides multiple channels to report compliance concerns: Legal, Compliance and Sustainability, Ombuds leaders, the People organization, a dedicated email, and an Ethics Helpline (EU Whistleblower Directive compliant) with online and country-specific options. Nokia has internal and external web pages dedicated to concern reporting and whistleblowing resources.
4. Nokia's Anti-Corruption Program focuses on identifying and mitigating compliance risks associated with third parties and multi-layer transactions, as well as geopolitical events that may pose a risk under applicable laws, including anti-corruption. The Anti-Corruption Program includes various elements, such as training, monitoring, policies, and processes.
5. All suspected breaches in procedures and standards of anti-corruption and anti-bribery are investigated. When an investigation concludes that there has been a violation of Nokia's policies, including Nokia's Anti-Corruption and Anti-Bribery Policy, appropriate disciplinary action is taken. Such actions may include financial loss, termination, demotion or role change, written warnings, and/or mandatory training.
6. The Chief Compliance Officer presents separately and independently on the status and effectiveness of Nokia's Compliance Program to the full Board of Directors at least once per year, to the Audit Committee at least four times per year and to the Group Leadership Team at least once per year, and as needed.
7. Nokia gauges employee attitudes, perceptions, and experiences regarding the compliance culture using survey results and other collected inputs. These results are shared with relevant stakeholders and managed through mitigation plans with an eye toward continuous improvement.

Targets and progress towards achievement

Nokia establishes targets as one of the vehicles to drive and measure a robust Compliance Program. Nokia holds its leaders accountable for driving a strong culture of compliance within their organizations by promoting a strong culture of compliance, leading by example, and meeting (with the goal to exceed) established compliance targets.

Ethical Business Training course

Target: Ethical Business Training course, which includes ESG (Environmental, Social, Governance) training, completed by

95%

of employees by 31 October 2025

Result for the year ended 31 December 2025:

Ethical Business Training course, which includes ESG (Environmental, Social, Governance) training, completed by

98%

of employees.

Training specific to anti-corruption and bribery is included in the Ethical Business Training course.

Line manager engagement

Target:

85%

favorability of employee/line manager engagement on ethics and compliance by the year 2030. This target covers Nokia's line managers and their direct reports.

Result for the year ended 31 December 2025:

75%

of respondents to the voluntary survey.



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Environment

This section covers how Nokia addresses its own environmental footprint, including its focus on both climate and circularity. Nokia's net-zero transition plan guides emission reductions, while its circular strategy focuses on resource efficiency and waste reduction—directly lowering embodied emissions and supporting path to net-zero. Nokia believes its technology plays important role in helping its customers, other industries and society decarbonize in the AI era.

Environmental policies

Nokia has policies and procedures in place to manage its material impacts, risks, and opportunities related to climate change and energy. Nokia tries to prevent environmental pollution along its value chain, as outlined in its Environmental policy and its Code of Conduct. Nokia is committed to reducing GHG emissions across the value chain, in line with its GHG emissions reduction targets.

Environmental management and ongoing environmental performance are governed by the certified ISO 14001 Environmental Management System. This ensures a holistic and structured approach in managing Nokia's material environmental matters. In 2025, Environmental Management Systems covered 47% of Nokia's sites and 87% of employees.

Climate

Climate change has been a focus for Nokia Group for more than a decade, and as such consistent efforts are made to develop and refine Nokia's approach to understanding and tackling the risks and opportunities that climate change presents to its business. As part of this approach, Nokia has set a target to reach net-zero greenhouse gas emissions by 2040 across its

value chain. This includes decarbonization of Nokia's own operations, as well as its supply chain, enhancing product energy efficiency to break the energy vs. capacity curve and sustainably support the AI supercycle, and strengthen the Design for Environment process within R&D. Sustainability topics, including decarbonization and the circular transition, are integral to Nokia's sustainability strategy and are reflected in how Nokia operates as a company and the business decisions that are taken. Research in Nokia Bell Labs also contributes towards these goals.

Transition plan and actions related to climate change policies

Nokia has set a target to reduce its total global greenhouse gas emissions (GHG) to net zero across the value chain by 2040. The Net-Zero target was approved by the Science Based Targets Initiative (SBTi) in January 2025.

Nokia has defined a net-zero pathway that will help it reduce emissions across its value chain. Nokia's GHG emissions and the estimated decarbonization levers to achieve its 2030 and 2040 targets fall into three main categories:

- Own operations, including energy use in facilities and fleet, which contribute to scope 1 and 2 emissions
- Upstream activities, including purchased goods and services, capital goods, logistics and business travel, which contribute to scope 3 emissions category 1, 2, 4 and 6
- Downstream activities, including the use phase of Nokia products and solutions, which contribute to scope 3 emissions category 11

Additionally, electricity grid decarbonization has a significant impact on the reduction of Nokia's GHG emissions. The net-zero pathway also requires governance, monitoring and reporting actions.

The commitment to net-zero by 2040 was approved by the Nokia Group Leadership team and the Board of Directors was informed about the commitment.

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The main decarbonization levers and examples of key actions taken and planned in the net-zero pathway are described and illustrated below. The actions described below reflect Nokia's current plans of potential actions to be taken in the future and are, therefore, forward-looking statements.

	2025	2030	2040
Decarbonization levers	Targets: RE100 (scope 2 facilities) 80% reduction scope 1-2	Targets: 90% reduction scope 1-2 SBT: 50% reduction scope 1-2-3	Targets: SBT Net-Zero by 2040 (scope 1-2-3)
Own operations: Facilities and fleet (scope 1-2)	Targeted 100% renewable electricity (RE100)	100% electrification of car fleet	Neutralize residual emissions
Upstream: Embodied (scope 3, cat 1 and 2)	Engage key suppliers to plan and track decarbonization, circular products & services	100% decarbonization for final assembly suppliers, 50% for other key suppliers	Circular and low-carbon materials product design
Upstream: Logistics and business air travel (scope 3, cat 4 and 6)	Optimizing transportation modes to minimize emissions	Bio-fuel blend agreements for logistics	Significant reduction in air freight emissions
Downstream: Product use phase (scope 3, cat 11)	Engage with customers to ensure wide uptake of renewables	Development of the product portfolio for energy efficiency gains	Develop decarbonized site energy solutions. Secure investments in long-term research and disruption
Electricity grid (scope 3, cat 1 and 11)	Climate dialogue with stakeholders	Value chain dialogue and customer specific factors. Grid decarbonization leading to GHG emission reductions ⁽¹⁾	Grid decarbonization leading to further GHG emission reductions ⁽²⁾
Governance, monitoring and reporting	Continuous reporting process development including further digitalization of the emissions data	Enter carbon market to purchase removals	Neutralize residual emissions

(1) Assumption: Grid decarbonization leading to 48% smaller emission factor compared to base year 2019 based on IEA WEO2023 – Announced Pledges Scenario.

(2) Assumption: Grid decarbonization leading to 82% smaller emission factor compared to base year 2019 based on IEA WEO2023 – Announced Pledges Scenario.

- Own operations - Facilities and fleet (scope 1 and 2): Nokia aims for decarbonization in its facilities and car fleet. Nokia achieved 96% renewable electricity across all owned and leased facilities in 2025 and continues its commitment to target 100% renewable electricity in its own facilities. As regards Nokia's car fleet, the aim is to reach the target for own operations' emissions by continuing to introduce low-emission vehicles and transitioning to 100% electric vehicles by 2030.
- Upstream - Embodied (scope 3, categories 1 and 2): Nokia will focus on reducing the embodied emissions of its products, for example by offering circular products, adding recycled material content into new products, and designing products that use less material, while having increased throughput capacity and functionality. At the same time, Nokia collaborates with suppliers on their journey to decarbonizing their own operations.
- Upstream - Logistics and business air travel (scope 3, categories 4 and 6): Nokia's action plans include optimizing transportation modes and route planning, use of decarbonized fuels in logistics, and reducing air freight.
- Downstream - Product use phase (scope 3, category 11): With 94% of emissions resulting from products in use in our customers' networks, the greatest efforts remain concentrated on product design and innovation, to reduce the power consumption and improve energy efficiency of products across Nokia's portfolio.
- Electricity grid (scope 3, categories 1 and 11): Nokia is engaging with stakeholders to push for grid decarbonization and provides digitalization solutions to support renewables generation and grid transformation in the energy sector. Nokia also collaborates with its value chain members on their own journey to transitioning to renewable energy sources as countries decarbonize their electricity grids.
- Governance, monitoring and reporting - Carbon removals: Credible, permanent carbon removals and storage are expected to be required to neutralize residual emissions to reach net-zero. Nokia has been examining credible solutions for carbon removals to support long-term net-zero targets. This examination has included a pilot to acquire the first carbon removal credits in 2025.

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Progress in implementing the transition plan and actions taken in 2025

Nokia has set short-term, medium-term and long-term climate targets in key areas. Short-term and medium-term targets are put in place to track and show a pathway towards the long-term goal.

Nokia has set the target to reach net-zero by 2040, covering scope 1, 2 and 3 GHG emissions. The GHG emission targets are for all Nokia business groups, covering various business activities, such as R&D, logistics, operations and suppliers. The targets do not have any geographical exclusions.

The consistency and completeness of the near-term (2030) and long-term (2040) net-zero targets with Nokia's GHG inventory boundaries is ensured by meeting the SBTi requirements and having the targets validated by SBTi. The baseline will be updated in line with Nokia financial reporting consolidation and environment data reporting principles whenever significant changes in business, such as mergers and acquisitions, and improvements in the data coverage and calculation take place.

Net-Zero target

Nokia's Net-Zero target is approved by SBTi. This includes Nokia's commitment to reach net-zero GHG emissions across the value chain by 2040.

The long-term target is to reduce absolute scope 1, 2 and scope 3 GHG emissions 90% by 2040 from a 2019 base year. Scope 3 includes the following significant categories to Nokia: category 1 – purchased goods and services, category 2 – capital goods, category 4 – upstream transportation and distribution, category 6 – business travel and category 11 – use of sold products. As defined in the current corporate Net-Zero standards (SBT) V1.2, after a company has achieved its long-term target to cut emissions, it can use permanent carbon removal and storage to counterbalance residual emissions up to 10%.

The net-zero target also includes the near-term target to reduce scope 1, 2 and scope 3 categories 1, 2, 4, 6 and 11 GHG emissions 50% by 2030 from a 2019 base year. The progress is on track.

Nokia's total GHG emissions were 30 490 080 tCO₂eq in 2025. This represents an increase of 17% over the previous year, and a 27% reduction compared to the base year 2019. Both the increase compared to the previous year, as well as the decrease from the base year 2019 were mainly driven by changes in scope 3 category 11 use of sold products. These GHG emissions increased by 16% compared to 2024, due to higher sales volumes, changed product mix and the Infinera acquisition. The category 11 emissions have decreased by 21% compared to the base year 2019.

Additionally, Nokia has the following interim and sub-targets:

- GHG emission reduction of 80% from scope 1 and scope 2 market-based emissions by 2025 from a 2019 base year
- GHG emissions reduction of 90% from scope 1 and scope 2 market-based emissions by 2030 from a 2019 base year
- Nokia's final assembly suppliers (part of scope 3 category 1) reach zero emissions by 2030 from a 2019 base year
- Nokia's suppliers (scope 3 category 1) reduce GHG emissions by 50% by 2030 from a 2019 base year
- Nokia's logistics' GHG emissions (scope 3 category 4) reduced by 73% by 2030 from a 2019 base year.

Own operations (scope 1 and 2)

Scope 1 and 2 emissions decreased by 37% compared to 2024, and by 86% compared to the base year 2019. Nokia continued to increase use of renewable electricity to reduce scope 2 market-based GHG emissions, and reached 96% share of renewable electricity used in Nokia's facilities. As an example of emissions reduction, the renewable usage of district cooling in Tampere, Finland was validated.

Upstream: Embodied emissions (scope 3, cat 1 and 2)

Nokia works closely with suppliers to improve supplier maturity around emissions measurement, target setting, roadmaps and good practice. For final assembly suppliers, Nokia is tracking the execution of their roadmap at business review meetings throughout the year, given their target to reach zero emissions by 2030 for their own scope 1 and 2 emissions. Nokia engages regularly with approximately 500 of its larger suppliers, taking into account the CDP Climate program cycle. In addition, close collaboration is pursued with Nokia's Joint Design

Manufacturing suppliers, as well as supplier categories with high emission intensity, such as semiconductor and PWB suppliers.

In 2025, 390 of Nokia's key suppliers responded to CDP's request to disclose their climate performance information, while 258 also provided emissions-reduction targets.

As a result of Nokia's supplier engagement, a gradual reduction of Nokia's scope 3 category 1 (Purchased goods and services) emissions has been observed since the base year. In 2025, the total supplier emissions (category 1) increased by 57% compared to 2024, and reduced by 66% compared to the base year 2019. Final assembly supplier emissions have increased by 32% compared to 2024, and reduced by 42% from the baseline year 2019. The main reasons for the year-on-year increase of category 1 emissions are: Infinera's acquisition and the inclusion of its share of emissions in Nokia's 2025 reporting (+9% impact), the increase in production volumes, and further data coverage improvement in suppliers' own Scope 3 upstream emissions.

Upstream: Logistics and business air travel (scope 3, cat 4 and 6)

GHG emissions from scope 3 category 4 upstream transportation and distribution have increased by 39% compared to 2024, and have reduced by 42% compared to the base year 2019. The change from 2024 to 2025 was due to Infinera's emissions being included in Nokia's 2025 emissions, as well as to the increased volumes and air transportation during 2025, compared to the previous year.

GHG emissions from scope 3 category 6 business travel were increased by 16% compared to 2024, and decreased by 55% compared to the base year 2019. The change from 2024 to 2025 was mainly due to the inclusion of Infinera's emissions in the 2025 amount.



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Downstream: Product use phase (scope 3, cat 11)

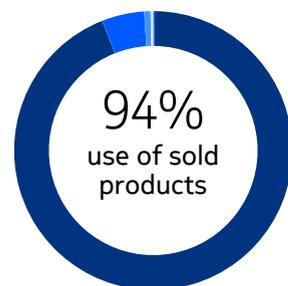
Many of Nokia's customers are intent on reducing their power consumption and their emissions. Nokia considers energy efficiency to be one of the key factors in product competitiveness. Some of Nokia's customers are also interested in examining new business opportunities that spring from decarbonization. These developments create new business opportunities for the company and Nokia is releasing and delivering innovations that cater for that demand.

One of the key actions required for reducing GHG emissions during the product use phase is product energy efficiency improvements in product development. Key actions taken in 2025 include:

- Nokia continued to improve the energy efficiency of its products through incremental, as well as generational hardware improvements;
- Key innovations, including:
 - Extreme deep sleep mode in 5G AirScale radios
 - AI-optimized RAN energy savings and KPIs
 - Traffic-aware sleep modes in mobile backhaul
 - Energy-efficient site solutions

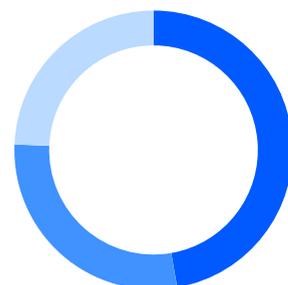
GHG emissions from scope 3 category 11 "use of sold products" increased by 16% compared to 2024, and reduced by 21% compared to the base year 2019. The increase from 2024 to 2025 is due to higher sales volumes and a changed product mix. GHG emissions increased by 4% due to the inclusion of Infinera's emissions in 2025 reporting. This increase was offset by a 1% decrease in the global emission factor, which reflects the decarbonization development of the global electricity grid.

Nokia's carbon footprint (scope 1, 2 and 3)



Emission Source	Metric tons CO2eq	% of total	
Energy use in facilities and by fleet	56 764	0.2%	Scope 1 and 2 market-based emissions
Use of sold products	28 607 919	94%	
Purchased goods and services	1 507 366	5%	Scope 3 emissions
Upstream transportation and distribution	222 182	0.7%	
Capital goods	61 671	0.2%	
Business travel	34 178	0.1%	
Total scope 1, 2 and 3 emissions	30 490 080	100%	

Nokia's carbon footprint (scope 1 and 2)



Emission Source	Metric tons CO2eq	% of total	
Facilities, direct emissions	26 849	47%	Scope 1 emissions
Car Fleet	16 090	28%	
Facilities, indirect emissions from purchased energy, market-based	13 825	24%	Scope 2 emissions
Total scope 1 and 2 emissions	56 764	100%	

Circularity

Nokia aims to be a driver of circular practices in its industry. The company focuses on opportunities to promote hardware circularity by managing the sourcing and reuse of key source materials. Nokia builds on its existing waste processes and circular products and services offering, the take-back of products from customer modernization projects and end-of-life equipment and increasing the availability and sales of refurbished products. Nokia also looks to increase the use of recycled materials in its products, augmenting the inclusion of recycled plastics, steel, copper and aluminum in product design.

Nokia has set a target to reach 95% waste circularity rate by 2030. The purpose is to improve waste management practices by maximizing waste utilization and minimizing disposal.

Circularity rate includes waste from Nokia's offices, labs, manufacturing, site installation, product take-back and final assembly suppliers. Annual waste circularity outcome for 2025 was 90%. Nokia has recognized areas where high circularity rate has already been achieved and also areas requiring further action.

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Shares and share capital

Nokia has one class of shares. Each Nokia share entitles the holder to one vote at general meetings of Nokia.

At 31 December 2025, the share capital of Nokia Corporation equaled EUR 245 896 461.96 and the total number of shares issued was 5 742 239 696. At 31 December 2025, the total number of shares included 159 705 525 shares owned by Group companies representing approximately 2.8% of the total number of shares and the total voting rights.

In November 2024, under the authorization granted to the Board of Directors by the Annual General Meeting 2024, the Board of Directors resolved on an issuance of 150 000 000 new shares without consideration to itself. Additionally, the Board of Directors resolved on a subsequent directed issuance of a maximum number of 150 000 000 shares held by the Company as a result of the aforementioned issuance, to settle its commitments under the merger agreement related to the Infinera acquisition in respect of shares delivered to eligible stockholders of Infinera. The share issuance was completed in February 2025. To the extent that the shares were not needed to settle Nokia's obligations related to the completion of the acquisition, the Board of Directors resolved on a directed share issuance of the aforementioned shares without consideration to participants of Nokia's and Infinera's equity programs the latter of which were assumed by Nokia upon the completion of the acquisition.

In October 2025, under the authorization granted to the Board of Directors by the Annual General Meeting 2025, the Board of Directors resolved on an issuance of 120 000 000 new shares without consideration to itself and resolved on a subsequent directed issuance of a maximum number of 120 000 000 shares held by the Company as a result of the aforementioned issuance, to settle its commitments under the equity-based incentive plans and the employee share purchase plan in respect of shares to be delivered during the year 2025, 2026 and 2027. The shares were issued without consideration.

In October 2025, under the authorization granted to the Board of Directors by the Annual General Meeting 2025, the Board of Directors resolved on a directed share issuance of 166 389 351 new shares to enable NVIDIA Corporation to make a USD 1.0 billion equity investment in Nokia. The new shares were delivered to NVIDIA Corporation in the form of American Depositary Shares in November 2025.

During 2025, Nokia transferred a total of 46 374 440 treasury shares without consideration to employees, including certain members of the Group Leadership Team, as settlement under Parent Company equity-based incentive plans and the employee share purchase plan in accordance with the rules of the plans. The transfers were based on the resolutions of the Board of Directors in

November 2024 to issue shares held by the Company to settle its commitments to participants of the plans.

Information on the authorizations held by the Board of Directors in 2025 to issue shares and special rights entitling to shares, to transfer shares and repurchase own shares, as well as information on related party transactions, the shareholders and share-based incentives is available in this section "Shares and shareholders" and additionally in Notes 3.2. Remuneration of key management, 3.3. Share-based payments, 5.1. Equity and 6.4. Related party transactions in the consolidated financial statements.

In April 2025, the Board of Directors decided to cancel 150 000 000 Nokia shares held by the Company and repurchased under the share buyback program initiated in November 2024 and completed in April 2025. The cancellation did not affect the Company's share capital nor total equity.

The Board of Directors held at 31 December 2025 a total of 1 092 401 shares and ADSs in Nokia, which represented approximately 0.02% of our total shares and voting rights excluding shares held by the Nokia Group. The President and CEO owned at 31 December 2025 a total of 609 274 shares.

There were no public takeover offers by third parties for Nokia's shares during financial years 2025 and 2024. On 28 February 2025, Nokia completed the acquisition of Infinera. The aggregated consideration transferred included 127 434 986 Nokia shares held by Nokia Corporation. For more information, refer to Note 6.2. Acquisitions in the consolidated financial statements.

Nokia does not have minimum or maximum share capital or a par value of a share.

31 December	2025	2024	2023	2022	2021
Share capital, EURm	246	246	246	246	246
Shares, (000s)	5 742 240	5 605 850	5 613 497	5 632 298	5 675 461
Shares held by the Group, (000s)	159 706	232 701	87 896	45 282	40 468
Number of shares excluding shares held by the Group, (000s)	5 582 534	5 373 149	5 525 601	5 587 016	5 634 993
Average number of shares excluding shares held by the Group during the year					
Basic, (000s) ⁽¹⁾	5 415 876	5 475 817	5 549 468	5 614 182	5 630 025
Diluted, (000s) ⁽¹⁾	5 502 782	5 530 603	5 585 923	5 670 020	5 684 235
Number of registered shareholders ⁽²⁾	224 893	224 196	247 893	238 359	233 844

(1) Used in calculation of earnings per share attributable to equity holders of the parent.

(2) Each account operator is included in the figure as only one registered shareholder.



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Key ratios

For the year ended 31 December	2025	2024	2023	2022	2021
Earnings per share, basic, EUR					
Continuing operations ⁽¹⁾	0.12	0.31	0.11	0.75	N/A
Discontinued operations ⁽¹⁾	0.00	(0.08)	0.01	0.01	N/A
Profit for the year	0.12	0.23	0.12	0.76	0.29
Earnings per share, diluted, EUR					
Continuing operations ⁽¹⁾	0.11	0.31	0.11	0.74	N/A
Discontinued operations ⁽¹⁾	0.00	(0.08)	0.01	0.01	N/A
Profit for the year	0.12	0.23	0.12	0.75	0.29
Proposed dividend per share, EUR ⁽²⁾	0.14	0.14	0.13	0.12	0.08
Dividend payout ratio ⁽³⁾	116.7%	45.2%	118.2%	16.0%	N/A
Total dividends, EURm ⁽⁴⁾	804	785	730	676	449
31 December	2025	2024	2023	2022	2021
Shareholders' equity per share, EUR	3.76	3.84	3.72	3.82	3.08
Share price, EUR ⁽⁵⁾	5.57	4.27	3.05	4.33	5.57
Price-to-earnings ratio ⁽³⁾	46.42	13.77	27.73	5.77	N/A
Dividend yield ⁽¹⁾	2.51%	3.28%	4.26%	2.77%	1.44%
Market capitalization, EURm	31 095	22 943	16 853	24 192	31 409

(1) In June 2024, Nokia classified its Submarine Networks business as a discontinued operation. The comparative amounts for 2023 and 2022 have been recast accordingly, however, due to undue cost and effort required to recast historical accounting records the comparative amounts for 2021 have not been recast.

(2) The Board of Directors proposes to the Annual General Meeting 2026 to be authorized to decide in its discretion on the distribution of an aggregate maximum of EUR 0.14 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity.

(3) Calculated based on the basic earnings per share from continuing operations.

(4) In 2025, total dividends is calculated based on the proposed Annual General Meeting authorization to the Board of a maximum distribution of EUR 0.14 per share for the financial year 2025, and the total number of shares on the date of issuing the financial statements for 2025. On the date of issuing the financial statements for 2025 the total number of Nokia shares is 5 742 239 696. Comparative amounts represent the actual total distribution to equity holders of the parent for the financial year presented.

(5) Closing Nokia share price at year end on Nasdaq Helsinki.

Share turnover

For the year ended 31 December	2025	2024	2023	2022	2021
Number of shares traded during the year (000s) ⁽¹⁾	9 969 841	7 175 750	7 754 279	10 294 615	16 560 334
Average number of shares excluding shares held by the Group during the year (000s)	5 415 876	5 475 817	5 549 468	5 614 182	5 630 025
Share turnover %	184	131	140	183	294

(1) Source: Nasdaq Helsinki, the NYSE composite tape and Euronext Paris.

The principal trading markets for the shares are Nasdaq Helsinki in the form of shares, and the NYSE, in the form of ADSs. In 2025, Nokia also maintained a listing on Euronext Paris Stock Exchange but decided to apply for delisting in November 2025. The final day of trading of Nokia's shares on Euronext Paris was 30 December 2025.

Share price development

Nasdaq Helsinki

EUR	High	Low	Value
2025 Full year High/Low	6.65	3.42	
2025 Full year Average (Volume-weighted)			4.65
Year-end value 31 December 2025			5.57
Year-end value 31 December 2024			4.27
Change from 31 December 2024 to 31 December 2025			30.4%

New York Stock Exchange

USD	High	Low	Value
2025 Full year High/Low	8.19	4.00	
2025 Full year Average (Volume-weighted)			5.47
Year-end value 31 December 2025			6.47
Year-end value 31 December 2024			4.43
Change from 31 December 2024 to 31 December 2025			46.0%

Euronext Paris

EUR	High	Low	Value
2025 Full year High/Low	6.64	3.46	
2025 Full year Average (Volume-weighted)			4.78
Year-end value 30 December 2025 ⁽¹⁾			5.55
Year-end value 31 December 2024			4.26
Change from 31 December 2024 to 30 December 2025 ⁽¹⁾			30.3%

(1) The final day of trading of Nokia's shares on Euronext Paris was 30 December 2025.

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Stock option exercises

Since 2019, Nokia has not administered any stock option plans.

Dividend and share buybacks

The dividend to shareholders is Nokia's principal method of distributing earnings to shareholders. The dividend policy was updated at the Capital Markets Day in March 2021 to read as follows: "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".

The Board of Directors proposes to the Annual General Meeting 2026 that based on the balance sheet to be adopted for the financial year ended on 31 December 2025, no dividend is distributed by a resolution of the Annual General Meeting. Instead, the Board of Directors proposes to be authorized to resolve in its discretion on the distribution of an aggregate maximum of EUR 0.14 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity. The authorization would be used to distribute dividend from the retained earnings and/or assets from the reserve for invested unrestricted equity in four installments during the authorization period, in connection with the quarterly results, unless the Board of Directors decides otherwise for a justified reason. The proposed total authorization for distribution of dividend and/or assets from the reserve for invested unrestricted equity is in line with the Company's dividend policy. The authorization would be valid until the opening of the next Annual General Meeting. The Board would make separate resolutions on the amount and timing of each distribution of dividend and/or assets from the reserve for invested unrestricted equity.

In November 2024, under the authorization granted to the Board of Directors by the Annual General Meeting 2024, Nokia launched a share buyback program to offset the dilutive effect of the acquisition of Infinera announced in June 2024 targeting to repurchase 150 million shares for an aggregate purchase price not exceeding EUR 900 million. The repurchases commenced in November 2024 and ended in April 2025. The repurchased shares were cancelled in April 2025.

Nokia distributes distributable funds, if any, within the limits set by the Finnish Companies Act as defined below. Nokia makes and calculates the distribution, if any, in the form of cash dividends, assets from the reserve for invested unrestricted equity, share buybacks, or in some other form, or a combination of these. There is no specific formula by which the amount of a distribution is determined, although some limits set by law are discussed below. The timing and amount of future distributions of retained earnings and/or assets from the reserve for invested unrestricted equity, if any, will depend on Nokia's future results and financial conditions.

Under the Finnish Companies Act, Nokia may distribute retained earnings and/or assets from the reserve for invested unrestricted equity on our shares only upon a shareholders' resolution and in the amount proposed by the Board, subject to limited exceptions. The amount of any distribution is limited to the amount of distributable earnings of the Parent Company pursuant to the last audited financial statements approved by our shareholders, taking into account the material changes in the financial situation of the Parent Company after the end of the last financial period and a statutory requirement that the distribution of earnings must not result in insolvency of the Parent Company. Subject to exceptions relating to the right of minority shareholders to request a certain minimum distribution, the distribution may not exceed the amount proposed by the Board of Directors.

Purchases of equity securities by the Company and affiliated purchasers

The table below presents additional information on the purchases of treasury shares in 2025:

Period	Total number of shares purchased	Average price paid per share, EUR	Total number of shares purchased as part of publicly announced plans or programs	Maximum value of shares that may yet be purchased under the plans or programs, EUR
January ⁽¹⁾	18 313 953	4.41	18 313 953	739 939 153
February	26 686 823	4.70	26 686 823	614 496 274
March	78 864 331	4.86	78 864 331	231 451 624
April	6 948 847	4.96	6 948 847	—
May	—	—	—	—
June	—	—	—	—
July	—	—	—	—
August	—	—	—	—
September	—	—	—	—
October	—	—	—	—
November	—	—	—	—
December	—	—	—	—
Total	130 813 954	4.77	130 813 954	—

(1) On 22 November 2024, Nokia announced that its Board of Directors initiates a share buyback program to offset dilutive effect of acquisition of Infinera pursuant to an authorization from the Annual General Meeting 2024. The program targeted to repurchase 150 million shares for an aggregate price not exceeding EUR 900 million. The repurchases started on 25 November 2024 and ended on 2 April 2025.



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Shareholders

At 31 December 2025, shareholders registered in Finland represented approximately 24% and shareholders registered in the name of a nominee represented approximately 76% of the total number of shares of Nokia Corporation. The number of directly registered shareholders was 224 893 at 31 December 2025. Each account operator (12) is included in this figure as only one registered shareholder.

Largest shareholders registered in Finland at 31 December 2025⁽¹⁾

Shareholder	Total number of shares 000s	% of all shares	% of all voting rights
Solidium Oy	325 000	5.66%	5.66%
Keskinäinen Työeläkevakuutusyhtiö Varma	91 266	1.59%	1.59%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	79 261	1.38%	1.38%
Keskinäinen Työeläkevakuutusyhtiö Elo	36 242	0.63%	0.63%
Valtion Eläkerahasto	27 000	0.47%	0.47%
Oy Lival Ab	18 050	0.31%	0.31%
Svenska litteratursällskapet i Finland r.f.	14 603	0.25%	0.25%
Nordea Bank Abp	11 692	0.20%	0.20%
Nordea Pro Finland Fund	10 567	0.18%	0.18%
OP Finland Index	10 371	0.18%	0.18%

(1) Excluding nominee-registered shares and shares owned by Nokia Corporation. Nokia Corporation owned 148 246 864 shares at 31 December 2025.

Breakdown of share ownership at 31 December 2025⁽¹⁾

By number of shares owned	Number of shareholders	% of shareholders	Total number of shares	% of all shares
1-100	66 740	29.68%	3 032 534	0.05%
101-1 000	100 869	44.85%	43 713 215	0.76%
1 001-10 000	50 826	22.60%	157 345 733	2.74%
10 001-100 000	6 057	2.69%	146 570 263	2.55%
100 001-500 000	303	0.13%	58 419 999	1.02%
500 001-1 000 000	33	0.02%	24 034 154	0.42%
1 000 001-5 000 000	40	0.02%	91 326 590	1.59%
Over 5 000 000	25	0.01%	5 217 797 208	90.87%
Total	224 893	100.00%	5 742 239 696	100.00%

(1) The breakdown covers only shareholders registered in Finland, and each account operator (12) is included in the number of shareholders as only one registered shareholder. As a result, the breakdown is not illustrative of the entire shareholder base of Nokia.

By nationality	% of shares
Non-Finnish shareholders	76.49%
Finnish shareholders	23.51%
Total	100.00%

By shareholder category (Finnish shareholders)	% of shares
Corporations	4.06%
Households	6.18%
Financial and insurance institutions	2.20%
Non-profit organizations	1.06%
Governmental bodies (incl. pension insurance companies)	10.01%
Total	23.51%

At 31 December 2025, a total of 1 117 743 012 ADSs (equivalent to the same number of shares or approximately 19% of the total shares) were outstanding and held of record by 82 307 registered holders in the United States. Nokia is aware that many ADSs are held of record by brokers and other nominees, and accordingly the above number of holders is not necessarily representative of the actual number of persons who are beneficial holders of ADSs or the number of ADSs beneficially held by such persons. Based on information available from Broadridge Financial Solutions, Inc., the number of beneficial owners of ADSs at 31 December 2025 was 748 358.

Based on the most recent information available to Nokia, at 1 July 2025, BlackRock, Inc. beneficially owned 373 750 775 Nokia shares and 9 252 262 Nokia ADSs, which at that time corresponded to approximately 6.85% and 0.16%, respectively, of the total number of shares and voting rights of Nokia.

According to the notification received by Nokia, the holdings of FMR LLC in Nokia on 2 March 2026 were equivalent to a total of 289 538 191 shares and 277 150 920 voting rights, corresponding to approximately 5.04% of the total number of shares and 4.83% of voting rights of Nokia.

To the best of its knowledge, Nokia is not directly or indirectly owned or controlled by any other corporation or any government, and there are no arrangements that may result in a change of control of Nokia.

Shares owned by the members of the Board and the Group Leadership Team

At 31 December 2025, the members of our Board and the Group Leadership Team held a total of 3 484 960 shares and ADSs in Nokia, which represented approximately 0.06% of our shares and total voting rights excluding shares held by the Nokia Group.

Offer and listing details

Nokia's capital consists of shares traded on Nasdaq Helsinki under the symbol "NOKIA". Nokia's ADSs, each representing one share, are traded on the NYSE under the symbol "NOK". The ADSs are evidenced by American Depositary Receipts (ADRs) issued by Citibank, N.A.

In 2025, Nokia shares were also traded on Euronext Paris under the symbol "NOKIA" until the delisting of the shares. The final day of trading of Nokia's shares on Euronext Paris was 30 December 2025.



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Articles of Association

Amendment of Nokia's Articles of Association requires a resolution of the general meeting of shareholders, supported by two-thirds of the votes cast and two-thirds of the shares represented at the meeting.

Registration

Nokia Corporation is organized under the laws of the Republic of Finland and registered in the Finnish Trade Register under business identity code 0112038-9. Under its current Articles of Association, Nokia's object is to research, develop, manufacture, market, sell and deliver products, software and services related to, among others, communication and enterprise networks. The company may also create, acquire and license intellectual property as well as engage in other industrial and commercial operations, including securities trading and other investment activities. The company may carry on its business operations directly, through subsidiary companies, affiliate companies and joint ventures.

Directors' voting powers

Under Finnish law, resolutions of the Board shall be made by a majority vote. A director shall refrain from taking any part in the consideration of an agreement between the director and the company or a third party, or any other issue that may provide any material benefit to him or her and which may be contradictory to the interests of the company. Under Finnish law, there is no age limit requirement for directors, and there are no requirements under Finnish law that a director must own a minimum number of shares in order to qualify to act as a director. However, in accordance with the current Company policy, approximately 40% of the annual fee payable to the Board members is paid in Nokia shares purchased from the market or alternatively by using treasury shares held by Nokia, and the directors shall retain until the end of their directorship such number of shares that corresponds to the number of shares they have received as Board remuneration during their first three years of service (the net amount received after deducting those shares used for offsetting any costs relating to the acquisition of the shares, including taxes).

Share rights, preferences and restrictions

Each share confers the right to one vote at general meetings. According to Finnish law, a company generally must hold an Annual General Meeting called by the Board within six months from the end of the financial year. Additionally, the Board is obliged to call an Extraordinary General Meeting whenever such meeting is deemed necessary, or at the request of the auditor or shareholders representing a minimum of one-tenth of all outstanding shares. Under our Articles of Association, the Board is elected at least annually at the Annual General Meeting of shareholders for a term until the close of the next Annual General Meeting.

Under Finnish law, shareholders may attend and vote at general meetings in person or by proxy. It is not customary in Finland for a company to issue forms of proxy to its shareholders. Accordingly, Nokia does not do so. However, registered holders and beneficial owners of ADSs are issued forms of proxy by the Depositary.

To attend and vote at a general meeting, a shareholder must be registered in the register of shareholders in the Finnish book-entry system on or prior to the record date set forth in the notice of the general meeting. A registered holder or a beneficial owner of the ADSs, like other beneficial owners whose shares are registered in the Company's register of shareholders in the name of a nominee, may vote with their shares provided that they arrange to have their name entered in the temporary register of shareholders for the general meeting.

The record date is the eighth business day preceding the meeting. To be entered in the temporary register of shareholders for the general meeting, a holder of ADSs must provide the Depositary, or have their broker or other custodian provide the Depositary, on or before the voting deadline, as defined in the proxy material issued by the Depositary, a proxy with the following information: the name, address, and social security number or another corresponding personal identification number of the holder of the ADSs, the number of shares to be voted by the holder of the ADSs and the voting instructions. The register of shareholders as of the record date of each general meeting is public until the end of the respective meeting. Other nominee-registered shareholders can attend and vote at general meetings by instructing their broker or other custodian to register the shareholder in Nokia's temporary register of shareholders and give the voting instructions in accordance with the broker's or custodian's instructions.

By completing and returning the form of proxy provided by the Depositary, a holder of ADSs also authorizes the Depositary to give notice to us, required by our Articles of Association, of the holder's intention to attend the general meeting.

The rights of shareholders are related to the shares as set forth in the Finnish Companies Act and our Articles of Association. Neither Finnish law nor our Articles of Association set limitations on the rights to own Nokia securities, including the rights of foreign shareholders to hold or exercise voting rights in the said securities. Amendment of the Articles of Association requires a decision of the general meeting of shareholders, supported by two-thirds of the votes cast and two-thirds of the shares represented at the meeting.

Each of our shares confers equal rights to share in the distribution of the Company's funds. Under Finnish law, dividend entitlement lapses after three years if a dividend remains unclaimed for that period, in which case the unclaimed dividend will be recognized as income by Nokia.

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Disclosure obligation of shareholder ownership or voting power

According to the Finnish Securities Market Act, a shareholder shall disclose their ownership or voting power to the company and the Finnish Financial Supervisory Authority when the ownership or voting power reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50 or 90% of all the shares or the voting rights. The term “ownership” includes ownership by the shareholder, as well as selected related parties calculated in accordance with the Finnish Securities Market Act, and calculating the ownership or voting power covers agreements or other arrangements, which when concluded would cause the proportion of voting rights or number of shares to reach, exceed or fall below the aforementioned limits. Upon receiving such notice, the company shall disclose it by a stock exchange release without undue delay.

Purchase obligation

Nokia’s Articles of Association require a shareholder whose holding equals or exceeds one-third or one-half of all of our shares to purchase the shares of all other shareholders that so request. A shareholder who becomes subject to the purchase obligation is also obligated to purchase any subscription rights, stock options or convertible bonds issued by the company if so requested by the holder. The purchase price of the shares under our Articles of Association is the higher of: (a) the weighted average trading price of the shares on Nasdaq Helsinki during the ten business days prior to the day on which we have been notified by the purchaser that its holding has reached or exceeded the threshold referred to above or, in the absence of such notification or its failure to arrive within the specified period, the day on which our Board otherwise becomes aware of this; or (b) the average price, weighted by the number of shares, which the purchaser has paid for the shares it has acquired during the last 12 months preceding the date referred to in (a).

Under the Finnish Securities Market Act, a shareholder whose voting power exceeds 30% or 50% of the total voting rights in a company shall, within one month, offer to purchase the remaining shares of the company, as well as any other rights entitling to the shares issued by the company, such as subscription rights, convertible bonds or stock options issued by the company. The purchase price shall be the market price of the securities in question. Subject to certain exceptions, the market price is determined on the basis of the highest price paid for the security during the preceding six months by the shareholder or any party in close connection to the shareholder. Subject to certain exceptions, if the shareholder or any related party has not during the six months preceding the offer acquired any securities that are the target for the offer, the market price is determined based on the average of the prices paid for the security in public trading during the preceding three months weighted by the volume of trade.

Under the Finnish Companies Act, a shareholder whose holding exceeds nine-tenths of the total number of shares or voting rights in a company has both the right and, upon a request from the minority shareholders, the obligation to purchase all the shares of the minority shareholders for the then current market price. The market price is determined, among other things, on the basis of the recent market price of the shares. The purchase procedure under the Finnish Companies Act differs, and the purchase price may differ, from the purchase procedure and price under the Finnish Securities Market Act, as discussed above. However, if the threshold of nine-tenths has been exceeded through either a mandatory or a voluntary public offer pursuant to the Finnish Securities Market Act, the market price under the Finnish Companies Act is deemed to be the price offered in the public offer, unless there are specific reasons to deviate from it.

Pre-emptive rights

In connection with any offering of shares, the existing shareholders have a pre-emptive right to subscribe for shares offered in proportion to the amount of shares in their possession. However, a general meeting of shareholders may vote, by a majority of two-thirds of the votes cast and two-thirds of the shares represented at the meeting, to waive this pre-emptive right provided that, from the company’s perspective, weighty financial grounds exist.

Monitoring of Foreign Corporate Acquisitions

Under the Finnish Act on the Monitoring of Foreign Corporate Acquisitions (2012/172 as amended), a notification to the Ministry of Economic Affairs and Employment is required for a non-resident of Finland, directly or indirectly, when acquiring one-tenth or more of the voting power or corresponding factual influence in a company. The Ministry of Economic Affairs and Employment has to confirm the acquisition unless the acquisition would jeopardize important national interests, in which case the matter is referred to the Council of State. If the company in question is operating in the defense sector, an approval by the Ministry of Economic Affairs and Employment is required before the acquisition is made. These requirements are not applicable if, for instance, the voting power is acquired in a share issue that is proportional to the holder’s ownership of the shares. Moreover, the requirements do not apply to residents of countries in the European Economic Area or EFTA countries, except where at least one-tenth of shares or other controlling right in such resident are held by a party not resident in the European Economic Area or EFTA.



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Risk factors

Set forth below is a description of risk factors that could affect our business. Shareholders and potential investors should carefully review the following risk factors, in addition to other information contained in this report. The risk factors described below should not be construed as exhaustive. There may be additional risks that are unknown to us, and other risks currently believed to be immaterial that could turn out to be material.

These risks, either individually or collectively, could adversely affect our business, competitiveness, market share, sales, costs, expenses, results of operations, profitability, financial condition, liquidity, reputation, brand and share price. Unless otherwise indicated or the context otherwise requires, references in these risk factors to “Nokia”, the “Nokia Group”, “Group”, “we”, “us” and “our” mean Nokia’s consolidated operating segments. Certain risks or events may be more prevalent with respect to the Group or a certain business group, business or part of the Group.

In evaluating the risks, one should not rely exclusively on the bullets in the below summary but read the full risk factor discussion. This report also contains forward-looking statements that involve risks and uncertainties presented in “Forward-looking statements” above.

Risk factors summary

Our capability to compete and remain a leading provider of technology, software and services in the industries and markets in which we operate is dependent on multiple external and internal factors, partially outside our control, such as:

Risks related to our strategy and its execution

- Our success in executing the new strategy, correctly identifying and pursuing opportunities and mitigating risks and in improving the operational and financial performance, including:
 - Positioning ourselves to lead in the Artificial Intelligence-driven transformation of networks;
 - Dependency on sustained traffic growth in customers’ networks and data centers (DC), introduction of new use cases and low-latency services to drive the demand for network intelligence and growth in AI & Cloud;
 - Realizing the benefits of the new operating model, delivering operational continuity and efficiency;
 - The degree our investments, including business ventures, result in technologies, products or services that achieve or retain broad or timely market acceptance, answer to the expanding needs or preferences of our customers or consumers, or in breakthrough innovations, research assets, and intellectual property that we could otherwise utilize for value creation;
 - Our success in acquiring or divesting businesses and technologies, integrating acquisitions and transitioning divestments, entering into licensing arrangements, minority investments, forming and managing joint ventures or partnerships and in realizing the anticipated business plans, benefits, synergies, cost savings or efficiencies from these efforts;
 - Our ability to realize the anticipated benefits, synergies, cost savings or efficiencies from acquisitions and to avoid unforeseen integration obstacles;
 - Dependency on the performance of our partners and success in forming partnering arrangements with third parties;
 - Our success in identifying and implementing the appropriate measures to improve operational performance and cost-efficiency in order to continue investments in R&D and future capabilities, including 5G-Advanced and 6G, intra- and inter-data center solutions, enterprise, cloud, artificial intelligence, automation, digitalization, security and development of new standard essential

patents and to reach targeted results, benefits and other improvements; and

- Our ability to meet our own sustainability targets, identify, evaluate and address sustainability related risks and opportunities appropriately, and to comply with stakeholder and societal expectations and practices and with the increasing number of regulatory requirements related to sustainability, including mandatory transparency and disclosure requirements, impact to human rights, and considering our reliance on global supply chains and the challenges and limitations in the availability of accurate information contributing to measurement uncertainty in provided quantitative metrics and monetary amounts in our sustainability related disclosures.

Surrounding economic, financial and competitive environment

- General economic and financial market conditions, such as the level of inflation and unemployment, increased global macroeconomic uncertainty, major currency fluctuations, higher interest rates and financing costs, and other developments in the economies and industries where we, our customers, partners and suppliers operate, including adverse developments in the policies governing international trade or markets such as export and import controls, including increases in tariffs, and any geopolitical escalation such as in the US-China relations, in tensions in East Asia, Venezuela and ongoing situations in Ukraine and the Middle East;
- Intense competition and development of the industries and markets in which we operate, including:
 - The cyclical nature of the markets;
 - Technological changes, such as acceleration of AI/automation, and the speed of technological adoption;
 - Competitor behavior and the breadth of the qualified supplier pool;
 - Customer consolidation, customer spending appetite and purchase behavior, deployments and rollout timing;
 - Period of high inflation and our ability to pass increased costs to our pricing;
 - Price erosion largely driven by competition challenging the connectivity business models of our customers;
- Our dependency on a limited number of big customers and large multi-year agreements, a single customer or a contract loss, and competitiveness of, or developments regarding, pricing and contractual terms we offer or have in place with the customer; and
- Developments with respect to customer financing, extended payment terms or credit lines that we provide our customers, such as willingness

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of banks or other institutions to provide guarantees or financing to our customers or to purchase our receivables.

Our competitiveness

- Our success in the development of new technologies, services and upgrades, their rollout and commercialization in a timely manner, including:
 - Our ability to adapt to changing business models, rapid technological advances and to meet new competition, such as new AI-native companies or existing competitors leveraging AI more effectively;
 - Shifts and trends, such as AI-driven transformation of networks, cloudification, Open RAN and openness in general, virtualization and disaggregation, and our ability to integrate advanced AI capabilities into Nokia's core products and solutions with potential impact on the attractiveness of our portfolio of products and services, competitive landscape, business models and our margin profile;
 - Our ability to invest in new competitive high-quality products and services, such as 5G-Advanced, Open RAN, 6G, AI-native networks, intra-DC and inter-DC connectivity, next-generation broadband access, the Internet of Things (IoT), the cloud or software, upgrades and technologies that have accurately anticipated technological, regulatory and market trends;
 - Certain technology limits in key technologies or adoption of unforeseen disruptive technologies by our competitors, that might change demand patterns for our products and services and the competitive dynamics;
 - Our capabilities to manage end-to-end costs related to our portfolio of products and services, meeting evolving expectations and complying with regulatory requirements and standards;
- Severity of inefficiencies, operational incidents, malfunctions or disruptions of our information technology systems and processes or disruptions of services relying on our own or third-party IT;
- Actual or perceived security or privacy breaches, including cybersecurity threats and incidents, data leakage, defects, errors or vulnerabilities in our technology and services and that of third-party providers;
- Our manufacturing, service creation, delivery, logistics or supply chain to operate without significant interruptions or shortages, including the impacts of geopolitical tensions and open conflicts feeding uncertainty in the global supply chain;
- Performance capabilities of our partners and suppliers, and their high standards to meet product quality, health, safety or security requirements or comply with other regulations or local laws, such as environmental or labor laws;
- Natural or man-made disasters, military actions, wars, labor unrest, civil unrest or health crises, impacting our service delivery or production sites or the production sites of our suppliers, which are geographically concentrated; and
- Our ability to retain, motivate, develop, reskill and recruit appropriately skilled employees and to balance our workforce.

Intellectual property rights and licensing

- Our ability to protect our innovations and to maintain the strength of our intellectual property portfolio, such as:
 - Our ability to create new relevant technologies, products and services through our R&D,
 - Our ability to monetize our intellectual property for instance, due to market, regulatory and other developments, or court rulings in intellectual property-related litigation and other disputes;
 - Uncertainty relating to the evolving geopolitical environment, global regulatory and standardization landscape relating to intellectual property;
 - Developments in the concentrated smartphone market, the source of a significant portion of our patent licensing income;
- Our ability to renew existing license agreements and conclude new license agreements regarding our intellectual property that we license to others on acceptable commercial terms, and the timing, cost, and potential need for litigation to achieve such renewals and new license agreements; and
- Our ability to renew or finalize licenses regarding technologies that are licensed to us on acceptable commercial terms and to handle claims that we have allegedly infringed third parties' IPR.

Geopolitical, legal, regulatory and compliance environment

- Complexity of direct and indirect regulation, and exposure to political developments affecting trade, such as:
 - Unfavorable or unpredictable treatment in relation to trade sanctions, tariffs, tax matters and export controls, such as the changes in the U.S. and multilateral trade policies, including the export and import controls and laws, particularly with regard to China, Mexico, Canada and the EU and regulation favoring local industry participants;
 - Complex regulatory frameworks impacting taxation, national security, competition law, exchange controls, sanctions, cyber security, communications technology, supply chains, environmental, social and governance (ESG) topics, including integrity and anti-corruption;
 - Geopolitical tensions, escalations or expansions into open conflicts, such as potential further developments related to the situations in Ukraine and in the Middle East and risks related to tensions in Venezuela, East Asia and in the countries in the Sahel and West Africa;
 - Our level of dependence on emerging markets subject to political and regulatory changes and economic volatility;
 - Changes in existing regulations or in their application, and emerging new regulation impacting our products, services or business, including:

- Roll back of certain legislative acts and initiatives, variation in national implementation of EU legislation and divergence of regulatory frameworks in the EU, the U.S. and other relevant jurisdictions;
- Emerging new regulations applicable to current or new technologies, products or telecommunications and technology sectors in general;
- Our products, services and operations meeting all relevant quality, health, safety or security standards and other recommendations globally and compliance with laws and regulations, such as related to digital economy, sustainability, responsible AI, telecommunications and technology, security and privacy, including network and product security, protection and transfer of personal data, data access and use;
- Uncertainty on the outcome of inspections, investigations, claims, and government proceedings which we may be subject to at any given time due to the global nature of our business;
- Disruptiveness of litigation, arbitration, agreement-related disputes or product liability-related allegations;
- Our ability to maintain an effective system of governance and compliance processes, disclosure controls and internal control over financial and sustainability reporting and influence those of third parties whose performance we may be held liable for; and
- The degree of control and level of influence in the joint ventures where Nokia is the minority partner and other affiliated companies where Nokia does not have direct management control, or which are not fully integrated into its operational infrastructure.

Financial and tax-related uncertainties

- Complexity of tax laws and rules, including any changes in the aforesaid, as well as diverse tax authority practices and interpretations;
- Our ability to utilize our tax attributes and deferred tax assets;
- Having access to sources of funding on favorable terms or at all;
- Our ability to maintain our investment grade credit ratings;
- Exchange rate fluctuations impacting our net sales, costs and results of operations, as well as the US dollar value of our dividends and market price of our ADSs;
- Our pension and other post-employment benefit obligations and the potential need for increased funding; and
- Recoverability of the carrying amount of our goodwill, which could result in significant impairment charges.

Ownership of our shares

- Uncertainty of the amount of dividend and/or repayment of capital and other profit distributions such as share buybacks to shareholders for each financial period;
- Volatility of the trading price of our shares and ADSs, including as a result of factors outside our control; and
- Requirement for non-Finnish shareholders to provide detailed information in order to obtain advantageous withholding tax treatment for dividends.



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Full risk factor discussion

Risks related to our strategy and its execution

We may be unable to successfully implement our strategic plans, sustain or improve the operational and financial performance of our business groups, correctly identify or successfully pursue business opportunities, correctly anticipate or successfully mitigate technological disruptions or otherwise grow our business.

Our success depends on our ability to become and remain a leading provider of technology, software and services in the industries and markets in which we operate. However, there can be no assurance that we will correctly identify trends, opportunities or threats that we need to pursue or mitigate to achieve our goals or targets. For example, the aim of our new strategy is to position ourselves to lead in the Artificial Intelligence (AI)-driven transformation of networks and capture the value of the “AI supercycle” focusing on five strategic priorities; (i) accelerating growth in AI & Cloud; (ii) leading the next era of mobile connectivity with AI-native networks and 6G; (iii) growing by co-innovating with customers and partners; (iv) focusing capital where Nokia can differentiate; and (v) unlocking sustainable returns. AI supercycle is driving an unprecedented demand for network capacity, requiring networks to be more performant, automated, and optimized for specific AI traffic patterns, with a strong focus on low latency, high throughput, and energy efficiency.

As part of the updated strategy, we have transitioned to a new operating model effective 1 January 2026 with two primary segments – Networks Infrastructure and Mobile Infrastructure – and a Portfolio Businesses group for non-core assets. The realignment is intended to accelerate growth opportunities from the global “AI supercycle” and enhance focus on AI-native networks, 6G, cloud infrastructure and software-defined networking. The revised strategy, with its sharper focus on capital allocation and AI-centric business models, entails enhanced operational and execution risks, including the challenges of scaling new AI & Cloud solutions, responding to competitive threats including technology-driven entrants benefiting from lower barriers of entry or disruptive business modes, and adapting to rapid shifts in customer demand for network intelligence, low latency applications, security, and sustainability requirements.

There is no assurance that we will effectively manage the transition and execute new strategy effectively, deliver operational continuity, or avoid unforeseen integration obstacles as resources, leadership and activities are reallocated across the new structure.

Our path to continued technology leadership lies in long-term research and development to drive innovation across a comprehensive portfolio of network equipment, software, services and licensing. We are investing, for instance, in 5G-Advanced and 6G research, autonomous networks, data center interconnect, intra-data center solutions spanning data center fabrics and optics, silicon and systems leadership, security and the in development of new standard-essential patents. The R&D of innovative products, services and technologies is a complex and uncertain process, and there can be no assurance that our investments will result in technologies, products or services that achieve or retain broad or timely market acceptance, are commercially successful, answer to the expanding needs or preferences of our customers or consumers, or lead to breakthrough innovations that we could use for value creation.

As part of implementing our strategic plans we, for instance, enter into licensing arrangements, partner with third parties and have entered into a number of and may engage in the future in transactions, such as divestments and acquisitions, mergers, joint ventures and minority investments that could complement or improve our existing operations or technologies, sharpen our business focus and enable us to grow our business. There can be no assurance that our efforts to continuously improve our operations and realize efficiencies will or continue to generate the expected results or improvements, or that we will achieve intended targets or financial objectives related to such efforts. For instance, the underlying rationale, initial assumptions or the business case in terms of profits, revenue, strategic impact or otherwise justifying the creation or continuation of a certain arrangement may not be realized. We may also encounter issues or inefficiencies related to our organizational and operational structure, including being unable to successfully implement the business plans. Also, the planned transactions may not ultimately be completed on favorable terms or at all, or transactions may result in liabilities or claims, such as indemnification or breach of contract claims. The divestment or investment decisions we make may subject us to litigation arising from minority shareholders’ actions and investor dissatisfaction with the

activities of our business. Shareholder disputes, if resolved against us, could have a material adverse effect on us.

We are also engaged in business ventures, including technology innovation and incubation. Such business areas or plans may be adversely affected by adverse industry and market developments in the numerous diverse markets in which we operate, and the investments we make may not achieve the targeted scale, intended benefits or yield expected rates of return.

We may be unable to realize the anticipated benefits, synergies, cost savings or efficiencies from acquisitions, and we may encounter issues or inefficiencies related to our organizational and operational structure including being unable to successfully implement related business plans.

The level of effort required for successful integration of acquired businesses or assets depends on the complexity of the acquired business or asset. There can be no assurance that we will be able to realize the intended organizational and operational benefits and potentially targeted cost savings related to our business plans in the manner or within the timeframe currently anticipated. The risks and uncertainties relating to the integration include, among others, the distraction of our management’s attention from our business resulting in performance shortfalls, the disruption of our ongoing business, interference with our ability to maintain our relationships with customers, vendors, regulators and employees, and inconsistencies in our services, standards, quality, product road maps, controls, procedures and policies, any of which could have a material adverse effect on our business, financial condition and results of operations.

These failures could be triggered, among others, by the following factors impacting the integration of process and operations:

- adverse contractual issues or disputes with respect to various agreements with third parties, employment agreements, or pension and other post-employment benefits-related funding or liability issues;
- our failure to identify issues and liabilities at the target business or assets during the due diligence and pre-acquisition process by which we may be exposed to unknown, larger or contingent liabilities of acquired businesses, such as those related to contractual obligations, taxes, pensions, environmental liabilities, disputes and compliance matters;



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- disruptions caused, for instance, by reorganizations, which may result in inefficiency within the new organization through loss of key employees or delays in implementing our intended structural changes, among other issues;
- inability to rationalize or streamline our organization or product lines/services, or to retire legacy products and related services as a result of pre-existing customer commitments;
- loss of, or lower volume of, business from key customers, or the inability to renew agreements with existing customers or establish new customer relationships, including limitations linked to customer policies with respect to aggregate vendor share or supplier diversity policies or increased efforts from competitors aiming to capitalize on disruptions;
- conditions and burdens imposed by laws, regulators or industry standards on our business, or adverse regulatory or industry developments or litigation affecting us;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition;
- issues relating to fraud, non-compliance with applicable laws and regulations, improper accounting policies, improper internal control or other improper activities;
- challenges relating to the consolidation or ongoing integration of corporate, financial data and reporting, control and administrative functions;
- the coordination of R&D, marketing and other support functions of the combined business may fail or cause inefficiencies or other administrative burdens;
- our inability to eliminate the complexity of our corporate structure following the acquisition; and
- impairments related to goodwill and other intangible assets, for instance, due to business performance after an acquisition or differences in evaluating the goodwill with respect to the acquired businesses.

Additionally, the anticipated cost reductions and other benefits expected to arise from the acquisitions and integration of businesses, as well as related costs to implement such measures, are derived from our estimates, which are uncertain.

The underlying assumptions are inherently uncertain and subject to a variety of significant business, economic, and competitive factors, risks and uncertainties that could cause our actual results to differ materially from those contained in the expected synergy benefits and related cost estimates.

Performance failures of our partners as well as failures to agree to partnering arrangements with third parties could adversely affect us.

We are increasingly collaborating and partnering with third parties to develop technologies, products and services, as well as seeking new revenue streams through partnering arrangements. We also depend on partners in our efforts to monetize our technologies, including those of Nokia and Nokia Bell Labs, and we have outsourced various functions to third parties and are relying on them to provide certain services to us. Although the objective of the collaborative and partnering arrangements is a mutually beneficial outcome for each party, our ability to introduce and provide technologies, products and services in a timely manner and so that those are commercially viable and meet our, our customers' and consumers' quality, safety, security and other standards could be hampered by performance or other failures of our partners or the companies we collaborate with. For instance, if a partner acts inconsistently with our ethical, sustainability, compliance, brand or quality standards, this can negatively affect our reputation, the value of our brand and the business outcome of our partnerships. Furthermore, if we fail to achieve the collaboration or partnering arrangements needed to succeed, we may be unable to bring our products, services or technologies to market successfully or in a timely manner. It is also possible that the parties we currently collaborate with, turn into our competitors.

In many areas, including R&D, IT, finance and human resources-related arrangements, a failure to maintain an efficient relationship with the selected partner may lead to ongoing operational problems or even to severe business disruptions, and the availability of the processes and services upon which we rely may be interrupted. Performance problems may result in missed reporting deadlines, internal controls challenges, financial losses, missed business opportunities and reputational harm. In addition, as management's focus shifts from a direct to an indirect operational control in these areas, there is a risk that without active management and monitoring of the relationship, the services provided may be below appropriate quality standards. Partners may not meet agreed service levels, in

which case, depending on the impacted service, our contractual remedies may not fully cure all of the damages we may suffer. This is particularly true for any deficiencies that would impact the reporting requirements applicable to us as a company listed on multiple stock exchanges. In outsourcing projects, we may encounter disruption to business resulting from broken processes and distraction of our employees that may need to train the partner's staff or be trained in the partner's systems. Adjustments to staff size and transfer of employees to the partner's companies could have an adverse effect on us, for instance, through impacting the morale of our employees, raising complex labor law issues and resulting in the loss of key personnel. Additionally, partnering and outsourcing arrangements can create a dependency on a given partner causing issues in our ability to learn from day-to-day responsibilities, gain hands-on experience, adapt to changing business needs and properly transfer the specific know-how to the new outsourcing partners. Concerns could equally arise from giving third parties access to confidential data, strategic technology applications and books and records. There is also a risk that we may not be able to determine whether internal controls have been effectively implemented, and whether the partner company's performance and controls monitoring reports are accurate.

Our efforts aimed at managing and improving our financial or operational performance may not lead to targeted results, benefits, cost savings or improvements in our competitiveness.

We are continuously targeting increased efficiency of our operations. The strategic and operational changes to our business and a program to reset our cost base while protecting our R&D capacity and commitment to technology leadership continue.

Failure by us to determine the appropriate operational structure, prioritization of operating expenses and other costs, to identify and implement the appropriate measures to increase simplicity and improve cost-efficiency, or to maintain achieved efficiency levels, could limit our future investments and have a material adverse effect on our competitiveness, results of operations and financial condition. Our current and future cost-saving measures may be costly, potentially disruptive to operations, and may not lead to sustainable improvements in our overall competitiveness and profitability, and there can be no assurance that such measures will be met as planned in

contemplated timeframes or at all. Our plans may be altered in the future, including adjusting any projected financial or other targets. The anticipated costs or the level of disruption expected from implementing such plans or restructurings may be higher than expected. Efforts to plan and implement cost-saving initiatives may divert management attention from the rest of the business and adversely affect our business.

There are also several other factors that may prevent or delay a successful implementation of any cost-saving or efficiency improvement initiatives, including, among others, the following:

- the need to make additional investments in other areas such as 5G-Advanced and 6G, enterprise, security, cloud, artificial intelligence, development of new standard essential patents and automation/digitalization of services and our own operations;
- inaccuracy in our expectations with respect to market growth, customer demand and other trends;
- legislative constraints or unfavorable changes in legislation in the markets in which we operate influencing timing, costs and expected savings of certain contemplated initiatives;
- our ability to align and adjust resources, systems and tools, including digitalization and automation of processes, related to implementation of planned organizational changes;
- intended business plans may require us to inform or consult with employees and labor representatives, and such processes may influence the timing, costs and extent of expected savings and the feasibility of certain contemplated initiatives;
- inflation driving increase in cost base; and
- bargaining power of our suppliers which may prevent us from achieving targeted procurement savings.

Furthermore, cost-saving initiatives may negatively affect our ability to develop new or improve existing products and compete effectively in certain markets, and there is no guarantee that we will continue to be able to successfully innovate or remain technologically competitive.

We may be subject to increased scrutiny related to our sustainability activities and disclosures. Our results, reputation and brand as well as the willingness of customers and suppliers

to do business with us could be harmed if we fail to meet the regulatory sustainability-related requirements, stakeholder and societal expectations and our sustainability targets.

Our business could be negatively impacted if we fail to appropriately address existing and emerging sustainability matters, including related market pressure. We may fail or be unable to fully achieve one or more of our sustainability targets, such as our greenhouse gas emission commitments, due to a range of factors within or beyond our control, and we may adjust or modify our targets in light of new information, adjusted projections, or a change in business strategy, any of which could negatively impact our brand, reputation, and business. For instance, our decarbonization efforts are heavily dependent on the supply and use of renewable energy and biofuels which may not be available for our customers or supply chain in all markets or may not reach affordable cost levels for the actors in our value chain. It is also possible that stakeholders may be dissatisfied with our sustainability practices and targets or the speed of their implementation which could result in action against Nokia by regulators or other third parties or negative pressure on us or our stock.

The sustainability regulatory environment is complex and volatile with new requirements proposed or adopted by various regulators worldwide requiring continuous and consistent monitoring of regulatory developments and evaluation to determine applicability to Nokia. Potential failure to, or perception of a failure to, adapt, disclose relevant metrics, set targets and implement actions and controls that are rigorous enough or otherwise in compliance with applicable regulations, or to prioritize the most material sustainability actions and targets, could negatively impact our brand, reputation, and business. We could also incur additional costs and require additional resources to address evolving regulatory requirements and to monitor and report on our sustainability performance programs, and those of our value chain partners, as required, and to comply with various sustainability practices and disclosure requirements. For instance, growing country-level regulatory requirements demand country-specific reporting that requires robust data collection, systems, controls, processes and sufficient resource availability. The high number of data points to be provided and the lack of global harmonization of standards in the ESG data disclosures makes ESG-related reporting difficult and resource consuming, which may contribute to challenges for investors to correctly assess disclosures or our ability to comply

with each disclosure requirement. It is also possible that third parties rating our ESG practices and performance may make unfavorable, inaccurate or unsubstantiated interpretations of our ESG practices and performance based on their own assessments and publish such interpretations with or without offering us the possibility to comment.

We may be unable to evaluate climate- and other sustainability-related risks and opportunities accurately and to identify and implement strategies for long-term resilience. We foresee that the global rate of technology adoption will be partially driven by sustainability matters, such as environmental impact of products and processes, energy efficiency, security, social and governance issues. For instance, increasing customer demands for sustainable products may necessitate significant investments in R&D, sourcing and relevant processes. Uncertainty, complexity and volatility of regulatory requirements in countries where our suppliers do business could impact negatively our suppliers' ability to meet local and extraterritorial regulatory requirements which are either directly or indirectly applicable to them, which could lead to the need for Nokia to re-assess supplier relationships and sourcing options in order to remain compliant. Geopolitics, social and political unrest and climate change may lead to increased labor migration and to political and climate refugees pushing informal labor into supply chain. Extreme weather events or other climate-related disruptions could impact our customers, potentially leading to increased expectations regarding the resilience of our products and solutions. As artificial intelligence becomes part of both our product offerings, as well as of our processes, concerns regarding legally compliant, sustainable and ethical AI could lead to reputational damage or regulatory sanctions.

A portion of our product portfolio and customer base relates to defense and dual-use applications, including secure and mission critical communications, tactical communications, cyber capabilities, and private wireless network. These activities may increase exposure to risks in the area of human rights and export controls. We conduct Human Rights Due Diligence (HRDD), guided by international standards such as those of the UN Guiding Principles, the Organization for Economic Co-operation and Development (OECD), prior to sales to identify, assess, and mitigate potential human rights impacts, particularly concerning sales into higher-risk geographies or use cases that may be subject to evolving export controls, sanctions, procurement standards, and stakeholder scrutiny. While we implement



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escalation and approval thresholds, contractual controls, employee training, and post-sale monitoring where feasible, these measures have inherent limitations, including constraints on visibility into end use and the potential for rapid geopolitical change to outpace existing controls.

Potential failure, or perceived failure, to meet sustainability disclosure regulations, ethical standards and practices, due diligence criteria, stakeholder or societal expectations, or to achieve sustainability targets could result in regulatory inquiries, enforcement, fines or other sanctions, as well as negatively impact our reputation, access to financing, employee retention, or access to financing, compromise our stakeholder relationships and the willingness of our customers and suppliers to do business with us.

Risks related to the general economic and financial market conditions and to the industries and markets in which we operate

Our sales and profitability have been and may in the future be materially and adversely affected by general economic and financial market conditions, such as inflation, increased global macroeconomic uncertainty, major currency fluctuations, higher interest rates and financing costs, and other developments in the economies where we operate.

We are a global company with sales, R&D, manufacturing facilities, partners and suppliers located in various countries around the world. Adverse developments in and the weakness of global economic conditions in general have an adverse effect on us and the spending of our customers. Further, rising political tensions could reduce trade volume, investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. For instance, the uncertain nature, magnitude, and duration of hostilities stemming from Russia's military invasion of Ukraine, including the potential effects of sanctions, retaliatory attacks on the world economy and markets, and any other geopolitical escalation, for instance in the US-China relations, in Venezuela, in the Middle East or East Asia, and adverse developments in policies governing international trade such as export and import controls, including increases in tariffs, could contribute to increased market volatility and uncertainty, which could have an adverse impact

on macroeconomic factors affecting market demand, inflationary development and supply.

We are dependent on the purchase behavior of final end-users. Any adverse developments in economies, such as increases in the level of inflation, interest rates or unemployment, may affect market demand for consumables, such as mobile devices, mobile subscriptions and both the services that end-users subscribe to and the usage levels of such services, which may lead telecommunication providers to invest less in related infrastructure and services or to invest in low-margin products and services. This may further be mirrored as an adverse effect on the business of our patent licensees and our patent licensing income. Likewise, adverse developments in economic conditions may lead certain customer segments, such as webscale companies, transportation & logistics, energy, manufacturing, and public sector verticals, to invest less or delay spend in infrastructure and services to digitize their operations or to invest in low-margin products and services. Further, the purchasing power of our customers, particularly in developing markets, depends to a greater extent on the price development of basic commodities and currency fluctuations, which may render our products or services unaffordable. Economic slowdown may also lead to an overcapacity in supply and inflated inventories, and to delays and shortages in case of sharp recovery and ramp-up of demand with a potentially adverse effect on our ability and our suppliers' ability to deliver products and services in time. Increasing inflation and other current market conditions are driving cost increases in operations, materials and labor, and may also result in strikes and other industrial actions.

General uncertainty and adverse developments in the financial markets could have a material adverse effect on our customers', suppliers' and other partners' ability to obtain sufficient or affordable financing on satisfying terms. Higher interest rates increase cost of financing. Uncertain market conditions may increase the price of financing or decrease its availability if the banks and investors were to tighten lending standards or increase interest rates, or if certain assets would decline in value, which could lead to difficulties in raising funds or accessing liquidity necessary to maintain our financial condition and ongoing operations.

We face intense competition and are dependent on development of the industries and markets in which we

operate. The markets are cyclical and are affected by many factors, including the general economic environment, technological changes or the speed of technological adoption, competitor behavior, customer consolidation, customers' spending appetite and purchase behavior, including mix of supply, deployments and rollout timing. Our existing competition and new competition challenging the connectivity business models of our customers are driving price erosion.

The competitive environment in the markets in which we operate, including the related services markets, is characterized by maturing industry technologies, 5G and related new technologies, acceleration of AI/automation, diversification of supplier ecosystems, equipment price erosion and aggressive price competition. Our competition endeavors to gain market share in selected regions where Nokia has a large footprint. In our entry to data center market, we compete against large incumbent players, as well as operate in a very complex ecosystem with varying degrees of competition making expansion challenging. Despite strong growth in mobile data traffic, most of our customer base has been facing persistent erosion in unit revenue and is reverting to vendors to compensate for it. Competition for new customers, as well as for new infrastructure deployment, is particularly intense and focused on the favorability of price and agreement terms. We compete with companies that have large overall scale, which affords such companies more flexibility compared to us. In addition, new competition may be entering the network infrastructure and related services business through adoption of new technologies or business models, such as virtualized RAN and Open RAN or as-a-service models for products or services.

We are particularly dependent on the investments made by telecommunication providers in mobile connectivity, network infrastructure and related services. The pace and size of such investments are in turn dependent on the ability of telecommunication providers to increase their subscriber numbers, reduce churn, maintain or increase their average revenue per user, and compete with business models eroding revenue from traditional voice, messaging and data transport services. For instance, our plans assume sustained growth in traffic over our customers' networks and in data center loads. For this to happen, video streaming needs to continue to grow significantly, or new high-data use cases (for instance, Virtual Reality or Augmented Reality) need to be developed and drive high concurrency traffic and demand for low latency services. In



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addition, we need to be able to drive down power and cost per bit while increasing scale, agility and resiliency. Should these not materialize, demand for our products and services could be negatively affected.

The financial condition of telecommunication providers has driven them to cost containment actions and merger activity that have in the past constricted capital expenditure, and may continue to do so in the future, resulting in further competition and pressure on pricing and profitability. In addition, the investments of the telecommunication providers in the new spectrum assets may reduce their funds available for investing in the new network infrastructure and related services. Furthermore, the level of demand by telecommunication providers, enterprise and other customers that purchase our products and services is dependent on their ability to monetize their investment and introduce new use cases and can therefore change quickly and vary over short periods of time. Telecommunication providers may also consolidate their supplier base to our disadvantage — all the way to a one-supplier model, for instance in a specific product area. In addition, a portion of our revenues is driven by the timing of completion and customer acceptances. As a result of the uncertainty and variations in the telecommunications and vertical industries, accurate forecasting of revenues, results and cash flow remains difficult. Furthermore, significant reduction of business with us could result in the loss of benefits related to economies of scale.

We may be unable to respond successfully to technological changes or to alternative technologies in the markets in which we operate. Market developments favoring new technological solutions, such as cloud, virtualization, edge computing, programmable networks, AI-enabled automation and alternatives such as satellite communications may result in reduced spending to the benefit of our competitors who have, or may have, a stronger position in such technologies. The technological viability of standardized, low-margin hardware products in combination with the virtualization of functions can induce a change in purchase behavior, resulting in favoring other vendors or in higher bargaining power versus Nokia due to more alternative vendors. Our customers may prefer best-of-breed from multiple vendors, a single vendor or turn to alternative vendors to maintain end-to-end services. Additionally, new competitors may enter the industry as a result of acquisitions or shifts in technology. Furthermore, some

companies, including webscale companies, may drive a faster pace of innovation in telecommunications infrastructure through more collaborative approaches and open technologies across access, backhaul, core and management.

We expect to generate a significant share of our growth from new customers, including webscale companies and vertical customers, for example in transportation & logistics, energy, manufacturing, defense and public sector verticals. Each of these sectors may face adverse industry developments, which may significantly impact the size of investments addressable by us and our ability to address these investments, in terms of both having the right products available and being able to obtain new customers and having the right go-to-market capabilities and expertise to address the specific needs of these sectors. Furthermore, there are various incumbent and new actors competing with Nokia in these customer groups we strategically target. With these types of customers, the nature of competition and the required capabilities can be significantly different from the telecommunication provider market, including competition based on access network, core network, cloud infrastructure, platforms, applications and devices, and related services.

Competitive intensity remains high in the market as competitors seek to take share in 5G rollouts, which is creating a risk of persistent high price erosion in the industry. If domestic and global economic conditions worsen, overall spending on 5G infrastructure may be reduced or delayed, and spending in our other network products and services might be even more rapidly reduced to preserve the customer investment in 5G, which would adversely impact demand for our products and services in these markets. Further, any reduction in our market share in 5G compared with our installed base in 4G due to decisions to protect our profitability, inability to meet the customers' requirements or other reasons, may have a material negative effect on our scale and profitability.

We are dependent on a limited number of big customers and large multi-year agreements. The loss of a single customer or contract, operator consolidation, unfavorable contract terms or other issues related to a single agreement may have a material adverse effect on our business and financial condition.

A significant proportion of the net sales and profits that we generate have historically been derived from a limited number

of customers. As consolidation among existing customers continues, it is possible that an even greater portion of our net sales will be attributable to a smaller number of large telecommunication providers. These developments are also likely to increase the impact on our net sales based on the outcome of certain individual agreement tenders. Telecommunication providers are also increasingly entering into asset sharing arrangements, as well as joint procurement agreements, which may reduce their investments and the number of networks available for us to service. Furthermore, procurement organizations of certain large telecommunication providers sell consulting services to enhance the negotiating position of small operators with their vendors.

As a result of the intense competition in the industry, we may increasingly be required to agree to less favorable contractual terms in order to remain competitive. Any unfavorable developments in relation to, or any change in the agreement terms applicable to, a major customer may have a material adverse effect on our business, results of operations and financial condition. Also, agreements in the networks business are typically complex and long-term in nature and it is possible that over time the contract terms of the agreement may prove less favorable to us than originally expected, for instance due to changes in costs and product portfolio decisions, and those may be difficult to amend promptly to address new developments, such as the recent period of accelerating inflation. Furthermore, in particular given the bargaining power of our customers or limited legal ability to deviate from the standard governmental contract terms, we may be exposed to onerous terms and liabilities in our customer contracts.

Loss of a single customer, its significant business or contract, or other issues related to a single agreement, may have a material adverse effect on our business and financial condition. We have lost customers and contracts in the past and the same may happen in the future. Furthermore, any suspension, termination or non-performance by us under an agreement's terms may have a material adverse effect on us, for example due to penalties for breaches, early termination or reduced orders or customer footprint. In addition, we may lose existing agreements, or we may be unable to renew or gain new agreements, for instance due to customer policies that limit the ability of customers to have one network provider exceeding a certain threshold of business in a given market or as a result of



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merger activity where the customer may decide to concentrate their spending elsewhere.

The timing of sales and results of operations associated with large multi-year agreements or turnkey projects may differ significantly from expectations. For instance, recognition of sales and related costs in network implementation projects are often linked with achievement of customer acceptances, which may delay for reasons that may or may not be attributable to us. Moreover, such agreements often require dedication of substantial amounts of working capital and other resources, which may adversely affect our cash flow, particularly in the early stages of an agreement's term, or may require us to continue to sell certain products and services, or to sell in certain markets that would otherwise be discontinued or exited, thereby diverting resources from developing more profitable or strategically important products and services, or focusing on more profitable or strategically important markets. Furthermore, our customer agreements may involve complex transformation of the networks as the customers deploy new technologies and the related costs and scope of required deliverables may differ from our expectations at the time we enter into such agreements.

We may be adversely affected by developments with respect to customer financing or extended payment terms that we provide to our customers. Unwillingness of banks or other institutions to provide guarantees or financing to our customers or purchase our receivables could impair our capability to enter agreements with new customers or markets, to mitigate payment risk and to manage our liquidity.

Requests for customer financing and extended payment terms are typical for our industry and uncertainty or lack of liquidity in the financing markets, among other things, may result in increased customer financing requests. In the event that export credit agencies face constraints on their ability or willingness to provide guarantees or financing to our customers, or there is insufficient demand from banks or other financial institutions to purchase receivables, such events could have a material adverse effect on our business and financial condition. Furthermore, reduced availability of credits by export credit agencies supporting our sales could affect our ability to attract customers and enter new markets thus facing the possibility of reduced sales.

In certain cases, the amounts and duration of these financings and trade credits, and the associated impact on our working capital, may be significant. We have agreed to extended payment terms for a number of our customers and may continue to do so in the future. Extended payment terms may result in a material aggregate amount of trade credits and even when the associated risk is mitigated by a diversified customer portfolio, defaults in the aggregate could have a material adverse effect on us.

Our ability to manage our total customer financing and trade credit exposure depends on a number of factors, including, but not limited to, the market conditions affecting our customers, the levels and terms of credit available to us and our customers, the cooperation of export credit agencies and our ability to mitigate exposure on acceptable terms. We may be unsuccessful in managing the challenges associated with the customer financing and trade credit exposure that we may face from time to time, particularly in difficult financial conditions in the market. While defaults under financings, guarantees and trade credits to our customers resulting in impairment charges and credit losses have not been significant for us in the past, these may increase in the future. Further, commercial banks may not continue to be able or willing to provide sufficient long-term financing, even if backed by export credit agency guarantees, due to their own constraints, and certain of our competitors may also have greater access to such financing, which could adversely affect our competitiveness. Additionally, we have sold certain receivables to banks or other financial institutions, and any significant change in our ability to continue this practice could impair our capability to mitigate such payment risk and to manage our liquidity.

Nokia also arranges bank guarantees and bonds in customers' favor in relation to our business. In the event we are unable to collect outstanding guarantees and bonds, this could limit our possibilities to issue new guarantees and bonds, which are required in customer agreements or practices. We also face a risk that such commercial guarantees/bonds may be unfairly called.

Risks impacting our competitiveness

We may fail to invest effectively and profitably in new competitive high-quality products, services, upgrades and technologies or bring them to the market in a timely manner. We also may fail to adapt to changing business models.

The industries in which we operate are characterized by rapidly evolving technologies, frequent new technological requirements, product feature introductions and evolving industry standards impacting company competitive position. The participants in the markets where we operate compete on the basis of product and service offerings, technical capabilities and quality in addition to price and affordability. As an example, virtualization and cloudification of core and radio networks and the convergence of IT and telecommunications may lower barriers of entry for IT and webscale companies in the traditional telecommunications industry, or they may build up tight strategic partnerships with our traditional competitors or our telecommunication provider customers. New AI-native companies or existing competitors leveraging AI more effectively could challenge Nokia's market share in various segments, including network automation, software, and services. This enhanced competition may lead to increased price competition and negatively affect our margins. Virtualization and disaggregation might also affect other parts of our portfolio and lead to changes in competitive landscape, business models, and margin profile. Fast emergence of new standards shortens technology cycles which may render current products obsolete. Failure to integrate advanced AI capabilities into Nokia's core products and solutions (e.g., 5G/6G, network infrastructure and cloud, enterprise solutions) could render them less competitive or outdated compared to AI-enhanced alternatives. Also, reaching certain technology limits, for example in Optical or in spectral efficiency gains in 6G, might adversely change the demand pattern and competitive dynamics for our products and services.

Our business performance and results of operations will depend to a significant extent on our ability to succeed in the following areas:

- maintaining and developing a competitive product portfolio and service capability that is attractive to our customers, for instance by keeping pace with technological advances in our industry and pursuing technologies that become commercially accepted and price competitive, such as the AI-nativity of networks;
- maintaining compliance with regulatory requirements and standards;
- introducing new products, services and upgrades of current products and doing so on a cost-efficient and timely basis;

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- developing new or enhancing existing processes and tools for our service offerings;
- optimizing the amount of customer or market-specific technology, product and feature variants in our product portfolio;
- continuing to meet evolving expectations and enhancing the quality of our products and services, complying with emerging industry standards as well as introducing products and services that have desired features and attributes, such as energy efficiency;
- maintaining and building up strategic partnerships in our value creation chain (e.g., in product creation, project delivery and go-to-market approach); and
- leveraging our technological strengths and addressing competing technological and product developments carried out by competitors while keeping prices and costs at competitive levels.

The R&D of new, innovative and technologically advanced products and software, as well as upgrades to current products and new generations of technologies, such as 5G-Advanced, Open RAN, AI-native networks, 6G, co-packaged optics, data center fabrics, next-generation broadband access and IoT, is a complex and an uncertain process requiring high levels of innovation and investment, including trying to accurately anticipate technological, regulatory and market trends. We may focus our resources on products and technologies that do not become widely accepted or ultimately prove unviable. Additionally, many of our current and planned products are highly complex and may contain defects or errors that are, for instance, detected only after deployment in telecommunications networks. Even if we invest in new competitive products, services, upgrades or technologies and proactively manage the costs related to our portfolio of products and services, including component sourcing, manufacturing, logistics and other operations, we may still fail to maintain or improve our market position, competitiveness or scale, keep prices and costs at competitive levels or provide high-quality products and services.

Certain of our competitors have significant resources to invest in market exploration and may seek new monetization models or drive industry development and capture value in areas

where we may not currently be competitive or do not have similar resources available to us. These areas may include monetization models linked to large amounts of consumer data, large connected communities, home or other entertainment services, alternative payment mechanisms or marketing products. We also face competition from various companies that may be able to develop technologies or products that become preferred over those developed by us or result in adverse effects on us through, for instance, developing technological innovations that make our innovations less relevant. In addition, reduced government funding and support for our R&D activities could affect our ability to develop new technology or products.

Inefficiencies, operational incidents, malfunctions or disruptions of information technology systems and processes could have a material adverse effect on our business and results of operations. As our business operations, including those we have outsourced, rely on complex IT core systems, networks and related services, our reliance on the precautions taken by us and external companies to ensure the reliability of our own and third-party IT systems, networks and related services is increasing. Consequently, certain disruptions in IT systems and networks affecting us and our external providers could also have a material adverse effect on our business.

All IT systems, networks and processes are potentially vulnerable to damage, incidents, malfunction or interruption from a variety of sources. Our own and customer-facing operations rely on the efficient and uninterrupted operation of complex and centralized IT systems, networks and processes, which are integrated with those of third parties.

We are, to a significant extent, relying on third parties for the provision of IT services. While we have outsourced certain functions, we have also increased our dependence on the reliability of external providers as well as on the security of communication with them. We may experience disruptions if our partners do not deliver as expected or if we are unable to successfully manage systems and processes together with our business partners. We will often need to use new service providers and may, due to technical developments or choices regarding technology, increase our reliance on certain new technologies, such as cloud/SaaS, and certain other services that are used over the internet rather than using a traditional licensing model. Switching to new service providers and introducing new technologies is inherently risky and may expose

us to an increased risk of disruptions in our operations, for instance due to network inefficiency or outage, a cybersecurity or a compliance incident, malfunctions, failure in disaster recovery or IT service continuity or other disruptions resulting from IT systems and processes.

We are committed to continuously enhancing the quality, resilience, and security of our IT systems, supported by ongoing investments, in-sourcing and robust risk-management practices. However, despite precautions taken by us, we may fail to successfully secure our IT. Our IT systems have in the past and may in the future, be affected by external factors such as telecommunications outages or evolving cybersecurity threats, including malware or ransomware. Any malfunction or disruption of our current or future systems, processes, networks or data leakages, could have a material adverse effect on our business, results of operations and brand value. A disruption of services relying on our IT, for instance, could cause significant discontent among customers and their end-users and may result in claims, contractual penalties or deterioration of our brand value. We are steadily modernizing our IT landscape as part of our digital transformation strategy. However, the legacy IT systems waiting for upgrades may be gradually more vulnerable to malfunction, disruptions or security incidents than the new IT systems replacing them.

We are exposed to risks related to information security. Our business model relies on solutions for distribution of services and software or data storage, which entail inherent risks relating to applicable regulatory regimes, cybersecurity incidents and other unauthorized access to network or data. Our business and operations rely on data confidentiality and security incidents may adversely affect privacy and/or our business.

Our business and operations rely on confidentiality of proprietary and other sensitive information, for instance related to our employees and our customers, including our government customers. Our business models rely on certain centralized data processing solutions and cloud or remote delivery-based services for distribution of services and software or data storage, accessible by our partners or subcontractors according to the roles and responsibilities defined.

We, our service companies and joint ventures, products and online services, marketing and developer sites and third parties that we contract have been and may in the future be subject to cybersecurity incidents, including hacking, ransomware, viruses,

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worms and other malicious software, unauthorized modifications, or other illegal activities that may cause potential security risks and other harm to us, our customers or consumers and other end-users of our products and services. Information Technology is rapidly evolving, the techniques used to obtain unauthorized access or sabotage systems change frequently and the parties behind cyber-attacks and other types of industrial espionage are sophisticated and have extensive resources, and it is not commercially or technically feasible to mitigate all known vulnerabilities in a timely manner or to eliminate all risk of cyber-attacks and data breaches. The widespread availability of artificial intelligence capabilities adds an extra dimension to cyber threats resulting into more sophisticated attack executed at scale. Additionally, we contract with multiple third parties in various jurisdictions who collect and use certain data on our behalf. Although we have processes in place designed to ensure appropriate collection, handling and use of such data, third parties may use the data inappropriately or breach laws and agreements in collecting, handling or using or leaking such data. Our business is also vulnerable to theft, fraud or other forms of deception, sabotage and intentional acts of vandalism and espionage by third parties and employees. Further, compared to our fully integrated group companies, our ability to mitigate and oversee risk of cyber-attacks and data breaches may be more limited in our joint venture companies and other group companies having their own governance and system infrastructure, such as our local service companies focusing on network field services.

Cybersecurity incidents can lead to lengthy and costly incident response, remediation of the attack or breach, legal proceedings and fines imposed on us, as well as adverse effects to our reputation and brand value. Additionally, cyber-attacks can be difficult to prevent, detect or contain. Certain cyber-attacks have been and may in the future be successful and evade our detection. We continue to invest in risk mitigating actions to keep pace with the fast evolution of the threat landscape; however, there can be no assurance that such investments and actions will prevent, detect or contain future cyber-attacks. Additionally, the cost and operational consequences of implementing further information system protection measures, especially if prescribed by national authorities, could be significant. We may not be successful in implementing such measures in due course, which could lead to business disruptions and the implementation to be more

expensive, time-consuming and resource intensive. There are increasing regulatory requirements globally mandating how incidents should be managed and reported. Multi-faceted, multi-jurisdictional reporting requirements may be difficult to comply within the timescales required or regulation may have an adverse impact on our ability to deal with the underlying event.

In connection with providing products and services to our customers, certain data is collected, stored and processed through us, either by us or by our business partners or subcontractors in various jurisdictions. Loss, improper disclosure or processing or leakage of any data collected by us, or which is made available to us or our partners or subcontractors or stored in or through our products and services, could have a material adverse effect on us and harm our reputation and brand. Additionally, governmental authorities may seek to misuse our network products to access the personal data of individuals without our involvement; for example, through the generic lawful intercept capabilities of network infrastructure, impairing our reputation.

We may face problems or disruptions in manufacturing, service creation, delivery, logistics or supply chain. Such challenges include securing availability of resources or components to meet demand, ability to adapt supply, defects in products or related software or services, and achieving required efficiencies and flexibility.

We have an extensive supply network, including a geographically dispersed manufacturing network consisting of both our own manufacturing and contract manufacturing partners. We, or third parties that we have outsourced manufacturing and services delivery to, may experience difficulties in adapting supply to meet fluctuating customer demand, ramping up and down production, adjusting network implementation capabilities as needed on a timely basis, maintaining an optimal inventory level, adopting new manufacturing processes, finding the most timely way to develop the best technical manufacturing solutions for new products, managing the increasingly complex manufacturing process, service creation and delivery process and/or achieving required efficiencies and flexibility. In addition, these operations are exposed to various risks and potential liabilities, including those related to geopolitics, transition to a low carbon economy, compliance with laws and regulations, exposure to environmental non-compliance and liabilities and/or other claims. In addition to operational complexity, these factors may increase costs related to our supply chain.

Our manufacturing operations depend on obtaining sufficient quantities of fully functional products, components, sub-assemblies, software, services, energy, and other resources on a timely basis. In certain cases, a particular component or service may be available only from a limited number of suppliers or from a single supplier in the supply chain. Suppliers have and may, from time to time, extend lead times, limit supplies, change their partner preferences, increase prices, provide poor quality supplies or be unable to adapt to changes in demand due to capacity constraints or other factors, which could adversely affect our ability to deliver our products and services on a timely basis or increase our costs. For example, the past global semiconductor components shortage constrained our deliveries and led to increase in procurement prices. Forecasts showing extreme and rapidly accelerating demand for 800G pluggables, as the market is shifting from 400G as the standard to 800G, indicate that demand will outstrip supply in the coming years while the supply chain suffers from long lead times for critical components, single-source dependencies, and the complexities of ramping up new product manufacturing and qualification. The semiconductor supply chains are also highly interdependent and sensitive to policy disruptions. The continuing concerns around components and raw material availability, including postponed restrictions set by the Chinese government to export of computer chips containing rare earth materials, and potential energy shortages in the market, if realized may have an impact on our ability to deliver to our customers, as well as increase our costs. We are working closely not only with our suppliers to ensure component availability but also with our customers to ensure we can meet their needs. We are also continuously optimizing our critical material buffer to prepare for balancing short-term disruptions. Many of our competitors and also companies from other industries utilize the same contract manufacturers, component suppliers and service vendors. If they have purchased capacity or components ahead of us, or if there is significant consolidation in the relevant supplier base, this could prevent us from acquiring the required components or services, which could limit our ability to supply our customers and increase our costs. Our increasing involvement in defense related projects may trigger the need to involve specialized and unique suppliers. Disruptions in this specialized supply chain may adversely impact our ability to fulfill contractual obligations.



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Our products are highly complex and defects in their design, manufacture and associated hardware, software, content and installation have occurred in the past and may continue to occur in the future. Quality issues may cause, for instance, delays in deliveries, loss of intellectual property, liabilities for network outages, court fees and fines due to breaches of significantly increasing regulatory privacy requirements and related negative publicity, and additional repair, product replacement or warranty costs to us, and harm our reputation and our ability to sustain or obtain business with our current and potential customers. With respect to our services, quality issues may relate to the challenges of having the services fully operational at the time they are made available to our customers and maintaining them on an ongoing basis. We may also be subject to damages due to product liability claims arising from defective products and components. We make provisions to cover our estimated warranty costs for our products and pending liability claims. We believe our provisions are appropriate, although the ultimate outcome may materially differ from the provisions that are provided for, which could have a material adverse effect on us.

Our suppliers and partners may fail to meet product quality, health, safety or security requirements or comply with other regulations or local laws, such as environmental, social or labor laws.

A large proportion of our manufacturing, service creation and delivery is carried out by third-party suppliers. These vary in size and often engage a number of tiers of suppliers, which limits our direct control. Suppliers may fail to meet our supplier requirements or customer expectations, such as related to product quality, safety and security. Certain suppliers may not comply with local laws, including, among others, local labor law, health and safety or environmental requirements. The activities we manage or that are managed by third parties for us may also be subject to negative publicity and purchasing boycotts, strikes or other forms of social, political, economic or environmental activism. These all can lead to exposure in the form of litigation, product recalls or brand damage through association.

Adverse events, such as geopolitical disruptions, natural or man-made disasters, civil unrest or health crises, have and may continue to have an impact on our service delivery, production sites and/or the production sites of our suppliers and partners which are geographically concentrated.

Many of our production sites or the production sites of our suppliers and partners are geographically concentrated, with a

majority of such suppliers and partners based in Asia. With Infinera acquisition we gained ownership of semiconductor manufacturing facilities in California. We rely on efficient logistics chain elements, such as regional distribution hubs and transport chain elements (main ports, streets and airways). In the recent years, we have regionalized our supply network to increase resilience. However, in the event that any of these geographic areas are affected by any adverse conditions that disrupt production or deliveries from our suppliers and partners, which includes trade restrictions, severe impacts of environmental events, geopolitical events such as tensions by the Red Sea, man-made or natural disasters (for instance, flooding, heavy rain, earthquakes, or extreme heat that climate change is expected to further intensify), war, civil unrest or health crises, our ability to deliver our products on a timely basis could be adversely affected. In a similar manner, these adverse conditions may also cause disruption to our service creation and delivery, which, in either case, may lead to a material adverse effect on our business and results of operations.

Competition for employees and leaders is increasing globally. We may be unable to retain, motivate, develop, reskill and recruit appropriately skilled employees or we may fail in workforce balancing. Employees may face change fatigue or reduction in motivation and energy as our efforts to evolve our business and improve efficiency continue.

Our success in executing our strategy, to address opportunities in new technologies, business models and customer segments in particular, requires and is dependent on our ability to retain, motivate, develop, reskill and recruit appropriately skilled employees and, in particular, those with relevant technical expertise. Competition for employees and leaders particularly in some critical technology functions and niche markets such as system-on-chip and artificial intelligence is increasing globally.

Our workforce has fluctuated over recent years as we have introduced changes in our strategy to respond to our business targets and endeavors. We continue with the strategic and operational changes announced in October 2023. The related program is expected to lead to a 72 000 to 77 000-employee organization. Such changes and uncertainty may cause disruption, fatigue and dissatisfaction among employees as our efforts to evolve our business and maximize operational efficiency continue. Employee motivation, energy, focus, morale and productivity may be reduced, causing inefficiencies and other problems across the organization and potentially resulting

in the loss of key employees and increased costs in resolving and addressing such matters. The loss of key employees could result in resource gaps, some of which may only be noticed after a certain period of time or which negatively impact our relationship with customers, vendors or other business partners.

Our efforts to rebalance our workforce as planned may fail, for instance due to legal restrictions or collective bargaining agreements, which may result in a non-optimal workforce, larger than expected costs and not meeting our financial targets for such plans. Our inability to negotiate successfully with employee representatives or failures in our relationships with such representatives could result in strikes and other industrial actions by the employees which may in turn result in significant disruption in our day-to-day operations and higher ongoing labor costs. The market for skilled employees is increasingly competitive, particularly given the similar technology trends affecting various industries simultaneously and increased remote working expanding the job market for individual employees. We have encountered, and may in the future encounter, shortages of appropriately skilled employees or lose key employees or senior management. There can be no assurances that we will be able to implement measures successfully to retain or hire the employees we need. This may require significant time, attention and resources from our senior management and other key employees within our organization and may result in increased costs or otherwise have a material adverse effect on us.

Our continued transformation towards a high-performance, technology-driven organization presents reputational and cultural risks. If our initiatives in building the desired culture are deemed aggressive, it may cause reputational harm and affect employer brand and stakeholder perception. If these cultural changes are not widely adopted or fully integrated into everyday business practices, there is a risk of misalignment between strategic objectives and employee behaviors. Insufficient engagement or poor integration of the new cultural mindset could undermine the progress of our business transformation efforts.

Risks associated with intellectual property rights and licensing

Our patent licensing income and other intellectual property-related revenues are subject to risks and uncertainties such as our ability to maintain our existing sources of intellectual property-related revenue, establish new sources of revenue

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and protect our intellectual property from infringement. A proportionally significant share of the current patent licensing income is generated from the smartphone market, which is rapidly changing and features a limited number of large vendors.

The continued strength of our intellectual property portfolios depends on our ability to create new relevant technologies, products and services through our R&D activities and to protect and, where necessary, enforce our intellectual property rights (IPR). If those technologies, products and services do not become relevant, and therefore attractive to potential licensees, the strength of our intellectual property portfolios could be reduced. Despite the steps that we have taken to protect our technology investments with IPR, we cannot be certain that any rights or pending applications will be granted or that the rights granted in connection with any future patents or other IPR will be valid and sufficiently broad to protect our innovations and maintain the relative strength of our portfolio. Third parties may infringe our intellectual property relating to our proprietary technologies or disregard their obligation to seek necessary licenses under our patents or seek to pay less than reasonable licensing fees. As a result, we may be unable to continue to develop or protect our intellectual property-related revenue or establish new sources of revenue.

Regulatory, geopolitical and other developments regarding protection awarded to technology innovations, compensation trends with respect to licensing and the underlying businesses of our licensees, over which we have limited control, may impact our ability to protect, monetize or divest our intellectual property. Any patents or other IPR may be challenged, invalidated or circumvented, and any right granted under our patents may not provide competitive advantages for us. In the technology sector generally, certain licensees are actively avoiding concluding license agreements on fair and reasonable commercial terms, or are withholding making license payments, while some suggest that licensors may be able to collect unreasonably high license payments, with both behaviors attracting regulatory attention. Authorities in various countries have increasingly monitored patent monetization and may aim to influence the terms on which patent licensing arrangements or patent divestments may be executed, which could compromise control over or protection of our technology and proprietary information. Such terms may be limited to a certain country or region, which may, for example, lead to fragmentation of the global framework for licensing of global

technology standards; however, authorities could potentially seek to widen the scope and even impose global terms, potentially resulting in further an adverse effect on our ability to monetize our patent portfolios.

There is no assurance that past levels are indicative of future levels of intellectual property-related revenue. Poor performance by any of Nokia's patent or technology licensees may impact Nokia financially, for example, if a licensee's ability to pay is reduced, the licensee decides to divest or scale back a particular part of its business or it becomes insolvent or bankrupt. Additionally, poor performance of potential or current licensees may limit a licensee's motivation to seek new or renew existing licensing arrangements with us. Furthermore, patent license agreements can cover both past and future sales of licensees, and the portion of the income that relates to licensees' past sales is not expected to have a recurring benefit. Ongoing patent income from licensing is generally subject to various factors (for instance, sales by the licensees) that we have little or no control over, and it can vary considerably from time to time based on factors such as the terms of agreements we enter into with licensees.

We continue to expand the scope of our licensing activities to other areas, in particular those that implement mobile communications and multimedia technologies, such as the automotive, consumer electronics, IoT, certain services and multimedia. The actors in some of these industries may not have traditionally paid intellectual property-related royalties and the expansion of our licensing activities into such industries may involve litigation. In addition, entering highly fragmented markets or markets with a high volume of licensees may affect our effectiveness and/or profitability.

We also enter into business agreements on behalf of our business groups, which may grant certain licenses to our patents. Some of these agreements may inadvertently grant licenses to our patents with a broader scope than intended, or they may otherwise make the licensing and enforcement of our patents more difficult.

To renew existing license agreements and conclude new license agreements with potential licensees, we may and have engaged in legal actions to enforce our intellectual property rights against unlawful infringement, the outcomes of which are uncertain.

Although the majority of our license agreements are concluded amicably, and while we strive to reach negotiated settlements of any disputes in relation to license agreements with companies using our intellectual property, sometimes it is necessary to engage in litigation or arbitration in order to renew existing license agreements which have expired or to conclude new license agreements with unlicensed parties. In certain cases, we have engaged in litigation or arbitration proceedings to enforce our rights, for instance to enforce our patents or to establish the terms of a patent license agreement. Due to the nature of litigation and arbitration proceedings, there can be no assurances as to the final outcome, timing or costs involved in such litigation or arbitration proceedings or as to our ability to renew existing license agreements or conclude new license agreements with potential licensees on acceptable commercial terms. Such litigation may also have an adverse effect on customer relationships.

In other cases, other companies have commenced and may continue to commence actions against us seeking to challenge the validity of our intellectual property, including our patents, or to contest our licensing practices or file competition law complaints with courts or competition authorities. In the event that one or more of our patents is challenged, a court may invalidate the patent or determine that the patent is not enforceable. The outcome of court proceedings is difficult to predict and, consequently, our ability to use intellectual property for revenue generation may from time to time depend on favorable court rulings. Additionally, if any of our patents is invalidated, or if the scope of the claims in any patents is limited by a court decision, we could be prevented from using such patents as a basis for product differentiation or from licensing the invalidated or limited portion of our IPR. Even if such a patent challenge is not successful, the related proceedings could be expensive and time-consuming, divert the attention of our management and technical experts from our business and have an adverse effect on our reputation. Any diminution in the protection of our IPR could cause us to lose certain benefits of our R&D investments.

Our products, services and business models depend on technologies that we have developed as well as technologies that are licensed to us by certain third parties. As a result, evaluating the rights related to the technologies we use or intend to use is increasingly challenging, and we expect to continue to face claims that we have allegedly infringed third



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parties' IPR. The use of these technologies may also result in increased licensing costs for us, restrictions on our ability to use certain technologies in our products and/or costly and time-consuming litigation.

Our products and services include increasingly complex technologies that we have developed or that have been licensed to us by certain third parties. The amount of such proprietary technologies and the number of parties claiming to own relevant IPR continue to increase. The holders of patents and other IPR potentially relevant to these complex technologies may be unknown to us, may have different business models, may refuse to grant licenses to their proprietary rights or may otherwise make it difficult for us to acquire a license on commercially acceptable terms. If licensing agreements are not available on commercially acceptable terms, we could be precluded from making and selling the affected products or could face increased licensing costs. As new features are added to our products, we may need to acquire further licenses, including from new and sometimes unidentified owners of intellectual property. The lack of availability of licenses for copyrighted content, delayed negotiations or restrictive IPR license terms may have a material adverse effect on the cost or timing of content-related services and products offered by us, mobile network operators or third-party service providers. The cumulative costs of obtaining any necessary licenses are difficult to predict and may be significant.

Additionally, although we endeavor to ensure that we and the companies collaborating with us possess appropriate IPR or licenses, we cannot fully avoid the risks of IPR infringement by suppliers of components, processes and other various layers in our products, or by companies with which we collaborate. Similarly, we and our customers may face claims of infringement in connection with the use of our products. Any restrictions on our ability to sell our products due to expected or alleged infringements of third-party IPR and any IPR claims, regardless of merit, could result in a material loss of profits, costly litigation, the obligation to pay damages and other compensation, the diversion of the attention of our key employees, product shipment delays or the need for us to develop non-infringing technology or to enter into a licensing agreement on unfavorable commercial terms.

In line with standard practice in our industry, we generally indemnify our customers for certain intellectual property-related infringement claims initiated by third parties relating to

products or services purchased from us. These may include claims from non-practicing entities having no product or service business. If such claims are made directly against our customers, we may in certain cases have limited opportunities to participate in the process addressing such claims including in negotiations and in defenses, or to evaluate the outcomes and resolutions in advance. All IPR indemnifications can result in significant payment obligations for us that are difficult to estimate in advance. Moreover, our indemnification responsibilities typically arise whether or not the IPR assertions against our customers have merit.

Since all technology standards that we use and rely on, including mobile communication technologies such as the Universal Mobile Telecommunications System (UMTS), Long-Term Evolution (LTE) and 5G, or fixed line communication technologies, include certain IPR, we cannot avoid risks of facing claims for infringement of such rights due to our reliance on such standards. We believe the number of third parties declaring their patents to be potentially relevant to these standards is increasing, which may increase the likelihood that we will be subject to such claims in the future. As the number of market entrants and the complexity of technologies increase, it remains likely that we will need to obtain licenses with respect to existing and new standards from other licensors. While we believe most of such IPR actually found to be essential to a particular standard carries an obligation to be licensed on fair, reasonable and non-discriminatory terms, not all intellectual property owners agree to apply such terms, nor do all owners agree on what is fair, reasonable and non-discriminatory. As a result, we have experienced costly and time-consuming litigation proceedings against us and our customers or suppliers over such issues, and we may continue to experience such litigation in the future.

From time to time, certain existing patent licenses may expire or otherwise become subject to renegotiation. The inability to renew or finalize such arrangements or renew licenses with acceptable commercial terms may result in litigation, which may be expensive and time-consuming and divert the efforts of our management and technical experts from our business and, if decided against us, could result in unfavorable judgments or restrictions on our ability to sell certain of our products or require us to pay increased licensing fees, fines or other penalties and expenses, and/or to enter into costly settlements.

Our patent license agreements may not cover all the future businesses that we may enter, our existing business may not necessarily be covered by our patent license agreements if there are changes in our corporate structure or our subsidiaries, or our newly acquired businesses may already have patent license agreements with terms that differ from similar terms in our patent license agreements. This may result in increased costs, restrictions in the use of certain technologies or time-consuming and costly disputes whenever there are changes in our corporate structure or our subsidiaries, or whenever we enter into new business areas or acquire new businesses.

We make accruals and provisions to cover our estimated total direct IPR costs for our allegedly infringing products. Our estimated total direct IPR costs take into account items such as payments to licensors, accrued expenses under existing agreements and provisions for potential liabilities. We believe our accruals and provisions are at an appropriate level. The ultimate outcome, however, may differ from the provided level, which could have an adverse impact on us.

Risks stemming from geopolitical, legal, regulatory and compliance environment

Current international trends show increased enforcement activity in areas such as national security, competition law, export control and sanctions, privacy, cybersecurity, climate change, human rights and anti-corruption. Furthermore, we have observed an increase in the adoption of surveillance, data localization, national sourcing and national hiring requirements, regulations and policies, as well as regulators' increased interest in regulatory reform and reorganization and their growing appetite for tackling topics such as non-personal data, artificial intelligence, open access and net neutrality.

We conduct our business globally, being subject to direct and indirect regulation and exposed to geopolitical and regulatory risks, such as complex regulatory frameworks, unfavorable or unpredictable treatment in relation to trade sanctions, tariffs, tax matters and export controls (such as the changes in the U.S. and multilateral trade policies, including the export and import controls and laws, particularly with regard to China, Mexico, Canada and the EU), exchange controls and other restrictions. We are also exposed to geopolitical conflicts and military actions, labor unrest, civil unrest, and public security and safety threats. These all could have a material adverse effect on us and our supply chain and our ability to sell or

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supply products and services, including network infrastructure equipment and components manufactured in such countries.

We have witnessed political unrest and open conflicts in the past in various markets in which we conduct business or in which we have operations, which have adversely affected our sales, profitability or operations in these markets, including the safety and security of our employees, and also in certain cases affected us outside these countries or regions. Any recurrence or escalation of such unrest could have a further material adverse effect on our people, sales or results of operations. For instance, an expansion of the current tensions in the Middle East with open conflict in the region or any further deterioration of the security situation in countries in the Sahel and West Africa, could impact our business on multiple levels such as market access over supply chain, general economic developments, security and safety of our operations in concerned countries, potential sanctions or boycotts, and reputational impacts. Escalating tensions in Venezuela, East Asia and territorial disputes by the South China Sea could lead to various risks, including short- or long-term supply chain disruptions from Taiwan. Should we decide to exit or otherwise alter our presence in a particular market, this may have an adverse effect on us through, for example, disruption to our operations in the event we need to relocate significant parts of our operations, triggered investigations, tax audits by authorities, claims by contracting parties or reputational damage.

At Nokia, we make our sales in a transparent, regulated and compliant manner and in accordance with applicable laws and regulations. Notwithstanding our compliance measures, there exists a risk that the equipment we sell may subsequently be misused, relocated or resold without our knowledge or consent. The results and costs of investigations or claims against our international operations may be difficult to predict and could lead to lengthy disputes, fines or fees, indemnities or costly settlements.

The regulatory, trade controls and sanctions legal environment can be difficult to navigate for companies with global operations, impacting ability to grow or maintain business in specific markets or enter new markets. As a global operator, Nokia conducts business subject to export controls regulations and in countries subject to various sanctions and our business may be impacted by new, existing or tightened export control regulations, sanctions, embargoes or other forms of economic

and trade restrictions imposed on certain countries, regions and entities. Although we strive to conduct all operations of Nokia, and in particular any operations undertaken in countries targeted by sanctions, in accordance with our compliance program, we cannot ensure that breaches will not occur.

Export controls, tariffs or other fees or levies imposed on our products and environmental, health, product safety, data protection and security, consumer protection, money laundering and other regulations that adversely affect the export, import, technical design, pricing or costs of our products could adversely affect our sales and results of operations. Further, we rely on multilateral trade regimes to help ensure a balanced playing field. Conflicts between countries and geopolitical tensions may lead to implementation of multiple and possibly conflicting unilateral measures or uncertainties impacting trade of products and services and which may also affect our customers' ability or willingness to invest in capital expenditures and increase our costs or have adverse impacts on our operations and supply chain. For instance, we use products, components and sub-assemblies that are sourced from China, Mexico and Canada and are therefore subject to risks associated with international trade conflicts including between the U.S. and such countries, particularly with respect to export and import controls and laws, such as additional tariffs on foreign products implemented by the U.S. government. Increasing tariffs could impact raw material prices, the cost of component parts and transportation. Any of the foregoing could have an adverse effect on our business, prospects, financial condition and results of operations.

We have a significant presence in emerging markets in which the political, economic, legal and regulatory systems are less predictable than in countries with more developed institutions. These markets represent a significant portion of our total sales, and a significant portion of expected future industry growth. Most of our suppliers are located in, and our products are manufactured and assembled in, emerging markets, particularly in Asia. Our business and investments in these markets may be subject to risks and uncertainties, including unfavorable or unpredictable treatment in relation to tax matters, exchange controls, restrictions affecting our ability to make cross-border transfers of funds, regulatory proceedings, unsound or unethical business practices, challenges in protecting our IPR, information security, nationalization, inflation, currency

fluctuations or the absence of or unexpected changes in regulation, as well as other unforeseeable operational risks.

Our business and results of operations may be adversely affected by regulation favoring the local industry participants, as well as other measures with potentially protectionist objectives or outcomes that host governments in various countries may take, including the introduction of local technical standards that divert from the globally adopted standards. Governments and regulators, particularly after changes in political regimes, may make legal and regulatory changes, slow down or reverse the adoption of favorable policy measures, or interpret and apply existing laws in ways that make our products and services less appealing to customers or require us to incur substantial costs, change our business practices or prevent us from offering our products and services. In particular, there is a growing trend in many countries to require minimum local content in products and/or services, and we may be required to invest in certain movement of operations or joint ventures to retain market share. Restrictive government policies or actions or limitations on visas or work permits for certain foreign workers, may make it difficult for us to move our employees into and out of these jurisdictions. Our operations as well as employee recruitment and retention depend on our ability to obtain the necessary visas and work permits for our employees to travel and work in the jurisdictions in which we operate. The impact of changes in or uncertainties related to general regulation and trade policies could adversely affect our business and results of operations even in cases where the regulations do not directly apply to us or our products and services.

Changes in various existing regulations or in their application and emerging new regulation in areas such as security, privacy, artificial intelligence, digital economy and sustainability, including rolling back, variation and divergence of certain legislative acts, impacting current or new technologies, products or telecommunications and technology sectors in general, may adversely affect our operations and business results.

We develop our products based on existing regulations and technical standards. In the case of new technology, we must often rely on our predictions for and interpretation of unfinished technical standards and upcoming or draft regulations or, in certain cases, have products developed in the absence of applicable regulations and standards. Fragmentation of rules, lengthy legislative processes and unpredictability of regulatory changes present a particular challenge. Due in part to



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this fragmentation, we face a risk in the inability to meet regulatory or market expectations, such as on security and privacy in our products and services, and perceived or actual breaches of our information systems or customer information systems if fault is attributable to Nokia. The regulatory simplification effort launched in 2025 by the European Commission in the field of sustainability and the digital economy could fail to find the right balance between political ambitions and practical considerations, which might negatively affect Nokia due to volatility, lack of harmonization and conflicting regulatory requirements. From a spectrum policy perspective, unrealistic spectrum pricing, failure to enable access to additional spectrum in various bands and/or failure to achieve frequency band harmonization could also adversely impact Nokia's customers and Nokia itself.

New developments and changes in applicable non-personal data and privacy-related regulatory frameworks, such as the EU General Data Protection Regulation (GDPR), the EU Data Act and the recent adoption of EU AI Act, and similar regulations in other jurisdictions could have a significant impact on our business. This includes possible changes that increase operational costs, limit or restrict possibilities to offer products or services, or reduce or could be seen to reduce the data protection aspects of our offerings. For instance, data use rights and restrictions are increasingly country and customer specific requiring bespoke operational support and creating a risk of contractual or regulatory non-compliance. Due to geopolitical tensions, more customers are requiring extensive information about supply chain personnel for background checks, creating a risk of privacy law breach. Also, countries could require governmental interception capabilities or issue regulations aimed at allowing direct government access to data for the products and services we offer diminishing our privacy assurances and potentially limiting our ability to use components, products or software that we have developed or sourced from other companies. We may also be adversely affected if we decide to reduce our sales to such markets.

Our current business models and operations rely on certain centralized data processing solutions and cloud or remote delivery-based services for distribution of services and software or data storage, which have certain inherent risks, including those stemming from applicable regulatory regimes, including data protection or data localization, that may cause limitations in implementing such business models or conducting business.

An increase in the protectionist stances of governments around the world, which impact the free flow of data across borders, has already affected and may further affect our global service delivery model. Furthermore, we observe that enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations continue to increase. Unauthorized disclosure, transfer or loss of sensitive or confidential data, whether through systems failure, employee negligence, fraud or misappropriation, by us, our vendors or other parties with whom we do business (if they fail to meet the standards we impose) could subject us to significant litigation, monetary damages, regulatory enforcement actions, fines and criminal prosecution in one or more jurisdictions. In addition, our involvement in defense related projects results in the applicability of defense industry regulations.

In addition to the existing data protection regulations, we recognize the increasing importance of security regulations that impact various aspects of our operations. These regulations are not limited to data protection but also encompass network security, product compliance, and associated costs. Current and future regulatory moves in various jurisdictions highlight the need for compliance with security standards that affect our product lines and operational decisions. These regulations may lead to increased costs and complexities due to the lack of harmonization across different jurisdictions. While these regulations may not directly impact us at present, they have indirect effects on our business operations and strategic planning.

Artificial intelligence has the potential to revolutionize our operations by providing valuable tools that augment our capabilities and enable the delivery of higher-performing products and services. By leveraging AI, we can efficiently and reliably process large volumes of data, automate tasks that are too complex or time-consuming to perform manually, and unlock new insights that inform our decision making. While AI adoption offers numerous benefits, it also presents several risks and challenges. One of the main risks is the potential for non-responsible use of AI, which could lead to non-compliance with relevant regulations, such as the new EU AI Act, loss of sensitive data or intellectual property, or inadvertent infringement of third-party rights. Additionally, careless use of AI or poor governance of underlying data can lead to accidental use of personal or sensitive data, misuse of proprietary or confidential inputs, errors in work product and create new vulnerabilities in our systems, which could be exploited by

malicious actors, leading to data breaches or other security incidents. Another risk associated with AI is the potential for bias in AI decision making. AI systems can perpetuate existing biases and discriminatory practices, which could lead to unfair treatment of customers or employees. Furthermore, the regulatory landscape around artificial intelligence is evolving and there is a risk that regulation outside the EU may be less robust and more permissive, which could reduce our innovative agility and competitiveness. Governments that are seeking national control of AI and digital systems are causing fragmented operations and reducing global scale.

Despite the perceived simplification and de-prioritization of sustainability by the EU and the U.S. governing authorities, we are still seeing an increase in climate and other sustainability-related regulations and customer requirements globally and an increase in related litigation by affected stakeholders. Even with simplification of regulatory requirements, expectations for Nokia as a large multinational remain high and are increasingly tied to financing and operating permissions. For instance, In the EU the December 2025 Omnibus deal simplifies the Corporate Sustainability Due Diligence Directive and the Corporate Sustainability Due Diligence Directive by raising applicability thresholds but does not remove obligations for large companies like Nokia maintaining the due diligence expectations across global value chains.

The adoption of the ISSB issued sustainability reporting standards by a large number of jurisdictions around the world is resulting in a patchwork of different national reporting requirements in several jurisdictions relevant to Nokia. The regulatory environment around sustainability remains highly volatile and the uncertainty is only increasing given the divergent views of the U.S. (including between the states inside the U.S.) and the EU. Irrespective of that, Nokia is required to fulfill its legal obligations in the countries where it does business, with sustainability reporting being still a major compliance focus. Changes to existing regulation related to sustainable finance, such as the EU Taxonomy Regulation and its delegated acts, the California Corporate Data Accountability Act, the Climate Related Financial Risk Act and the Australian mandatory climate risk reporting laws will lead to increased reporting obligations, controls and documentation requirements.

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We operate in many jurisdictions around the world, and we are subject to various legal frameworks addressing corruption, fraud, competition, privacy, security, trade policies, environment, human rights, supply chains and other risk areas. At any given time, we may be subject to inspections, investigations, claims, and government proceedings, and the extent and outcome of such proceedings may be difficult to estimate with any certainty. We may be subject to material fines, penalties and other sanctions as a result of such investigations.

Bribery and anti-corruption laws in effect in many countries prohibit companies and their intermediaries from making improper payments to public officials or private individuals for the purpose of obtaining new business, maintaining existing business relationships or gaining any business advantage. Certain anti-corruption laws such as the United States Foreign Corrupt Practices Act (FCPA) also require the maintenance of proper books and records, and the implementation of controls and procedures in order to ensure that a company's operations do not involve corrupt payments. Since we operate throughout the world and given that some of our customers are government-owned entities and that our projects and agreements often require approvals from public officials, there is a risk that our employees, suppliers or commercial third-party representatives may take actions that are in violation of our compliance policies and of applicable anti-corruption laws.

In many parts of the world where we operate, local practices and customs may be inconsistent with our policies, including the Nokia Code of Conduct, and could violate anti-corruption laws, including the FCPA and the UK Bribery Act 2010, and applicable European Union regulations, as well as applicable economic sanctions, embargoes and applicable competition and privacy laws. Our employees, or other parties acting on our behalf, could violate policies and procedures intended to promote compliance with anti-corruption laws, economic sanctions, competition or privacy laws or other applicable regulations. Violations of these laws by our employees or other parties acting on our behalf, regardless of whether we had participated in such acts or had knowledge of such acts, could result in us or our employees becoming subject to criminal or civil enforcement actions, including fines or penalties, disgorgement of profits and suspension or disqualification of sales. Additionally, violations of law or allegations of violations, such as against human rights, may result in reputational harm and loss of business and adversely affect our brand and reputation. Detecting, investigating and resolving such situations may also

result in significant costs, including the need to engage external advisers, and consume significant time, attention and resources from our management and other key employees. The results and costs of such investigations or claims may be difficult to predict and could lead to, for instance, lengthy disputes, fines, fees or indemnities, costly settlement or the deterioration of the Nokia brand. Furthermore, even without allegations of misconduct against us, our employees or other parties acting on our behalf, we may face loss of business as a result of improper conduct or alleged improper conduct by our competitors.

As part of mergers and acquisitions, we may be subject to claims, fines, investigations or assessments for conduct that we failed to or were unable to discover or identify in the course of performing our due diligence, including unknown or unasserted liabilities and issues relating to fraud, trade compliance, non-compliance with applicable laws and regulations, improper accounting policies or other improper activities.

We are subject to litigation proceedings, which may be disruptive and expensive. In addition, an unfavorable outcome of litigation, arbitration, agreement-related disputes or product liability-related allegations against our business could have a material adverse effect on us.

We are a party to lawsuits, arbitration proceedings, agreement-related disputes and product liability-related allegations in the normal course of our business. Litigation, arbitration or agreement-related disputes can be expensive, lengthy and disruptive to normal business operations and divert the efforts of our management. Moreover, the outcomes of complex legal proceedings or agreement-related disputes are difficult to predict. An unfavorable resolution of a particular lawsuit, arbitration proceeding or agreement-related dispute could have a material adverse effect on us.

Although our products are designed to meet all relevant safety standards and other recommendations and regulatory requirements globally, we cannot guarantee we will not become subject to product liability claims or be held liable for such claims, which could have a material adverse effect on us. Even a perceived risk of adverse health effects connected to our products could have a material adverse effect on us, for instance, through a reduction in the demand for mobile networks or increased difficulty in obtaining sites for base stations.

We record provisions for pending claims when we determine that an unfavorable outcome is likely and the loss can

reasonably be estimated. Although we believe our provisions for pending claims are appropriate, due to the inherent uncertain nature of legal proceedings, the ultimate outcome or actual cost of settlement may materially differ from estimates.

For a more detailed discussion of litigation to which we are a party, refer to Note 6.1. Commitments, contingencies and legal proceedings, in our consolidated financial statements.

Our governance, internal controls and compliance processes could fail to detect errors or wrongdoings and to prevent regulatory penalties at corporate level, in operating subsidiaries and joint ventures.

Nokia is a publicly listed company and, as such, subject to various securities, reporting and accounting rules and regulations. For instance, we must monitor and assess our internal control over financial and sustainability reporting and the compliance of those with the applicable rules and regulations. Furthermore, the maturity of our internal control over sustainability reporting is still to reach the maturity level of internal control over financial reporting. A failure of our corporate functions, our business groups, our operating subsidiaries or our joint ventures to maintain effective internal control over financial and sustainability reporting, or to comply with the applicable securities, reporting and accounting rules and regulations, could adversely affect the accuracy and timeliness of our financial reporting, which could result, for instance, in loss of confidence in us or in the accuracy and completeness of our financial reports and the Sustainability Statement, or otherwise in the imposition of fines or other regulatory measures, which could have a material adverse effect on us.

Integrity and high ethical standards are an essential part of our culture. However, despite our Group-wide compliance measures, including ethical business trainings and other actions (including towards our suppliers and other parties with which we conduct business), we may not be able to prevent breaches of law or governance standards within our business, subsidiaries, joint ventures or in our supply chain. If we fail to or are unable to comply with applicable law and regulations, we could experience penalties and adverse rulings in enforcement and other proceedings.

We are involved in joint ventures and other affiliated companies with their own governance and system infrastructure and are exposed to risks inherent to companies under joint management or not having direct management control.

We have a number of joint ventures, including those where Nokia is the minority partner, and other affiliated companies with their own

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governance and system infrastructure where Nokia does not have direct management control. The agreements related to our joint ventures may require unanimous consent or the affirmative vote of a qualified majority of the shareholders to take certain actions, thereby possibly slowing down the decision-making process or impairing our ability to implement our key policies and practices, such as our compliance processes and culture, in a comprehensive or timely manner. In addition, joint venture companies and other affiliated companies having their own governance and system infrastructure, such as our local service companies focusing on networks field services, involve inherent risks such as those associated with a complex corporate governance structure, lack of transparency or uniform controls and procedures and consequent risks of compliance breaches or other similar issues, or issues in dissolving such entities or divesting their shareholdings, assets and liabilities, and may also involve negative public perceptions caused by the joint venture partner that are adverse to us.

Financial and tax-related uncertainties

We have operations in many countries with different tax laws and rules, which may result in complex tax issues and disputes.

Taxation or other fees collected by governments or governmental agencies may result in unexpected payment obligations, and in response to prevailing difficult economic conditions in the public sector, coupled with already enacted and proposed fundamental changes in international tax regulations, there may be an increased aggressiveness in collecting such fees or taxes. We may be obliged to pay additional taxes for past periods as a result of changes in law, or changes of tax authority practice or interpretation (possibly with retroactive effect in certain cases), or inaccurate interpretations of tax laws by us resulting potentially in a material adverse effect on our cash flow and financial position. In particular, potential changes in reallocation of taxing rights and other fundamental international tax principles, the OECD Pillar project and digital business-related initiatives, our wide geographical footprint of operations and activities and changes in tax laws or global laws regarding transfer pricing could adversely impact our business, operating results and overall tax burden. There may also be unforeseen tax expenses that turn out to have an unfavorable impact on us, adverse tax consequences related to past acquisitions and divestments, and potential tax liabilities that we are currently not aware of. As a result, and given the inherently unpredictable nature of

taxation, our tax rate may change from its current level and our cash flows regarding taxes may not be stable.

As a company with global operations, we are subject to tax investigations in various jurisdictions, and such proceedings can be lengthy, involve actions that can hinder local operations and affect unrelated parts of our business, and the outcome of such proceedings is difficult to predict. While we have made provisions for certain tax issues, the provisions we have made may not be adequate to cover such increases.

In the context of our sale of the Devices & Services business to Microsoft, we are required to indemnify Microsoft for certain tax liabilities, including (i) tax liabilities of the Nokia entities acquired by Microsoft in connection with the closing of the sale of the Devices & Services business; (ii) tax liabilities associated with the assets acquired by Microsoft and attributable to tax periods ending on or prior to the closing date of the sale of the Devices & Services business; and (iii) tax liabilities relating to the pre-closing portion of any taxable period that includes the closing date of the sale of the Devices & Services business.

Our actual or anticipated performance, among other factors, could reduce our ability to utilize our tax attributes and deferred tax assets.

Deferred tax assets recognized on tax losses, unused tax credits and tax-deductible temporary differences are dependent on our ability to offset such items against future taxable income within the relevant tax jurisdiction. Such deferred tax assets are also based on our assumptions on future taxable earnings, and these may not be realized as expected which may cause the deferred tax assets to be materially reduced. Any such reduction could have a material effect on us. As an example, Nokia derecognized EUR 2.9 billion deferred tax assets related to Finland in 2020 and re-recognized EUR 2.5 billion of deferred tax assets related to Finland in 2022. Additionally, our earnings have been unfavorably affected in the past, and may continue to be in the future, in the event that no tax benefits are recognized for certain deferred tax items.

We may not have access to sources of funding on favorable terms, or at all.

In periods when the capital and credit markets experience significant volatility, the amounts, sources and cost of capital available to us may be adversely affected. Deteriorating economic conditions or financial uncertainty in any of the

markets in which we sell our products could reduce business confidence and adversely impact spending patterns, and thereby could adversely affect the amounts, sources and cost of capital available to us. Our business requires a significant amount of cash as we continue to invest in our R&D and other future capabilities. We rely on multiple sources of funding for short-term and long-term capital and aim to minimize the liquidity risk by maintaining a sufficient cash position and having committed credit lines in place. However, if economic conditions deteriorate or the credit market tightens, there can be no assurances that we will be able to generate sufficient amounts of capital or to maintain an efficient capital structure from time to time.

We also may not be able to have access to additional sources of funds that we may need from time to time with reasonable terms, or at all. If we cannot access capital or sell receivables on a commercially viable basis, our business, financial condition and cash flow could materially suffer.

We may not be able to maintain our investment grade credit ratings

Credit rating agencies, such as Moody's, S&P Global Ratings and Fitch have assigned credit ratings to us. Our goal is to maintain our investment grade credit ratings. However, there can be no assurances that we will be able to maintain our current investment grade credit ratings.

In the event our credit rating is downgraded, it could have a material adverse effect, for instance, on our cost of funds and related margins, our business and results of operations, financial condition, liquidity, or access to capital markets.

Due to our global operations, our net sales, costs and results of operations, as well as the US dollar value of our dividends and market price of our ADSs, are affected by exchange rate fluctuations.

We operate globally and are therefore exposed to foreign exchange risks in the form of both transaction risks and translation risks. Our policy is to monitor and hedge foreign exchange rate exposures within defined exposure identification horizons. We manage our operations to mitigate, but not to eliminate, the impacts of exchange rate fluctuations and our hedging activities may prove unsuccessful in mitigating the potentially negative impact of exchange rate fluctuations. Additionally, significant volatility in the relevant exchange rates and interest rates may increase our hedging costs, as well as limit our ability to hedge our exchange rate exposures including, in particular certain emerging market

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currencies. Furthermore, exchange rate fluctuations may have an adverse effect on our net sales, costs and results of operations, as well as our competitive position, through their impact on our customers, suppliers and competitors.

We also experience other financial market-related risks, including changes in interest rates and in prices of marketable securities that we own. We may use derivative financial instruments to reduce certain of these risks. If our strategies to reduce such risks are not successful, our financial condition and results of operations may be harmed.

Additionally, exchange rate fluctuations may materially affect the US dollar value of any dividends or other distributions that are paid in euro, as well as the market price of our ADSs.

Our pension and other post-employment benefit obligations are subject to numerous factors that could result in a need for increased funding, adversely affecting our results of operations and cash flow.

We are exposed to various employee cost-related risks, including those related to pension, and other post-employment benefits (OPEB). In the US, we maintain significant employee pension benefit plans and a significant retiree welfare benefit plan (providing post-employment healthcare benefits and post-employment life insurance coverage). Outside the US, we contribute to pension schemes for large numbers of current and former employees. The US and non-US plans and schemes have funding requirements that depend on, among other things, various legal requirements, how assets set aside to pay for those obligations are invested, the performance of financial markets, interest rates, assumptions regarding the life expectancy of covered employees and retirees, and medical cost inflation and medical care utilization. To the extent that any of those variables change, the funding required for those plans and schemes may increase, adversely affecting our results of operations and cash flow.

The most significantly underfunded plans are in Germany which do not currently have minimum regulatory funding requirements. With respect to other significantly underfunded plans, there are the OPEB plans in the US where Nokia is able to fund the liabilities by utilizing IRC Section 420 transfers from the US pension surplus up until 2032. More details about these plans can be found in Note 3.4. Pensions and other post-employment benefits in our consolidated financial statements.

The carrying amount of our goodwill may not be recoverable.

We assess the carrying amount of goodwill annually, or more frequently if events or changes in circumstances indicate that such carrying amount may not be recoverable. We assess the carrying amount of other identifiable assets if events or changes in circumstances indicate that their carrying amounts may not be recoverable, for instance, if we would not generate revenues from our businesses as anticipated, or if our businesses would not generate sufficient positive operating cash flows. These, or other factors, may lead to a decrease in the value of our assets, including intangible assets and the goodwill attributed to our businesses, resulting in impairment charges that may adversely affect our net profit for the year. While we believe the estimated recoverable values are reasonable, actual performance in the short- and long-term and our assumptions on which we base our calculations could materially differ from our forecasts, which could impact future estimates of our businesses' recoverable values, and may result in impairment charges.

Risks associated with ownership of our shares

The amount of dividend and/or repayment of capital and other profit distributions such as share buybacks to shareholders for each financial period is uncertain.

As announced on 29 January 2026, our Board proposes that the Annual General Meeting 2026 authorizes the Board to resolve on the distribution of an aggregate maximum of EUR 0.14 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity in respect of financial year 2025.

Our Annual General Meeting 2025, held on 29 April 2025, authorized the Board to resolve on the distribution of an aggregate maximum of EUR 0.14 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity in respect of the financial year 2024.

Furthermore, in November 2024, the Board initiated a share buyback program under the authorization granted by the Annual General Meeting 2024 to offset the dilutive effect of the Infinera acquisition. The program targeted to repurchase 150 million shares for an aggregate purchase price not exceeding EUR 900 million. The repurchases commenced in November 2024 and the program was completed in April 2025 reducing the company's unrestricted equity by approximately EUR 703 million.

We cannot assure that we will distribute dividends and/or capital repayments on the shares issued by us, nor is there any assurance as to the amount of any dividend and/or repayment of capital we may pay, including but not limited to situations where we make commitments to increase our dividends. Neither can we guarantee that we finalize the announced share buyback program. The payment and the amount of any dividend and/or repayment of capital as well as additional share buyback programs is subject to the discretion of the general meeting of our shareholders and our Board, and will depend on available cash balances, expected cash flow generation, anticipated cash needs, retained earnings, the results of our operations and our financial condition and terms of outstanding indebtedness, as well as other relevant factors such as restrictions, prohibitions or limitations imposed by applicable laws. Further, even if any conditions or factors covering the issuance or distribution of dividends are met, the Board or the shareholders have in the past decided, and may going forward decide, not to issue or distribute dividends or initiate additional buyback programs.

Our share and/or ADS price may be volatile and subject to fluctuations.

Our share and/or ADS price may be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. In addition to the factors described in this "Risk Factors" section, other factors that could cause fluctuations in our share price include, among others, high volatility in the securities markets generally and volatility in telecommunications and technology companies' securities in particular, trading volumes, speculation in the media or retail or institutional investment communities regarding the Company and our prospects, future developments in our industry and competitors, our financial results and the expectations of financial analysts, as well as the timing or content of any public communications, including reports of operating results, by us or our competitors. Further, factors in the public trading market for our stock may produce price movements that may or may not comport with macro, industry or company-specific fundamentals, including, without limitation, the sentiment of retail investors (including as may be expressed on financial trading and other social media sites and online forums), the direct access by retail investors to broadly available trading platforms, the amount and status of short interest in our securities, access to margin debt, trading in options and other derivatives on our common stock and any related hedging and other trading factors.

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The capital markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. In addition, in the past, following periods of volatility in the market price of a company's securities, stockholders often institute securities class action litigation against that company. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on our cash flows, our ability to execute our business strategy and our ability to make distributions to our stockholders.

Requirement for non-Finnish shareholders to provide detailed information to obtain advantageous withholding tax treatment for dividends.

As described in more detail under "General facts on Nokia-Taxation", non-Finnish shareholders are required to provide certain information in order to benefit from the reduced dividend withholding tax rates set out in the applicable tax treaties. Furthermore, custodians are required to fulfill certain strict requirements, take over certain responsibilities and assume liability for incorrectly applied withholding tax, or a higher withholding tax rate will apply. Such requirements will likely impose an additional administrative burden on shareholders or result in the higher withholding rate becoming applicable for non-Finnish shareholders.



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Nokia to operate with two primary operating segments

Nokia announced on 19 November 2025, together with its new strategy, that it will reorganize its business into two primary operating segments to better align to customer needs and accelerate innovation as the AI supercycle increases demand for advanced connectivity. This reorganization took effect as of 1 January 2026.

The reorganization recognizes Network Infrastructure as a growth segment, positioned to capitalize on the rapid, global AI and data center build-out while continuing to innovate for its telecommunications customer base. The segment consists of three business units Optical Networks, IP Networks and Fixed Networks and is led by David Heard.

The new Mobile Infrastructure segment brings together Nokia's Core Networks portfolio, Radio Networks portfolio and Technology Standards (formerly Nokia Technologies). It is positioned for core and radio network technology and services leadership to lead the industry to AI-native networks and 6G. The new segment brings together a portfolio whose value creation is founded on mobile communication technologies based on 3GPP standards with a strong cash flow position underpinned by IP licensing. It is led by Justin Hotard on an interim basis and consists of three business units Core Software, Radio Networks and Technology Standards.

In addition, as part of its strategy work, Nokia identified several units which are not seen as core to the future of the company's strategy. These units were moved into a dedicated operating segment called Portfolio Businesses while the company assesses the best value creating opportunity for them. The units moved were:

- Fixed Wireless Access CPE (previously in Fixed Networks in Network Infrastructure)
- Site Implementation and Outside Plant (previously in Fixed Networks in Network Infrastructure)
- Enterprise Campus Edge (previously in Cloud and Network Services)
- Microwave Radio (previously in Mobile Networks)



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American Depositary Shares

Fees and charges

ADS holders may have to pay the following service fees to the Depository:

Service	Fees, USD
Issuance of ADSs	Up to 5 cents per ADS ⁽¹⁾
Cancellation of ADSs	Up to 5 cents per ADS ⁽¹⁾
Distribution of cash dividends or other cash distributions	Up to 2 cents per ADS
Distribution of ADSs pursuant to (i) stock dividends, free stock distributions or (ii) exercises of rights to purchase additional ADSs	Up to 5 cents per ADS
Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to 5 cents per ADS ⁽¹⁾
ADS transfer fee	1.50 cents per transfer ⁽¹⁾

(1) These fees are typically paid to the Depository by the brokers on behalf of their clients receiving the newly issued ADSs from the Depository and by the brokers on behalf of their clients delivering the ADSs to the Depository for cancellation. The brokers in turn charge these transaction fees to their clients.

Additionally, ADS holders are responsible for certain fees and expenses incurred by the Depository on their behalf and certain governmental charges such as taxes and registration fees, transmission and delivery expenses, conversion of foreign currency and fees relating to compliance with exchange control regulations. The fees and charges may vary over time.

In the event of refusal to pay the depository fees, the Depository may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depository fees from any distribution to be made to the ADS holder.

Payments

In 2025, our Depository made the following payments on our behalf in relation to our ADS program:

Category	Payment, USD
Settlement infrastructure fees (including the Depository Trust Company fees)	1 091 650.64
Proxy process expenses (including printing, postage and distribution)	1 411 882.51
Legal fees	159 427.50
NYSE listing fees	500 000.00
Investor relations expenses	569 933.72
Total	3 732 894.37

Additionally for 2025, our Depository reimbursed us USD 11 500 000 mainly related to contributions towards our investor relations activities, including investor meetings and conferences and fees of investor relations service vendors, and other miscellaneous expenses related to the listing of our ADSs in the United States.

Controls and procedures

Our management, with the participation of our President and CEO and our Chief Financial Officer, conducted an evaluation pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), of the effectiveness of our disclosure controls and procedures at 31 December 2025. Based on such evaluation, our President and CEO and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective.

Disclosure controls and procedures mean controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and that such information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our President and CEO and our Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

Management's annual report on internal control over financial reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for Nokia. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of published financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management evaluated the effectiveness of our internal control over financial reporting using the criteria described in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management has assessed the effectiveness of Nokia's internal control over financial reporting at 31 December 2025 and concluded that such internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting at 31 December 2025 has been audited by Deloitte Oy, an independent registered public accounting firm. Refer to section "Reports of independent registered public accounting firm".



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Changes in internal control over financial reporting

There have been no changes in our internal control over financial reporting during 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Attestation report of the registered public accounting firm

Refer to section [‘Reports of independent registered public accounting firm’](#).

Exchange controls

There are currently no Finnish laws that may affect the import or export of capital, or the remittance of dividends, interest or other payments.

Government regulation

Nokia and its businesses are subject to direct and indirect regulation in each of the countries in which we and our customers do business. As a result, changes in or uncertainties related to various types of regulations applicable to current or new technologies, intellectual property, products, services, company operations and business environment (e.g., labor laws, taxation) could affect our business adversely. Moreover, the implementation of technological or legal requirements could impact our products and services, technology and patent licensing activities, manufacturing and distribution processes, and could affect the timing of product and services introductions and the cost of our production, products and services, as well as their commercial success. Also, our business is subject to the impacts of changes in economic and trade policies. Export control, tariffs or other fees or levies imposed on our products and services and environmental, product safety and security and other regulations that adversely affect the export, import, pricing or costs of our products and services, as well as export prohibitions (sanctions) enacted by the EU, the United States or other countries or regions could adversely affect our net sales and results of operations. Further, potential governmental intervention in supply chain (e.g., prohibiting imports from certain geographies or imposing certain criteria on selection of suppliers) may impact Nokia’s operations.

For example, depending on the geography, our products and services are subject to a wide range of government regulations that might have a direct impact on our business, including, but not limited

to, regulation related to product certification, standards, spectrum management, provision of telecommunications services, privacy and data protection, competition and sustainability. The EU-level or local member state regulation has a direct impact on many areas of our business, markets and customers within the EU. The European regulation influences, for example, conditions for innovation for telecommunications infrastructure and internet and related services, as well as technology and patent licensing, investment in fixed and wireless broadband communication infrastructure and operation of global data flows. Additionally, with respect to certain developing market countries, the business environment we operate in can be affected by localization requirements.

We proactively exchange views and address the impact of any planned changes to the regulatory environment on our business activities with state agencies, regulators and other decision-makers either through our government relations representatives in various geographies and through our experts, or indirectly through memberships in industry associations.

Sales in United States-sanctioned countries

General

We are a global company and have sales in most countries of the world. Nokia is committed to the highest standards of ethical conduct, and adheres to all applicable national and international trade-related laws. As a leading international telecommunications company with global operations, Nokia has a presence also in countries subject to international sanctions. All operations of Nokia, and in particular any operations undertaken in countries targeted by sanctions, are conducted in accordance with our comprehensive and robust internal compliance program to ensure that they are in full compliance with all applicable laws and regulations. In addition, we continuously monitor international developments and assess the appropriateness of our presence and business in these, and all, markets. Nevertheless, business in these markets is marked by complexity and uncertainty.

We cannot exclude the possibility that third parties may unlawfully divert our products to these countries from other countries in which we sell them, or that, for services distributed through the internet, third parties could have accessed them in markets or countries for which they are not intended by circumventing the industry standard protective mechanisms,

such as IP address blocks, despite our efforts in implementing measures to prevent such actions.

Disclosure pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012

We operate in Iran in compliance with applicable economic sanctions and other trade-related laws. We ceased providing telecommunications equipment and services to any of our former customers including but not limited to network operator customers and internet service providers. We never delivered equipment and services to Iran for military purposes, or for the purpose of limiting political discourse, blocking legitimate forms of free speech or conducting surveillance of individuals.

In connection with the activities relating to Iran, we have a local office in Iran that employed one employee at the end of 2025 through a branch of a Finnish subsidiary. Nokia is the controlling shareholder in Pishahang Communications Network Development Company (Pishahang). The other minority shareholder in Pishahang is Information Technology Application Development TACFAM Company (Tacfam).

We continue to maintain routine contacts with governmental agencies in Iran as required, for example, to maintain a legal presence and office facilities in Iran, pay taxes and employ an Iranian national.

In 2025, we had no sale activity in Iran.

Although it is difficult to evaluate with any reasonable degree of certainty, we have concluded that we cannot exclude the possibility that Tacfam is owned or controlled, directly or indirectly, by the government of Iran. None of our activities involve US affiliates of Nokia, or any persons from the United States.

Nokia does not normally allocate net profit on a country-by-country or activity-by-activity basis, other than as set forth in Nokia’s consolidated financial statements prepared in accordance with IFRS. Therefore, for this exercise in the past, Nokia reflected its sales margin in lieu of the net profit/loss. In 2025, we recognized no sales or sales margin from any customer.

Although we evaluate our business activities on an ongoing basis, we intend to continue not accepting any new business in Iran in 2026.



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The statements of the United States and Finnish tax laws set out below are based on the laws in force as of the date of this report and may be subject to any changes in US or Finnish law, and in any double taxation convention or treaty between the United States and Finland, occurring after that date, possibly with retroactive effect.

For purposes of this discussion, “US Holders” are beneficial owners of ADSs that: (i) hold the ADSs as capital assets; (ii) are citizens or residents of the United States, corporations created in or organized under US law, estates whose income is subject to US federal income tax, or trusts that elect to be treated as a US person or are both subject to the primary supervision of a US court and controlled by a US person; and (iii) in each case, are considered residents of the United States for purposes of the current income tax convention between the United States and Finland, referred to as the “Treaty”, and the limitation on benefits provisions therein. Special rules apply to US Holders that are also residents of Finland and to citizens or residents of the United States that do not maintain a substantial presence, permanent home or habitual abode in the United States. For purposes of this discussion, it is assumed that the Depositary and its custodian will perform all actions as required by the deposit agreement with the Depositary and other related agreements between the Depositary and Nokia.

If a partnership holds ADSs (including for this purpose any entity or arrangement treated as a partnership for US federal income tax purposes), the tax treatment of a partner will depend upon the status of the partner and activities of the partnership. If a US Holder is a partnership or a partner in a partnership that holds ADSs, the holder is urged to consult its own tax adviser regarding the specific tax consequences of owning and disposing of its ADSs.

Because this summary is not exhaustive of all possible tax considerations – such as situations involving financial institutions, banks, tax-exempt entities, pension funds, US expatriates, real estate investment trusts, persons that are dealers in securities, persons who own (directly, indirectly or by attribution) 10% or more of the share capital or voting stock of Nokia, persons who acquired their ADSs pursuant to the exercise of employee stock options or otherwise as

compensation, or US Holders whose functional currency is not the US dollar, who may be subject to special rules that are not discussed herein – holders of shares or ADSs that are US Holders are advised to satisfy themselves as to the overall US federal, state and local tax consequences, as well as to the overall Finnish and other applicable non-US tax consequences, of their ownership of ADSs and the underlying shares by consulting their own tax advisers. This summary does not discuss the treatment of ADSs that are held in connection with a permanent establishment or fixed base in Finland, and it does not address the US Medicare tax on certain investment income.

For the purposes of both the Treaty and the US Internal Revenue Code of 1986, as amended, referred to as the “Code”, US Holders of ADSs will be treated as the owners of the underlying shares that are represented by those ADSs. Accordingly, the following discussion, except where otherwise expressly noted, applies equally to US Holders of ADSs, on the one hand, and to shares on the other.

The holders of ADSs will, for Finnish tax purposes, be treated as the owners of the shares that are represented by the ADSs. The Finnish tax consequences for the holders of shares, as discussed below, also apply to the holders of ADSs.

US taxation of cash dividends

For US federal income tax purposes, the gross amount of dividends paid to US Holders of shares or ADSs out of our current or accumulated earnings and profits, including any related Finnish withholding tax, generally will be included in gross income as foreign source dividend income. We do not expect to maintain calculations of our earnings and profits under US federal income tax principles; therefore, US Holders should expect that the entire amount of any distribution generally will be reported as dividend income. Dividends will not be eligible for the dividends received deduction allowed to corporations under the Code. The amount includible in income (including any Finnish withholding tax) will equal the US dollar value of the payment, determined at the time such payment is received by the Depositary (in the case of ADSs) or by the US Holder (in the case of shares), regardless of whether the payment is in fact converted into US dollars. Generally, any gain or loss resulting from currency exchange rate fluctuations during the period between the time such payment is received and the date the dividend payment is converted into US dollars will be treated as US source ordinary income or loss to a US Holder.

Special rules govern and specific elections are available to accrual method taxpayers to determine the US dollar amount includible in income in the case of a dividend paid (and taxes withheld) in foreign currency. Accrual basis taxpayers are urged to consult their own tax advisers regarding the requirements and elections applicable in this regard.

Dividends received generally will constitute foreign source “passive category income” for foreign tax credit purposes. Subject to certain limitations, Finnish taxes withheld may be eligible for credit (not in excess of the applicable Treaty rate) against a US Holder’s US federal income tax liability. Additionally, if Nokia makes a distribution from its reserve for invested unrestricted equity when it does not have current or accumulated earnings and profits, a US Holder may not be able to claim such credit.

In lieu of a credit, a US Holder may elect to claim a deduction in respect of its Finnish income taxes provided the deduction is claimed for all of the foreign taxes paid by the US Holder in that particular taxable year. A deduction does not reduce US tax on a dollar-for-dollar basis like a tax credit. The deduction, however, is not subject to the limitations applicable to foreign tax credits.

Provided that certain holding period and other requirements are met, individuals and certain other non-corporate US Holders are eligible for reduced rates of US federal income tax at a maximum rate of 20% in respect of “qualified dividend income”. Dividends that Nokia pays with respect to its shares and ADSs generally will be qualified dividend income if certain holding periods are met and Nokia was neither a passive foreign investment company (PFIC) in the taxable year prior to the year in which the dividend was paid nor in the taxable year in which the dividend is paid. Nokia currently believes that dividends it pays with respect to its shares and ADSs will constitute qualified dividend income for US federal income tax purposes; however, this is a factual matter and is subject to change. Nokia anticipates that its dividends will be reported as qualified dividends on Forms 1099-DIV delivered to US Holders. US Holders of shares or ADSs are urged to consult their own tax advisers regarding the availability to them of the reduced dividend tax rate in light of their own particular situation and the computations of their foreign tax credit limitation with respect to any qualified dividends paid to them, as applicable.



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We believe we should not be classified as a PFIC for US federal income tax purposes for the taxable year ended 31 December 2024 and we do not expect to become a PFIC in the foreseeable future. US Holders are advised, however, that this conclusion is a factual determination that must be made annually and thus may be subject to change. If we were to be classified as a PFIC, the tax on distributions on our shares or ADSs and on any gains realized upon the disposition of our shares or ADSs generally would be less favorable than as described herein. Dividends paid by a PFIC are not “qualified dividend income” and are not eligible for reduced rates of taxation. Additionally, US persons who are shareholders in a PFIC generally will be required to file an annual report disclosing the ownership of such shares and certain other information. US Holders should consult their own tax advisers regarding the application of the PFIC rules, including the related reporting requirements, to their ownership of our shares or ADSs.

Finnish withholding taxes on cash dividends

Under the Finnish Income Tax Act and Act on Taxation of Non-residents’ Income, non-residents of Finland are generally subject to a withholding tax at a rate of 30% on dividends paid by a Finnish resident company. Further, under the Finnish Prepayment Act, 50% preliminary tax must be withheld on dividends paid in certain situations. However, pursuant to the Treaty, dividends paid to US Holders are generally subject to Finnish withholding tax at reduced rates. Under the Finnish Income Tax Act and tax court practice, the distribution of funds from reserves for invested unrestricted equity by a listed company such as Nokia is taxed as a distribution of a dividend.

As of 1 January 2021, nominee-registered shares are generally subject to a withholding tax at a rate of 35% on dividends paid by Nokia. This withholding tax regime is based on OECD’s TRACE (Treaty Relief and Compliance Enhancement) model. Under the rules, the 35% withholding tax will generally be applied on dividend distributions on nominee-registered shares by listed companies such as Nokia, unless custodians fulfill certain strict requirements and are willing to take over certain responsibilities (e.g., registration with the Finnish Tax Administration (so-called authorized intermediary), identification of the beneficial owner of the dividend and collecting and submitting detailed recipient information to the Finnish Tax Administration using specific filing procedures). Furthermore, application of reduced withholding tax rates at source require that the custodian and

dividend distributor are willing to assume liability of incorrectly applied withholding tax. If the custodian only registers with the Finnish Tax Administration and submits (or undertakes to submit) the detailed recipient details to the Finnish Tax Administration, the 30% withholding tax rate can be applied, instead of 35%.

Any tax withheld in excess can be reclaimed after the calendar year of the dividend payment by submitting a refund application to the Finnish Tax Administration no later than by the end of the third calendar year following the dividend payment year. During the year of dividend payment, the refund can be processed if custodians and dividend distributor fulfill the above-mentioned requirements laid down for actual dividend distribution.

It is exceptionally also possible that any tax not withheld at source is later assessed directly to the shareholder by the Finnish Tax Administration, in cases where the failure to withhold tax at source is not due to negligence of the custodian or the dividend distributor.

Holders of shares or ADSs are urged to consult their own custodian regarding the availability of reduced withholding tax rates in light of their own particular situation and approach their custodian in terms of their responsibilities, as well as consult their own tax advisers regarding the availability to them of the tax credit from dividend withholding tax.

US and Finnish tax on sale or other disposition

A US Holder generally will recognize taxable capital gain or loss on the sale or other disposition of ADSs in an amount equal to the difference between the US dollar value of the amount realized and the adjusted tax basis (determined in US dollars) in the ADSs. If the ADSs are held as a capital asset, this gain or loss generally will be long-term capital gain or loss if, at the time of the sale, the ADSs have been held for more than one year. Any capital gain or loss, for foreign tax credit purposes, generally will constitute US source gain or loss. In the case of a US Holder that is an individual, long-term capital gain generally is subject to US federal income tax at preferential rates. The deductibility of capital losses is subject to significant limitations.

The deposit or withdrawal by a US Holder of shares in exchange for ADSs or of ADSs for shares under the deposit agreement generally will not be subject to US federal income tax or Finnish income tax.

The sale by a US Holder of the ADSs or the underlying shares, other than an individual who, by reason of his residence in Finland for a period exceeding six months, is or becomes liable for Finnish income tax according to the relevant provisions of Finnish tax law, generally will not be subject to income tax in Finland, in accordance with Finnish tax law and the Treaty.

Finnish transfer tax

The transfer of our shares and ADSs for cash through a broker or other appropriate intermediary is generally not subject to Finnish transfer tax. Non-brokered transfers will generally be exempted from the transfer tax if the transferee has been approved as a trading party in the market where the transfer is executed, or other conditions are met. Transfers of ADSs on the New York Stock Exchange are exempt. Where the transfer does not fulfill the above requirements, and either the buyer or the seller is a Finnish resident or a Finnish branch office of a specified foreign financial service provider, the buyer is liable to pay transfer tax of 1.5% of the transaction price where the resulting tax is at least EUR 10. Selling shareholders should consult their tax advisers regarding the specific tax considerations of a sale of our shares or ADSs.

Finnish inheritance and gift taxes

A transfer of an underlying share by gift or by reason of the death of a US Holder and the transfer of an ADS are not subject to Finnish gift or inheritance tax, provided that none of the deceased person, the donor, the beneficiary of the deceased person or the recipient of the gift is resident in Finland.

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Non-residents of the United States

Beneficial owners of ADSs that are not US Holders will not be subject to US federal income tax on dividends received with respect to ADSs unless such dividend income is effectively connected with the conduct of a trade or business within the United States. Similarly, non-US Holders generally will not be subject to US federal income tax on any gain realized on the sale or other disposition of ADSs, unless (a) the gain is effectively connected with the conduct of a trade or business in the United States or (b) in the case of an individual, that individual is present in the United States for 183 days or more in the taxable year of the disposition and other conditions are met.

The United States information reporting and backup withholding

Dividend payments with respect to shares or ADSs and proceeds from the sale or other disposition of shares or ADSs may be subject to information reporting to the Internal Revenue Service and possible US backup withholding. Backup withholding will not apply to a holder if the holder furnishes a correct taxpayer identification number or certificate of foreign status and makes any other required certification in connection therewith, or if it is a recipient otherwise exempt from backup withholding (such as a corporation). Any US persons required to establish their exempt status generally must furnish a duly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Non-US holders generally are not subject to US information reporting or backup withholding. However, such holders may be required to provide certification of non-US status (generally on IRS Form W-8BEN for individuals and Form W-8BEN-E for corporations) in connection with payments received in the United States or through certain US-related financial intermediaries. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's US federal income tax liability, and the holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the Internal Revenue Service and furnishing the proper required information.



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Earnings per share (basic)

Profit/(loss) attributable to equity holders of the parent

Weighted average number of shares outstanding during the year

Earnings per share (diluted)

Profit/(loss) attributable to equity holders of the parent adjusted for the effect of dilution

Adjusted weighted average number of shares during the year

P/E ratio

Closing share price at 31 December

Earnings per share (basic) for continuing operations

Payout ratio

Proposed dividend per share

Earnings per share (basic) for continuing operations

Dividend yield %

Proposed dividend per share

Closing share price at 31 December

Shareholders' equity per share

Capital and reserves attributable to equity holders of the parent

Number of shares at 31 December – number of treasury shares at 31 December

Market capitalization

(Number of shares at 31 December – number of treasury shares at 31 December) x closing share price at 31 December

Share turnover %

Number of shares traded during the year

Average number of shares during the year



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Certain financial measures presented in this report are not measures of financial performance, financial position or cash flows defined in IFRS Accounting Standards. As these measures are not defined in IFRS Accounting Standards, they may not be directly comparable with financial measures used by other companies, including those in the same industry. The primary rationale for presenting these measures is that the management uses these measures in assessing the financial performance of Nokia and believes that these measures provide meaningful supplemental information on the underlying business performance of Nokia. These financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS Accounting Standards.

Return on capital employed %

Definition

Return on capital employed is defined as (Profit before tax + Interest expense on interest-bearing liabilities) / (Average capital and reserves attributable to equity holders of the parent + average non-controlling interests + average interest-bearing liabilities).

Purpose

Return on capital employed indicates how efficiently Nokia uses its capital to generate profits.

Composition of return on capital employed %:

EURm	2025	2024	2023
Profit before tax	915	2 091	1 469
Interest expense on interest-bearing liabilities	141	209	201
Total	1 056	2 300	1 670
Average capital and reserves attributable to equity holders of the parent ⁽¹⁾	20 812	20 597	20 935
Average non-controlling interests ⁽¹⁾	91	91	92
Average interest-bearing liabilities ⁽¹⁾	3 650	4 040	4 334
Total capital employed	24 553	24 728	25 361
Return on capital employed %	4.3%	9.3%	6.6%

(1) Calculated as the average of opening and closing balance for the year as presented in the consolidated statement of financial position. Refer to the consolidated financial statements.

Return on shareholders' equity %

Definition

Return on shareholders' equity is defined as Profit/(loss) for the year attributable to equity holders of the parent / Average capital and reserves attributable to equity holders of the parent.

Purpose

Return on shareholders' equity indicates how efficiently Nokia uses the capital invested by its shareholders to generate profits.

Composition of return on shareholders' equity %:

EURm	2025	2024	2023
Profit for the year attributable to equity holders of the parent	651	1 277	665
Average capital and reserves attributable to equity holders of the parent ⁽¹⁾	20 812	20 597	20 935
Return on shareholders' equity %	3.1%	6.2%	3.2%

(1) Calculated as the average of opening and closing balance for the year as presented in the consolidated statement of financial position. Refer to the consolidated financial statements.

Equity ratio %

Definition

Equity ratio % is defined as (Total capital and reserves attributable to equity holders of the parent + non-controlling interests) / Total assets.

Purpose

Equity ratio indicates the proportion of assets financed by the capital provided by the equity holders of the parent to the total assets of Nokia.

Composition of equity ratio %:

EURm	2025	2024	2023
Total capital and reserves attributable to equity holders of the parent	20 967	20 657	20 537
Non-controlling interests	91	90	91
Shareholders' equity	21 058	20 747	20 628
Total assets	37 597	39 149	39 860
Equity ratio %	56.0%	53.0%	51.8%



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Total cash and interest-bearing financial investments

Definition

Total cash and interest-bearing financial investments consist of cash and cash equivalents, current interest-bearing financial investments and non-current interest-bearing financial investments.

Purpose

Total cash and interest-bearing financial investments is used to indicate funds available to Nokia to run its current and invest in future business activities as well as provide return for security holders.

Composition of total cash and interest-bearing financial investments:

EURm	2025	2024	2023
Cash and cash equivalents	5 462	6 623	6 234
Current interest-bearing financial investments	961	1 661	1 565
Non-current interest-bearing financial investments	368	457	715
Total cash and interest-bearing financial investments	6 791	8 741	8 514

Net cash and interest-bearing financial investments

Definition

Net cash and interest-bearing financial investments equals total cash and interest-bearing financial investments less long-term and short-term interest-bearing liabilities.

Purpose

Net cash and interest-bearing financial investments is used to indicate Nokia's liquidity position after cash required to settle the interest-bearing liabilities.

Composition of net cash and interest-bearing financial investments:

EURm	2025	2024	2023
Total cash and interest-bearing financial investments			
Cash and cash equivalents	5 462	6 623	6 234
Current interest-bearing financial investments	961	1 661	1 565
Non-current interest-bearing financial investments	368	457	715
Interest-bearing liabilities			
Long-term interest-bearing liabilities	(2 329)	(2 918)	(3 637)
Short-term interest-bearing liabilities	(1 084)	(969)	(554)
Net cash and interest-bearing financial investments	3 378	4 854	4 323

Net debt to equity (gearing) %

Definition

Net debt to equity (gearing) % is defined as Interest-bearing liabilities less Total cash and interest-bearing financial investments / (Total capital and reserves attributable to the equity holders of the parent + Non-controlling interests).

Purpose

Net debt to equity ratio presents the relative proportion of shareholders' equity and interest-bearing liabilities used to finance Nokia's assets and indicates the leverage of Nokia's business.

Composition of net debt to equity (gearing) %:

EURm	2025	2024	2023
Interest-bearing liabilities			
Long-term interest-bearing liabilities	2 329	2 918	3 637
Short-term interest-bearing liabilities	1 084	969	554
Total cash and interest-bearing financial investments			
Cash and cash equivalents	(5 462)	(6 623)	(6 234)
Current interest-bearing financial investments	(961)	(1 661)	(1 565)
Non-current interest-bearing financial investments	(368)	(457)	(715)
Net debt	(3 378)	(4 854)	(4 323)
Total capital and reserves attributable to equity holders of the parent	20 967	20 657	20 537
Non-controlling interests	91	90	91
Shareholders' equity	21 058	20 747	20 628
Net debt to equity (gearing) %	(16.0)%	(23.4)%	(21.0)%

Free cash flow

Definition

Free cash flow is defined as Net cash flows from operating activities less purchases of property, plant and equipment and intangible assets (capital expenditures).

Purpose

Free cash flow is the cash that Nokia generates after investments in property, plant and equipment and intangible assets, and we believe it provides meaningful supplemental information as it represents the cash available to service and repay interest-bearing financial liabilities, including lease liabilities, make investments to grow business and distribute funds to shareholders. It is a measure of cash generation, working capital efficiency and capital discipline of the business.

Composition of free cash flow:

EURm	2025	2024	2023
Net cash flows from operating activities	2 071	2 493	1 317
Purchase of property, plant and equipment and intangible assets (capital expenditures)	(606)	(472)	(652)
Free cash flow	1 465	2 021	665



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Capital expenditure

Definition

Purchases of property, plant and equipment and intangible assets (excluding assets acquired under business combinations).

Purpose

Capital expenditure is used to describe investments in future profit-generating activities.

Composition of capital expenditure:

EURm	2025	2024	2023
Purchase of property, plant and equipment and intangible assets	(606)	(472)	(652)
Capital expenditure	(606)	(472)	(652)

Comparable operating profit

Definition

Comparable operating profit excludes intangible asset amortization and other purchase price fair value adjustments, goodwill impairments, restructuring-related charges, transaction and related costs, including integration costs, and certain other items affecting comparability.

Purpose

We believe that the comparable operating profit provides meaningful supplemental information to both management and investors regarding Nokia's underlying business performance by excluding certain items of income and expenses that may not be indicative of Nokia's business operating results. Comparable operating profit is used also in determining management remuneration.

Composition of comparable operating profit:

EURm	2025	2024	2023
Operating profit⁽¹⁾	885	1 970	1 733
Restructuring and associated charges	478	445	356
Amortization and depreciation of acquired intangible assets and property, plant and equipment	444	314	341
Release of acquisition-related fair value adjustments to deferred revenue and inventory	88	—	—
Provision for contractual claims	66	—	—
Transaction and related costs, including integration costs	33	23	—
Loss on defined benefit plan amendment	24	—	—
Disposal of businesses	6	(67)	(20)
Divestment of associates	—	(190)	—
Impairment and write-off of assets, net of reversals	—	89	25
Costs associated with country exit	—	—	(49)
Other ⁽¹⁾	—	—	23
Comparable operating profit⁽¹⁾	2 024	2 584	2 409

(1) In 2025, Nokia changed the presentation of gains and losses from venture fund investments from selling, general and administrative expenses and other operating income to financial income. The comparative amounts for 2024 and 2023 have been recast accordingly. For more information, refer to Note 1.2. General accounting policies in the consolidated financial statements.

Comparable operating margin %

Definition

Comparable operating margin is defined as Comparable operating profit / Net sales.

Purpose

Comparable operating margin is used as a measure of Nokia's operating profitability as a percentage of net sales excluding intangible asset amortization and other purchase price fair value adjustments, goodwill impairments, restructuring-related charges, transaction and related costs, including integration costs and certain other items affecting comparability.

As with comparable operating profit, we believe that the comparable operating margin provides meaningful supplemental information to both management and investors regarding Nokia's underlying business performance by excluding certain items of income and expenses that may not be indicative of Nokia's business operating results.

Composition of comparable operating margin:

EURm	2025	2024	2023
Comparable operating profit ⁽¹⁾	2 024	2 584	2 409
Net sales	19 889	19 220	21 138
Comparable operating margin %	10.2%	13.4%	11.4%

(1) In 2025, Nokia changed the presentation of gains and losses from venture fund investments from selling, general and administrative expenses and other operating income to financial income. The comparative amounts for 2024 and 2023 have been recast accordingly. For more information, refer to Note 1.2. General accounting policies in the consolidated financial statements.



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Consolidated financial statements

Consolidated income statement

For the year ended 31 December

EURm	Note	2025	2024	2023
Net sales	2.1, 2.2	19 889	19 220	21 138
Cost of sales	2.2, 2.3	(11 230)	(10 356)	(12 592)
Gross profit		8 659	8 864	8 546
Research and development expenses	2.2, 2.3	(4 855)	(4 512)	(4 277)
Selling, general and administrative expenses ⁽¹⁾	2.2, 2.3	(3 073)	(2 872)	(2 863)
Other operating income ⁽¹⁾	2.2, 2.3	42	385	224
Other operating expenses	2.2, 2.3	112	105	103
Operating profit⁽¹⁾		885	1 970	1 733
Share of results of associates and joint ventures	2.2, 6.4	19	7	(39)
Financial income ⁽¹⁾	2.2, 2.4	257	434	354
Financial expenses	2.2, 2.4	(246)	(320)	(579)
Profit before tax		915	2 091	1 469
Income tax expense	2.5	(277)	(380)	(820)
Profit from continuing operations		638	1 711	649
Profit/(loss) from discontinued operations	2.6	22	(427)	30
Profit for the year		660	1 284	679
Attributable to:				
Equity holders of the parent		651	1 277	665
Non-controlling interests		9	7	14
Earnings per share attributable to equity holders of the parent	2.7	EUR	EUR	EUR
Basic				
Profit from continuing operations		0.12	0.31	0.11
Profit for the year		0.12	0.23	0.12
Diluted				
Profit from continuing operations		0.11	0.31	0.11
Profit for the year		0.12	0.23	0.12

(1) In 2025, Nokia changed the presentation of gains and losses from venture fund investments from selling, general and administrative expenses and other operating income to financial income. The comparative amounts for 2024 and 2023 have been recast accordingly. For more information, refer to Note 1.2. General accounting policies.

The notes are an integral part of these consolidated financial statements.

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For the year ended 31 December

EURm	Note	2025	2024	2023
Profit for the year		660	1 284	679
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans		(24)	408	(343)
Income tax related to items that will not be reclassified to profit or loss	2.5	7	(85)	61
Total of items that will not be reclassified to profit or loss		(17)	323	(282)
Items that may be reclassified to profit or loss				
Translation differences				
Exchange differences on translating foreign operations		(1 625)	615	(554)
Transfer to income statement		(2)	(78)	19
Net investment hedges				
Net fair value gains/(losses)		111	(40)	135
Cash flow and other hedges				
Net fair value gains/(losses)		65	23	(24)
Transfer to income statement		(64)	(2)	(37)
Financial assets at fair value through other comprehensive income				
Net fair value gains/(losses)		32	83	(110)
Transfer to income statement		(23)	(64)	120
Other increase/(decrease), net		7	3	(4)
Income tax related to items that may be reclassified to profit or loss	2.5	(28)	8	(10)
Total of items that may be reclassified to profit or loss		(1 527)	548	(465)
Other comprehensive (loss)/income, net of tax		(1 544)	871	(747)
Total comprehensive (loss)/income for the year, net of tax		(884)	2 155	(68)
Attributable to:				
Equity holders of the parent				
Continuing operations		(911)	2 624	(91)
Discontinued operations		22	(477)	13
Total		(889)	2 147	(78)
Non-controlling interests		5	8	10

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At 31 December

EURm	Note	2025	2024
ASSETS			
Non-current assets			
Goodwill	4.1	5 996	5 736
Other intangible assets	4.1	1 399	802
Property, plant and equipment	4.2	1 570	1 362
Right-of-use assets	4.3	920	758
Investments in associated companies and joint ventures	6.4	180	124
Non-current interest-bearing financial investments	5.2, 5.4	368	457
Other non-current financial assets	5.2, 5.4	1 072	1 182
Defined benefit pension assets	3.4	6 380	6 932
Deferred tax assets	2.5	3 643	3 599
Other non-current receivables	4.6	277	210
Total non-current assets		21 805	21 162
Current assets			
Inventories	4.4	2 209	2 163
Trade receivables	4.5, 5.2, 5.4	4 975	5 248
Contract assets	4.5	805	694
Current income tax assets	2.5	256	202
Other current receivables	4.6	784	767
Current interest-bearing financial investments	5.2, 5.4	961	1 661
Other current financial assets	5.2, 5.3, 5.4	340	629
Cash and cash equivalents	5.2, 5.4	5 462	6 623
Total current assets		15 792	17 987
Total assets		37 597	39 149

EURm	Note	2025	2024
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital		246	246
Share premium		870	734
Treasury shares		(352)	(431)
Translation differences		(1 272)	263
Fair value and other reserves		3 955	3 963
Reserve for invested unrestricted equity		15 663	13 926
Retained earnings		1 857	1 956
Total shareholders' equity		20 967	20 657
Non-controlling interests		91	90
Total equity	5.1	21 058	20 747
Non-current liabilities			
Long-term interest-bearing liabilities	5.2, 5.3, 5.4	2 329	2 918
Long-term lease liabilities	5.4	797	664
Defined benefit pension and post-employment liabilities	3.4	1 947	2 083
Deferred tax liabilities	2.5	392	562
Contract liabilities	4.5	286	185
Other non-current liabilities	4.6	147	117
Provisions	4.7	637	479
Total non-current liabilities		6 535	7 008
Current liabilities			
Short-term interest-bearing liabilities	5.2, 5.3, 5.4	1 084	969
Short-term lease liabilities	5.4	203	199
Other financial liabilities	5.2, 5.3, 5.4	316	1 668
Contract liabilities	4.5	1 562	1 506
Current income tax liabilities	2.5	344	207
Trade payables	5.2, 5.4	2 978	3 213
Other current liabilities	4.6	2 738	2 883
Provisions	4.7	779	749
Total current liabilities		10 004	11 394
Total liabilities		16 539	18 402
Total shareholders' equity and liabilities		37 597	39 149

The notes are an integral part of these consolidated financial statements.

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Consolidated statement of cash flows

For the year ended 31 December

EURm	Note	2025	2024	2023
Cash flow from operating activities				
Profit for the year		660	1 284	679
Adjustments, total ⁽¹⁾		2 065	2 157	2 559
Change in net working capital ⁽²⁾		(209)	(569)	(1 282)
Cash flows from operations		2 516	2 872	1 956
Interest received		163	226	178
Interest paid	4.3, 5.2	(212)	(263)	(241)
Income taxes paid, net		(396)	(342)	(576)
Net cash flows from operating activities		2 071	2 493	1 317
Cash flow from investing activities				
Purchase of property, plant and equipment and intangible assets		(606)	(472)	(652)
Proceeds from sale of property, plant and equipment and intangible assets		28	97	189
Acquisition of businesses, net of cash acquired	6.2	(1 730)	(37)	(19)
Purchase of shares in associated companies		(50)	—	—
Proceeds from disposal of businesses, net of cash disposed	2.6	40	(29)	17
Proceeds from disposal of shares in associated companies		—	259	8
Purchase of interest-bearing financial investments		(337)	(924)	(1 855)
Proceeds from interest-bearing financial investments		1 102	1 138	3 382
Purchase of other financial assets		(117)	(280)	(83)
Proceeds from other financial assets		186	70	34
Other		88	61	22
Net cash flows (used in)/from investing activities		(1 396)	(117)	1 043
Cash flow from financing activities				
Proceeds from issuance of shares	5.1	859	—	—
Acquisition of treasury shares	5.1	(624)	(680)	(300)
Purchase of equity instruments of subsidiaries	5.2	(501)	—	—
Proceeds from long-term borrowings	5.4	151	101	496
Repayment of long-term borrowings	5.4	(875)	(462)	(798)
(Repayment of)/proceeds from short-term borrowings	5.4	360	(6)	(40)
Payment of principal portion of lease liabilities	4.3, 5.4	(221)	(233)	(239)
Dividends paid	5.1	(759)	(723)	(621)
Net cash flows used in financing activities		(1 610)	(2 003)	(1 502)
Translation differences		(226)	16	(91)
Net (decrease)/increase in cash and cash equivalents		(1 161)	389	767
Cash and cash equivalents at 1 January		6 623	6 234	5 467
Cash and cash equivalents at 31 December		5 462	6 623	6 234

The consolidated statement of cash flows combines cash flows from both continuing and discontinued operations.

The notes are an integral part of these consolidated financial statements.

(1) Adjustments

EURm	2025	2024	2023
Depreciation and amortization	1 119	1 014	1 087
Share-based payments	337	241	202
Impairment charges	18	611	25
Restructuring charges ⁽¹⁾	391	388	316
Gain on sale of businesses and associated companies	(23)	(286)	(19)
Gain on sale of property, plant and equipment	(22)	(94)	(143)
Financial income and expenses ⁽²⁾	(11)	(107)	220
Income tax expense	277	385	825
Other adjustments, net ⁽²⁾	(21)	5	46
Total	2 065	2 157	2 559

- (1) Restructuring charges in adjustments represent the non-cash portion recognized in the consolidated income statement.
- (2) In 2025, Nokia changed the presentation of gains and losses from venture fund investments which resulted in reclassifications in adjustments. The comparative amounts for 2024 and 2023 have been recast accordingly. For more information, refer to Note 1.2. General accounting policies.

(2) Change in net working capital

EURm	2025	2024	2023
(Increase)/decrease in receivables	(25)	(364)	304
Decrease in inventories	149	404	443
Decrease in non-interest-bearing liabilities	(333)	(609)	(2 029)
Total	(209)	(569)	(1 282)

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Consolidated statement of changes in shareholders' equity

EURm	Note	Share capital	Share premium	Treasury shares	Translation differences	Fair value and other reserves	Reserve for invested unrestricted equity	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
1 January 2023		246	503	(352)	169	3 905	15 487	1 375	21 333	93	21 426
Profit for the year								665	665	14	679
Other comprehensive loss	5.1				(418)	(300)		(25)	(743)	(4)	(747)
Total comprehensive income for the year		—	—	—	(418)	(300)	—	640	(78)	10	(68)
Share-based payments			202						202		202
Settlement of share-based payments			(77)				59		(18)		(18)
Acquisition of treasury shares	5.1			(303)			12		(291)		(291)
Cancellation of treasury shares	5.1			303			(303)		—		—
Disposal of subsidiaries									—	(2)	(2)
Dividends	5.1							(611)	(611)	(10)	(621)
Total transactions with owners		—	125	—	—	—	(232)	(611)	(718)	(12)	(730)
31 December 2023		246	628	(352)	(249)	3 605	15 255	1 404	20 537	91	20 628
Profit for the year								1 277	1 277	7	1 284
Other comprehensive income	5.1				512	358			870	1	871
Total comprehensive loss for the year		—	—	—	512	358	—	1 277	2 147	8	2 155
Share-based payments			241						241		241
Settlement of share-based payments			(135)				99		(36)		(36)
Acquisition of treasury shares	5.1			(686)			(821)		(1 507)		(1 507)
Cancellation of treasury shares	5.1			607			(607)		—		—
Adjustment to financial liability to acquire non-controlling interest								(11)	(11)		(11)
Dividends	5.1							(714)	(714)	(9)	(723)
Total transactions with owners		—	106	(79)	—	—	(1 329)	(725)	(2 027)	(9)	(2 036)
31 December 2024		246	734	(431)	263	3 963	13 926	1 956	20 657	90	20 747
Profit for the year								651	651	9	660
Other comprehensive (loss)/income	5.1				(1 535)	(8)		3	(1 540)	(4)	(1 544)
Total comprehensive income for the year		—	—	—	(1 535)	(8)	—	654	(889)	5	(884)
Share-based payments			337						337		337
Settlement of share-based payments			(262)				176		(86)		(86)
Acquisition of treasury shares ⁽¹⁾	5.1			(624)			830		206		206
Cancellation of treasury shares	5.1			703			(703)		—		—
Directed share issue	5.1						850		850		850
Acquisitions through business combinations	5.1		61				584		645	2	647
Dividends	5.1							(753)	(753)	(6)	(759)
Total transactions with owners		—	136	79	—	—	1 737	(753)	1 199	(4)	1 195
31 December 2025		246	870	(352)	(1 272)	3 955	15 663	1 857	20 967	91	21 058

(1) In November 2024, Nokia launched a new share buyback program to offset the dilutive effect of the acquisition of Infinera. At 31 December 2024, Nokia recorded a liability and a reduction of reserve for invested unrestricted equity of EUR 821 million to reflect Nokia's commitment under the agreement with a third-party broker conducting the share repurchases on Nokia's behalf. The liability and reduction of reserve for invested unrestricted equity were reversed in 2025 when the program was completed. For more information on Nokia's share buyback programs, refer to Note 5.1. Equity.

The notes are an integral part of these consolidated financial statements.



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Basis of preparation

This section describes the general accounting policies applied in preparation of these consolidated financial statements, including the basis of presentation and key consolidation principles. This section also summarizes the accounting matters that involve most judgment or estimation uncertainty. The specific accounting policies as well as details of key accounting estimates and judgments are provided in the related notes.

1.1. Corporate information

Nokia Corporation, a public limited liability company incorporated and domiciled in Helsinki, Finland, is the parent company (Parent Company or Parent) for all its subsidiaries (together Nokia or the Group). Nokia's operational headquarters are located in Espoo, Finland. The shares of Nokia Corporation are listed on the Nasdaq Helsinki Stock Exchange and the New York Stock Exchange.

Nokia is a global provider of critical network infrastructure across fixed, mobile and transport networks, delivering the performance and security its customers need to meet the demands of an AI-enabled future. Nokia's solution offerings combine hardware, software and services, as well as licensing of intellectual property, including patents, technologies and the Nokia brand.

These consolidated financial statements for the year ended 31 December 2025 were authorized for issuance and filing by the Board of Directors on 5 March 2026.

1.2. General accounting policies

Basis of presentation and statement of compliance

The consolidated financial statements are prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The consolidated financial statements also conform to Finnish accounting and company legislation.

The consolidated financial statements are presented in millions of euros (EURm), except when otherwise noted, and are prepared under the historical cost convention, except when otherwise disclosed in the accounting policies in the specific notes.

Other information

Presentation of the results of venture fund investments

In 2025, Nokia completed a strategic review of its venture fund investment activities. As a result, Nokia no longer views broad-based venture fund investments as having a strategic role and has initiated a process to scale down these investments. Consequently, the presentation of the results of venture fund investments as operating activities is no longer considered relevant, and therefore beginning from 2025, Nokia is presenting the gains and losses from venture fund investments, including the changes in fair value and the fund management fees, as financial income. For the segment reporting purposes,

the results of venture fund investments had previously been included in the operating results of Group Common and Other. The comparative financial information for 2024 and 2023 has been recast accordingly.

As a result of the recast, in 2024, selling, general and administrative costs decreased by EUR 18 million, other operating income decreased by EUR 47 million and financial income increased by EUR 29 million. In 2023, selling, general and administrative costs decreased by EUR 15 million, other operating income increased by EUR 57 million and financial income decreased by EUR 72 million.

Additionally, in 2024 and 2023, EUR 29 million and EUR 72 million, respectively, was reclassified to financial income and expenses from gain/loss from other financial assets and other adjustments, net within adjustments in the statement of cash flows.

Statutory reporting requirement in Germany

The fully consolidated German subsidiary, Nokia Solutions and Networks GmbH & Co. KG, registered in the commercial register of Munich under HRA 88537, has made use of the exemption available under § 264b and § 291 of the German Commercial Code (HGB).

Principles of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, and each company over which it exercises control. Control over an entity exists when Nokia is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Presumption is that a majority of voting rights results in control. To support this presumption, Nokia considers all relevant facts and circumstances when assessing if it has power over the entity including voting rights and potential voting rights, rights to appoint key management personnel and rights arising from other contractual arrangements. Consolidation of a subsidiary begins when control over it is obtained, and it ceases when the control is lost.

All intercompany transactions are eliminated in the consolidation process. Non-controlling interest represents the proportion of net profit or loss, other comprehensive income and net assets in subsidiaries that is not attributable to the equity holders of the Parent.



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Investments in associates and joint ventures

An associate is an entity over which Nokia exercises significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Nokia's investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in Nokia's share of net assets of the associate or joint venture since the acquisition date. Nokia's share of profits and losses of associates and joint ventures is reflected in the consolidated income statement. Any change in other comprehensive income of associates and joint ventures is presented as part of Nokia's other comprehensive income.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in euro, the functional and presentation currency of the Parent Company. The financial statements of all Group companies are measured using the functional currency, which is the currency of the primary economic environment in which the entity operates.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at exchange rates prevailing at the date of the transaction. For practical reasons, a rate that approximates the actual rate at the date of the transaction is often used. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the end of the reporting period.

Foreign exchange gains and losses arising from monetary assets and liabilities as well as fair value changes of related hedging instruments are recognized in financial income and expenses. Foreign exchange gains and losses related to non-monetary non-current financial investments are included in the fair value measurement of these investments and recognized in other financial income.

Foreign Group companies

On consolidation, the assets and liabilities of foreign operations whose functional currency is other than euro are translated into euro at the exchange rates prevailing at the end of the reporting period.

The income and expenses of these foreign operations are translated into euro at the average exchange rates for the reporting period. The exchange differences arising from translation for consolidation are recognized as translation differences in other comprehensive income. On disposal of a foreign operation, the cumulative amount of translation differences relating to that foreign operation is reclassified to profit or loss.

1.3. Use of estimates and critical accounting judgments

The preparation of financial statements requires use of management judgment in selecting and applying accounting policies as well as making estimates and assumptions about the future. These judgments, estimates and assumptions may have a significant effect on the amounts recognized in the financial statements.

The estimates and assumptions used in determining the carrying amounts of assets and liabilities are based on historical experience, expected outcomes and various other factors that were available when these financial statements were prepared, and they are believed to be reasonable under the circumstances. The estimates and assumptions are reviewed continually and revised if changes in circumstances occur, or as a result of new information. As estimates and assumptions inherently contain a varying degree of uncertainty, actual outcomes may differ resulting in adjustments to the carrying amounts of assets and liabilities in subsequent periods.

The accounting matters listed below are determined to involve the most difficult, subjective or complex judgments, or are considered as major sources of estimation uncertainty that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Please refer to the specific notes for further information on the key accounting estimates and judgments.

Key accounting

estimates and judgments	Note
Judgment related to recognition of deferred tax assets	2.5. Income taxes
Judgment related to classification of Submarine Networks as a discontinued operation	2.6. Discontinued operations
Estimate of pension and other post-employment benefit obligations	3.4. Pensions and other post-employment benefits
Judgment related to the determination and fair value measurement of intangible assets in business combination	6.2. Acquisitions

1.4. New and amended standards and interpretations

On 1 January 2025, Nokia adopted the following amendments to the accounting standards issued by the IASB and endorsed by the EU:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The amendments had no material impact on the measurement, recognition or presentation of any items in Nokia's consolidated financial statements for 2025.

Nokia has not early adopted any new or amended standards or interpretations that have been issued but are not yet effective. The new and amended standards and interpretations issued by the IASB that are effective in future periods are not expected to have a material impact on the consolidated financial statements of Nokia when adopted, except for IFRS 18 Presentation and Disclosure in Financial Statements.

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IFRS 18, which was published in April 2024 and will be effective for annual periods beginning on or after 1 January 2027, will replace IAS 1 Presentation of Financial Statements.

The objective of IFRS 18 is to enhance the comparability of financial statements, particularly the income statement, between companies, improve the transparency and understandability of non-GAAP measures, and ensure useful disaggregation of information in the financial statements. To enable this, IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals and classification of all income and expenses into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

Furthermore, the standard requires disclosure of newly defined management-defined performance measures and aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In conjunction with the issue of IFRS 18, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss'.

Even though IFRS 18 is not changing the recognition and measurement requirements, the standard is expected to significantly change how Nokia presents its consolidated financial statements, particularly the income statement, statement of cash flows, and notes to the financial statements. Nokia is currently assessing the impact the adoption will have on its consolidated financial statements. To date, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on its net profit, Nokia expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is determined. Foreign exchange differences as well as interest income and expenses currently aggregated in financial income and expenses will need to be disaggregated, with some gains or losses to be presented within the operating category. Foreign exchange gains and losses as well as interest income and expenses will be classified in the category where the related income and expense from the underlying item is classified.
- The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation. Nokia does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the refined aggregation/disaggregation principles.
- New disclosures for management-defined performance measures (MPMs) will be added. In brief, an MPM refers to a subtotal of income and expenses an entity uses in its financial communications outside financial statements which has not been defined in IFRS Accounting Standards. To improve transparency around these measures, IFRS 18 requires entities to disclose information about all of its MPMs in a single note, including how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by IFRS Accounting Standards.

- From the statement of cash flows perspective, the starting point for calculating cash flows from operating activities will change to operating profit. Additionally, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

Nokia will apply IFRS 18 from its mandatory effective date of 1 January 2027. As retrospective application is required, the comparative information for 2025 and 2026 will be restated accordingly.



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Results for the year

This section provides details of items presented in the income statement including disaggregation of net sales by region and customer type, results of Nokia's operating segments, and information on operating expenses and other operating income. Additionally, this section contains details of financial income and expenses and income taxes, as well as the results of discontinued operations. The calculation of earnings per share is presented at the end of this section.

2.1. Net sales

Accounting policies

Nokia accounts for a contract with a customer when the contract has been approved in writing, which is generally when both parties are committed to perform their respective obligations, the rights, including payment terms, regarding the goods and services to be transferred can be identified, the contract has commercial substance, and collection of the consideration to which Nokia expects to be entitled is probable. Management considers only legally enforceable rights in evaluating the accounting for contracts with customers. As such, frame agreements that do not create legally enforceable rights and obligations are accounted for upon issuance of subsequent legally binding purchase orders under the frame agreements.

A contract modification or a purchase order is accounted for as a separate contract if the scope of the contract increases by additional distinct goods or services, and the price of the contract increases by an amount that reflects the standalone selling price of those additional goods or services. If the additional goods or services are distinct but not sold at a standalone selling price, the contract modification is accounted for prospectively. If the additional goods or services are not distinct, the modification is accounted for through a cumulative catch-up adjustment.

Nokia recognizes revenue from contracts with customers to reflect the transfer of promised goods and services to customers for amounts that reflect the consideration to which Nokia expects to be entitled in exchange for those goods and services. The consideration may include variable amounts, such as volume discounts and sales-based or usage-based royalties, which Nokia estimates based on the most likely amount. Nokia includes variable consideration into the transaction price only to the extent that it is highly probable that a significant revenue reversal will not occur. The transaction price also excludes amounts collected on behalf of third parties.

If the timing of payments provides either the customer or Nokia with a significant benefit of financing, the transaction price is adjusted for the effect of financing and the related interest revenue or interest expense is presented separately from revenue. As a practical expedient, Nokia does not account for financing components if, at contract inception, the consideration is expected to be received within one year before or after the goods or services have been transferred to the customer.

Nokia enters into contracts with customers consisting of any combination of hardware, services and intellectual property. Hardware and software sold by Nokia includes warranty, which can either be assurance-type for repair of defects and replacement of hardware recognized as a centralized warranty provision, or service-type for scope beyond the repair of defects or for a time period beyond the standard assurance-type warranty period and considered as a separate performance obligation within the context of the contract.

The associated revenue recognized for such contracts depends on the nature of the underlying goods and services provided. The promised goods or services in the contract might include sale of goods, license of intellectual property and grant of options to purchase additional goods or services that may provide the customer with a material right. Nokia conducts an assessment at contract inception to determine which promised goods and services in a customer contract are distinct and accordingly identified as performance obligations.

The standalone selling price of each performance obligation is determined by considering factors such as the price of the performance obligation if sold on a standalone basis and the expected cost of the performance obligation plus a reasonable margin when price references are not available. The portion of the transaction price allocated to each performance obligation is recognized when the revenue recognition criteria for that performance obligation have been met.



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Nokia allocates the transaction price to each distinct performance obligation on the basis of their standalone selling prices, relative to the overall transaction price. If a standalone selling price is not observable, it is estimated. The transaction price may include a discount or a variable amount of consideration that is generally allocated proportionately to all performance obligations in the contract unless Nokia has observable evidence that the entire discount relates to only one or more, but not all, performance obligations in a contract. The amount of revenue recognized is the amount allocated to the satisfied performance obligation based on the relative standalone selling prices. A performance obligation may be satisfied at a point in time or over time.

As described in Note 4.5. Trade receivables and other customer-related balances, Nokia presents its customer contracts in the statement of financial position as either a contract asset or a contract liability, depending on the relationship between Nokia's performance and the customer's payment for each individual contract.

Sale of products

Nokia manufactures and sells a range of networking equipment, covering the requirements of network operators. Revenue for these products is recognized when control of the products has transferred, the determination of which may require judgment. Typically, for standard equipment sales, control transfers upon delivery. For more complex solutions, control generally transfers upon acceptance.

In some arrangements, mainly within the Submarine Networks business which is presented as a discontinued operation and was sold in 2024, Nokia's performance does not create an asset with an alternative use and Nokia recognizes revenue over time using the output method, which faithfully depicts the manner in which the asset is transferred to the customer as well as Nokia's enforceable rights to payment for the work completed to date, including margin. The output measure selected by Nokia for each contract may vary depending on the nature of the contract.

Sale of services

Nokia provides services related to the provision of networking equipment, ranging from managing a customer's network and product maintenance services to network installation, integration and optimization. Revenue for each separate service performance obligation is recognized as or when the customer obtains the benefits of Nokia's performance. Service revenue is recognized over time for managed and maintenance services, as in these cases Nokia performs throughout a fixed contract term and the customer simultaneously receives and consumes the benefits as Nokia performs. In some cases, Nokia performs services that are subject to customer acceptance where revenue is recognized when the customer acceptance is obtained.

Sale of intellectual property licenses

Nokia provides its customers with licenses to intellectual property (IP) owned by Nokia by granting software licenses and rights to benefit from Nokia's IP in their products. When a software license is sold, revenue is recognized upon delivery or acceptance of the software, as Nokia has determined that each software release is distinct, and the license is granted for software as it exists when the control transfers to the customer.

When Nokia grants customers a license to use IP owned by Nokia, the associated license fee revenue is recognized in accordance with the substance of the relevant agreements. In the majority of contracts, Nokia retains obligations to continue to develop and make available to the customer the latest IP in the licensed assets during the contract term, and therefore revenue is recognized on a straight-line basis over the period during which Nokia is expected to perform.

Recognition of the revenue on a straight-line basis over the term of the license is considered the most faithful depiction of Nokia's satisfaction of the performance obligation as the IP being licensed towards the customer includes new inventions patented by Nokia that are highly interdependent and interrelated and created through the course of continuous research and development (R&D) efforts that are relatively stable throughout the year. In some contracts, Nokia has no remaining obligations to perform after granting a license to the initial IP, and licensing fees are non-refundable. In these cases, revenue is recognized at the beginning of the license term.

Revenue disaggregation

Management has determined that Nokia's geographic areas are considered as the primary determinants to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Nokia's primary customer base consists of companies that operate on a country-specific or a regional basis. Although Nokia's technology cycle is similar around the world, different countries and regions are inherently in a different stage of that cycle, often influenced by macroeconomic conditions specific to those countries and regions. In addition to Net sales to external customers by region, the chief operating decision-maker, as described in Note 2.2. Segment information, also reviews Segment net sales by aggregated regions and Net sales by customer type disclosed in this note.

Each reportable segment, as described in Note 2.2. Segment information, consists of customers that operate in all geographic areas. No reportable segment has a specific revenue concentration in any geographic area other than Nokia Technologies, which is included within Europe.

Net sales to external customers by region

Net sales to external customers by region are based on the location of the customer, except for Nokia Technologies IPR and licensing net sales which are allocated to Europe.

EURm	2025	2024	2023
Americas	6 985	6 276	6 779
Latin America	784	895	1 046
North America	6 201	5 381	5 733
APAC	4 639	4 549	6 436
Greater China	913	1 134	1 303
India	1 534	1 373	2 842
Rest of APAC	2 192	2 042	2 291
EMEA	8 265	8 395	7 923
Europe	6 165	6 362	5 873
Middle East & Africa	2 100	2 033	2 050
Total	19 889	19 220	21 138

Segment net sales by region

EURm	2025	2024	2023
Network Infrastructure	7 986	6 518	6 917
Americas	3 688	2 726	2 813
APAC	1 648	1 426	1 580
EMEA	2 650	2 366	2 524
Cloud and Network Services⁽¹⁾	2 606	2 589	2 728
Americas	1 120	1 153	1 263
APAC	529	517	511
EMEA	957	919	954
Mobile Networks⁽¹⁾	7 806	8 158	10 289
Americas	2 182	2 396	2 661
APAC	2 464	2 593	4 322
EMEA	3 160	3 169	3 306
Nokia Technologies	1 501	1 928	1 085
Group Common and Other⁽²⁾	(10)	27	119
Total	19 889	19 220	21 138

(1) In 2025, Managed Services business was moved from Cloud and Network Services segment into Mobile Networks segment. Comparative financial information for 2024 and 2023 has been recast accordingly. Refer to Note 2.2. Segment information.

(2) Includes eliminations of inter-segment revenues.

Net sales by customer type

EURm	2025	2024	2023
Telecom providers	15 313	15 085	17 652
AI & Cloud and Mission Critical Enterprise & Defense	3 085	2 180	2 282
Licensees	1 501	1 928	1 085
Other ⁽¹⁾	(10)	27	119
Total	19 889	19 220	21 138

(1) In 2025, includes eliminations of inter-segment revenues, unallocated items and certain other items. In 2024 and 2023, includes net sales of Radio Frequency Systems (RFS), which was managed as a separate entity, and certain other items, such as eliminations of inter-segment revenues. RFS net sales also include revenue from telecom providers and AI & Cloud and Mission Critical Enterprise & Defense.

Order backlog

At 31 December 2025, the aggregate amount of the transaction price allocated to partially or wholly unsatisfied performance obligations arising from fixed contractual commitments amounted to EUR 19.5 billion (EUR 20.0 billion in 2024).

Management has estimated that these unsatisfied performance obligations will be recognized as revenue as follows:

	2025	2024
Within 1 year	57%	53%
2-3 years	28%	27%
More than 3 years	15%	20%
Total	100%	100%

The estimated timing of the satisfaction of these performance obligations is subject to change owing to factors beyond Nokia's control such as customer and network demand, market conditions and, in some cases, restrictions imposed by the weather or other factors impacting project logistics. Revenue recognized in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, due to changes in transaction price) was not material.



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2.2. Segment information

Accounting policies

Nokia has four operating and reportable segments for financial reporting purposes: (1) Network Infrastructure, (2) Cloud and Network Services, (3) Mobile Networks and (4) Nokia Technologies. In addition, Nokia provides net sales disclosure for the following business units within the Network Infrastructure segment: (i) Optical Networks, (ii) IP Networks and (iii) Fixed Networks.

The President and CEO is the chief operating decision-maker monitoring the operating results of segments for the purpose of assessing performance and making decisions about resource allocation. Key financial performance measures of the segments comprise primarily net sales and segment operating profit. The evaluation of segment performance and allocation of resources is primarily based on segment operating profit which the management believes is the most relevant measure for this purpose. Segment operating profit excludes intangible asset amortization and other purchase price fair value adjustments, goodwill impairments, restructuring-related charges and certain other items of income and expenses that may not be indicative of the business operating results.

Accounting policies of the segments are the same as those for the Group except for the aforementioned items of income and expenses that are not allocated to the segments. Inter-segment revenues and transfers are accounted for as if the revenues were to third parties, that is, at current market prices.

Segment descriptions

Network Infrastructure

The Network Infrastructure segment serves AI & Cloud customers, telecommunications providers and mission critical enterprises globally. It comprises the following business units: (i) Optical Networks, which provides optical transport networks for metro, regional and long-haul application; (ii) IP Networks, which provides IP routing and data center switching; (iii) Fixed Networks, which features solutions in fiber broadband, optical LAN, automation and AI, in-home Wi-Fi and related software solutions and professional services.

On 28 February 2025, Nokia completed the acquisition of Infinera, a San Jose based global supplier of innovative open optical networking solutions and advanced optical semiconductors. Nokia has reported the acquired business as part of its Optical Networks business unit in its Network Infrastructure segment as of the closing of the transaction. Refer to Note 6.2. Acquisitions for more information on the acquisition and its impact on Nokia's financial position and performance.

Cloud and Network Services

Cloud and Network Services segment provides open, fully automated, and scalable software and solutions that accelerate the journey of telecom providers and AI & Cloud and mission critical enterprises to autonomous networks and new value creation.

Cloud and Network Services segment invests in technologies that are critical to our customers' growth: 5G core, secure autonomous networks, private wireless and industrial edge, and network APIs. Delivered in a secure, Software-as-a-Service first model, these solutions help customers capture the opportunities of digitalization, AI & Cloud.

Mobile Networks

The Mobile Networks segment creates products and services covering all mobile technology generations. Its portfolio includes products for radio access networks (RAN) and microwave radio (MWR) links for transport networks, and solutions for network management, as well as network planning, optimization, network deployment and technical support services.

Nokia Technologies

Nokia Technologies segment conducts cellular, multimedia and WiFi research and standardization, protects Nokia's innovation by securing patents and managing Nokia's patent portfolio and monetizes Nokia's innovation through patent licensing. The majority of net sales and related costs and expenses attributable to licensing and patenting is recorded in Nokia Technologies, while each segment separately records its own research and development expenses.

Group Common and Other

Despite not being a reportable segment, Nokia also provides segment-level information for Group Common and Other. Group Common and Other includes certain corporate-level and centrally managed expenses and revenues. Radio Frequency Systems, which was managed as a separate entity, was included in Group Common and Other until it was substantially divested in 2024.

Changes in reporting structure in 2025

In 2025, Nokia made the following changes to its reporting structure.

Managed Services business was moved from Cloud and Network Services segment into Mobile Networks segment. The Managed Services business provides outsourced network management of multi-vendor RAN networks for operators. As the Cloud and Network Services segment is increasingly transitioning towards cloud-native software sales, "as-a-service" product offerings and helping customers to monetize networks through API's, Nokia believes that Managed Services is more aligned and fits better with its Mobile Networks segment. Comparative financial information has been recast accordingly.

Nokia changed the presentation of gains and losses from venture fund investments, including the changes in fair value and the fund management fees, from selling, general and administrative expenses and other operating income to financial income. The comparative financial information for the Nokia Group, and Group Common and Other where the results of venture fund investments had previously been included, has been recast accordingly.



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Segment results

EURm	Network Infrastructure ⁽¹⁾	Cloud and Network Services	Mobile Networks	Nokia Technologies	Group Common and Other	Eliminations and unallocated items ⁽²⁾	Nokia Group
2025							
Net sales to external customers	7 980	2 606	7 800	1 501	17	(15)	19 889
Net sales to other segments	6	—	6	—	—	(12)	—
Cost of sales	(4 700)	(1 307)	(4 914)	—	(21)	(288)	(11 230)
Research and development expenses	(1 536)	(567)	(2 076)	(309)	(126)	(241)	(4 855)
Selling, general and administrative expenses	(985)	(421)	(687)	(149)	(243)	(588)	(3 073)
Other operating income and expenses	15	27	91	16	—	5	154
Operating profit/(loss)	780	338	220	1 059	(373)	(1 139)	885
Share of results of associated companies and joint ventures	8	—	8	3	—	—	19
Financial income and expenses							11
Profit before tax							915
Other segment items							
Depreciation and amortization	(206)	(64)	(346)	(40)	(18)	(445)	(1 119)
2024							
Net sales to external customers	6 517	2 588	8 154	1 928	33	—	19 220
Net sales to other segments	1	1	4	—	1	(7)	—
Cost of sales	(3 781)	(1 432)	(4 939)	(2)	(29)	(173)	(10 356)
Research and development expenses	(1 207)	(550)	(2 160)	(250)	(131)	(214)	(4 512)
Selling, general and administrative expenses	(815)	(444)	(756)	(163)	(227)	(467)	(2 872)
Other operating income and expenses	46	43	149	1	4	247	490
Operating profit/(loss)	761	206	452	1 514	(349)	(614)	1 970
Share of results of associated companies and joint ventures	—	7	1	(1)	—	—	7
Financial income and expenses							114
Profit before tax							2 091
Other segment items							
Depreciation and amortization	(167)	(67)	(377)	(32)	(16)	(314)	(973)
2023							
Net sales to external customers	6 919	2 727	10 283	1 085	124	—	21 138
Net sales to other segments	(2)	1	6	—	6	(11)	—
Cost of sales	(4 007)	(1 546)	(6 762)	—	(136)	(141)	(12 592)
Research and development expenses	(1 212)	(572)	(2 016)	(224)	(119)	(134)	(4 277)
Selling, general and administrative expenses	(775)	(466)	(850)	(140)	(201)	(431)	(2 863)
Other operating income and expenses	93	50	122	13	8	41	327
Operating profit/(loss)	1 016	194	783	734	(318)	(676)	1 733
Share of results of associated companies and joint ventures	—	7	(30)	12	—	(28)	(39)
Financial income and expenses							(225)
Profit before tax							1 469
Other segment items							
Depreciation and amortization	(171)	(74)	(373)	(39)	(14)	(341)	(1 012)

(1) In 2025, includes Optical Networks net sales of EUR 3 019 million (EUR 1 636 million in 2024 and EUR 1 942 million in 2023), IP Networks net sales of EUR 2 594 million (EUR 2 583 million in 2024 and EUR 2 606 million in 2023) and Fixed Networks net sales of EUR 2 373 million (EUR 2 299 million in 2024 and EUR 2 369 million in 2023).

(2) For details of unallocated items, refer to the Reconciliation of total segment financial information to the Group financial information table in this note.

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EURm	Net sales	Cost of sales	Research and development expenses	Selling, general and administrative expenses	Other operating income and expenses	Operating profit
2025						
Total segments⁽¹⁾	19 916	(10 942)	(4 614)	(2 485)	149	2 024
Restructuring and associated charges	—	(148)	(137)	(191)	(2)	(478)
Amortization and depreciation of acquired intangible assets and property, plant and equipment	—	(5)	(81)	(358)	—	(444)
Release of acquisition-related fair value adjustments to deferred revenue and inventory	(15)	(73)	—	—	—	(88)
Provision for contractual claims	—	(66)	—	—	—	(66)
Other ⁽²⁾	(12)	4	(23)	(39)	7	(63)
Total reconciling items	(27)	(288)	(241)	(588)	5	(1 139)
Total Group	19 889	(11 230)	(4 855)	(3 073)	154	885
2024						
Total segments⁽¹⁾	19 227	(10 183)	(4 298)	(2 405)	243	2 584
Restructuring and associated charges	—	(155)	(135)	(145)	(10)	(445)
Amortization of acquired intangible assets	—	—	(20)	(294)	—	(314)
Divestment of associates	—	—	—	—	190	190
Impairment and write-off of assets, net of reversals	—	(25)	(58)	(6)	—	(89)
Disposal of businesses	—	—	—	—	67	67
Other ⁽²⁾	(7)	7	(1)	(22)	—	(23)
Total reconciling items	(7)	(173)	(214)	(467)	247	(614)
Total Group	19 220	(10 356)	(4 512)	(2 872)	490	1 970
2023						
Total segments⁽¹⁾	21 149	(12 451)	(4 143)	(2 432)	286	2 409
Restructuring and associated charges	—	(151)	(61)	(138)	(6)	(356)
Amortization of acquired intangible assets	—	—	(49)	(292)	—	(341)
Other ⁽²⁾	(11)	10	(24)	(1)	47	21
Total reconciling items	(11)	(141)	(134)	(431)	41	(676)
Total Group	21 138	(12 592)	(4 277)	(2 863)	327	1 733

(1) Segments' net sales and cost of sales include inter-segment net sales and cost of sales.

(2) Includes elimination of inter-segment net sales and cost of sales.

Information by geographies and customer concentration

Net sales to external customers by country

EURm	2025	2024	2023
Finland	1 615	2 060	1 192
United States	5 871	5 032	5 328
India	1 528	1 366	2 832
Great Britain	683	635	757
Other	10 192	10 127	11 029
Total	19 889	19 220	21 138

Net sales to external customers by country are based on the location of the customer, except for Nokia Technologies IPR and licensing net sales which are allocated to Finland.

Major customers

In 2025, 2024 and 2023 no single customer represented more than 10% of net sales.

Non-current assets by country

EURm	2025	2024
Finland	1 658	1 476
United States	5 736	4 493
France	1 504	1 647
Other	987	1 042
Total	9 885	8 658

Non-current assets consists of goodwill, other intangible assets, property, plant and equipment and right-of-use assets.

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2.3. Operating expenses and other operating income

Accounting policies

Nokia presents its income statement based on the function of expenses as it considers this to provide more relevant information about its financial performance. Information about the nature of expenses is provided in the notes. Certain items of income and expenses that Nokia considers to be related to its operating activities but not belonging to any specific functions, are presented as other operating income and expenses.

Government grants received as compensation for expenses incurred are recognized as a reduction of the related expenses except for certain non-recurring grants that are recognized as other operating income. Government grants received in the form of R&D tax credits are recognized as a reduction of R&D expenses if the tax credit relates to the R&D expenditures incurred by Nokia and the tax credit is reimbursed in cash by the government in cases where Nokia is not able to offset it against its income tax payable. R&D tax credits that do not meet both conditions are recognized as income tax benefit.

Operating expenses by nature

EURm	2025	2024	2023
Personnel expenses	7 831	7 563	7 294
Material and customer contract related expenses	8 609	7 660	9 947
Depreciation and amortization	1 119	973	1 012
IT services	370	370	388
Impairment charges	18	97	24
Other ⁽¹⁾	1 099	972	964
Total	19 046	17 635	19 629

(1) In 2025, Nokia changed the presentation of gains and losses from venture fund investments from selling, general and administrative expenses and other operating income to financial income. The comparative amounts for 2024 and 2023 have been recast accordingly.

Operating expenses include government grant income and R&D tax credits of EUR 186 million (EUR 160 million in 2024 and EUR 160 million in 2023) most of which have been recognized as a deduction against research and development expenses.

Other operating income ⁽¹⁾

EURm	2025	2024	2023
Gain on sale of property, plant and equipment	22	95	139
Gain on sale of associated companies	—	192	—
Gain on sale of businesses	—	70	29
Other	20	28	56
Total	42	385	224

(1) In 2025, Nokia changed the presentation of gains and losses from venture fund investments from selling, general and administrative expenses and other operating income to financial income. The comparative amounts for 2024 and 2023 have been recast accordingly.

Other operating expenses

EURm	2025	2024	2023
Changes in provisions	4	(8)	37
Expected credit losses on trade receivables ⁽¹⁾	45	122	(5)
Foreign exchange gains on hedging forecasted sales and purchases	81	23	94
Other	(18)	(32)	(23)
Total	112	105	103

(1) In 2024, includes a decrease in loss allowance of EUR 111 million related to credit-impaired trade receivables for which payments were received. Refer to Note 4.5. Trade receivables and other customer-related balances.

2.4. Financial income and expenses

Financial income

EURm	2025	2024	2023
Interest income on financial investments	134	269	199
Interest income on financing components of other contracts	17	31	21
Net interest income on defined benefit plans	203	176	188
(Losses)/gains from venture funds ⁽¹⁾	(66)	29	(72)
Other financial income ⁽²⁾⁽³⁾	(31)	(71)	18
Total	257	434	354

- (1) In 2025, Nokia changed the presentation of gains and losses from venture fund investments from selling, general and administrative expenses and other operating income to financial income. The comparative amounts for 2024 and 2023 have been recast accordingly.
- (2) In 2025, includes an expense of EUR 49 million (expense of EUR 5 million in 2024 and expense of EUR 2 million in 2023) due to a change in the fair value of the financial liability related to Nokia Shanghai Bell that was extinguished in 2025. Refer to Note 5.2. Financial assets and liabilities.
- (3) In 2025, includes EUR 3 million (EUR 79 million in 2024 and EUR 0 million in 2023) fair value loss on equity investment in Vodafone Idea that was sold in April 2025.

Financial expenses

EURm	2025	2024	2023
Interest expense on interest-bearing liabilities	(141)	(209)	(201)
Interest expense on financing components of other contracts ⁽¹⁾	(43)	(86)	(126)
Interest expense on lease liabilities	(35)	(31)	(27)
Net fair value losses on hedged items under fair value hedge accounting	(31)	(13)	(93)
Net fair value gains on hedging instruments under fair value hedge accounting	34	10	89
Net foreign exchange gains/(losses)	2	16	(192)
Other financial expenses ⁽²⁾	(32)	(7)	(29)
Total	(246)	(320)	(579)

- (1) In 2025, includes EUR 22 million (EUR 63 million in 2024 and EUR 106 million in 2023) related to the sale of receivables.
- (2) In 2025, there was no change in loss allowance (decrease in loss allowance of EUR 7 million in 2024 and increase in loss allowance of EUR 9 million in 2023) related to credit-impaired customers financing-related loan receivables.



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2.5. Income taxes

Accounting policies

Income tax expense comprises current tax and deferred tax. Tax is recognized in the income statement except to the extent that it relates to items recognized in other comprehensive income, or directly in equity, in which case the related tax is recognized in other comprehensive income or equity, respectively.

Current taxes are calculated based on the results of the Group companies in accordance with local tax laws and using tax rates that are enacted or substantively enacted at the reporting date. Corporate taxes withheld at the source of the income on behalf of Group companies are accounted for as income taxes when determined to represent a tax on net income.

Deferred tax assets and liabilities are determined using the balance sheet liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized in the relevant jurisdictions. Deferred tax assets are assessed for realizability at each reporting date. When facts and circumstances indicate it is no longer probable that deferred tax assets will be utilized, adjustments are made as necessary.

Deferred tax liabilities are recognized for taxable temporary differences, and for temporary differences that arise between the fair value and the tax base of identifiable net assets acquired in business combinations. Deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax liabilities are recognized on taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, unless the timing of the reversal of the temporary difference is controlled by Nokia, and it is probable that the temporary difference will not reverse in the foreseeable future.

Nokia applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Deferred tax assets and deferred tax liabilities are measured using the enacted or substantively enacted tax rates at the reporting date that are expected to apply in the period when the asset is realized or the liability is settled. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and deferred tax liabilities are offset for presentation purposes when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or realize the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

Nokia periodically evaluates positions taken in tax returns in situations where applicable tax regulation is subject to interpretation. The amounts of current and deferred tax assets and liabilities are adjusted when it is considered probable, i.e. more likely than not, that certain tax positions may not be fully sustained upon review by tax authorities. The amounts recorded are based on the most likely amount or the expected value, depending on which method Nokia expects to better predict the resolution of the uncertainty, at each reporting date.

Critical accounting judgment

Nokia is subject to income taxes in the jurisdictions in which it operates. Judgment is required in determining current tax expense, uncertain tax positions, deferred tax assets and deferred tax liabilities; and the extent to which deferred tax assets can be recognized.

Estimates related to the recoverability of deferred tax assets are based on forecast future taxable income and tax planning strategies. Based on these estimates and assumptions, at 31 December 2025, Nokia has EUR 21 918 million (EUR 21 853 million in 2024) of unused tax losses, unused tax credits and deductible temporary differences for which no deferred tax assets are recognized due to uncertainty of utilization. The majority of the unrecognized deferred tax assets relate to France.

The utilization of deferred tax assets is dependent on future taxable profit in excess of the profit arising from the reversal of existing taxable temporary differences. The recognition of deferred tax assets is based on the assessment of whether it is probable that sufficient taxable profit will be available in the future to utilize the unused tax losses, unused tax credits and deductible temporary differences before the unused tax losses and unused tax credits expire. Recognition of deferred tax assets involves judgment regarding the future financial performance of the particular legal entity or tax group that has recognized the deferred tax asset.



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Components of the income tax expense/benefit

EURm	2025	2024	2023
Current tax expense	(478)	(439)	(429)
Deferred tax benefit/(expense)	201	59	(391)
Total	(277)	(380)	(820)

Income tax reconciliation

Reconciliation of the difference between income tax computed at the statutory rate in Finland of 20% and income tax recognized in the income statement:

EURm	2025	2024	2023
Income tax expense at statutory rate	(183)	(418)	(294)
Permanent differences	51	149	146
Non-creditable withholding taxes	(39)	(44)	(38)
Income taxes for prior years	1	10	23
Effect of different tax rates of subsidiaries operating in other jurisdictions	(28)	(46)	(143)
Effect of deferred tax assets not recognized ⁽¹⁾	(58)	(44)	(533)
Benefit arising from previously unrecognized deferred tax assets	14	81	25
Net increase in uncertain tax positions	(23)	(29)	(15)
Change in income tax rates	(52)	(27)	32
Income taxes on undistributed earnings	40	(12)	(23)
Total	(277)	(380)	(820)

(1) In 2023, Nokia recognized a deferred tax expense and a decrease in deferred tax assets of EUR 0.4 billion due to an internal transaction related to an operating model change that led to a remeasurement of deferred tax assets in Finland and the United States.

Income tax liabilities and assets include a net liability of EUR 318 million (EUR 207 million in 2024) relating to uncertain tax positions with inherently uncertain timing of cash outflows.

Prior period income tax returns for certain Group companies are under examination by local tax authorities. Nokia has ongoing tax investigations in various jurisdictions, including Australia, Brazil, China, France, India, Kenya, Mexico and United States. Nokia's business and investments, especially in emerging market countries, may be subject to uncertainties, including unfavorable or unpredictable tax treatment. Management judgment and a degree of estimation are required in determining the tax expense or benefit. Even though management does not expect that any significant additional taxes in excess of those already provided for will arise as a result of these examinations, the outcome or actual cost of settlement may vary materially from estimates.

Deferred tax assets and liabilities

Deferred tax assets and liabilities relate to the following:

EURm	2025			2024		
	Deferred tax assets	Deferred tax liabilities	Net balance	Deferred tax assets	Deferred tax liabilities	Net balance
Tax losses carried forward and unused tax credits	1 034	—		1 019	—	
Undistributed earnings	—	(167)		—	(213)	
Intangible assets and property, plant and equipment	2 968	(294)		2 957	(152)	
Right-of-use assets	—	(194)		—	(131)	
Defined benefit pension assets	—	(1 913)		—	(2 106)	
Other non-current assets	20	(12)		24	(17)	
Inventories	198	(5)		148	(12)	
Other current assets	128	(37)		160	(69)	
Lease liabilities	188	—		137	—	
Defined benefit pension and other post-employment liabilities	781	—		917	—	
Other non-current liabilities	7	(1)		8	—	
Provisions	330	(47)		254	(75)	
Other current liabilities	335	(84)		287	(106)	
Other temporary differences	39	(23)		34	(27)	
Total before netting	6 028	(2 777)	3 251	5 945	(2 908)	3 037
Netting of deferred tax assets and liabilities	(2 385)	2 385	—	(2 346)	2 346	—
Total after netting	3 643	(392)	3 251	3 599	(562)	3 037

Nokia has undistributed earnings of EUR 433 million (EUR 377 million in 2024) for which a deferred tax liability has not been recognized as these earnings will not be distributed in the foreseeable future.

The Finnish Government announced changes to the corporate income tax regime that could see the corporate income tax rate reduce from 20% to 18% starting from 1 January 2027. On the date of issuing the financial statements, the legislation has not yet been enacted or substantively enacted. If the legislative change is enacted as proposed, the change in the corporate income tax rate would decrease Nokia's net deferred tax assets approximately by EUR 300 million resulting in corresponding impact on income tax expense. The estimated impact of the proposed change is based on temporary differences recognized at 31 December 2025.

Nokia continues to monitor the legislative process and will reflect the impact of the tax rate change in the period in which it becomes substantively enacted.



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Movements in the net deferred tax balance during the year:

EURm	2025	2024	2023
1 January	3 037	3 148	3 502
Recognized in income statement, continuing operations	201	59	(391)
Recognized in income statement, discontinued operations	—	—	(3)
Recognized in other comprehensive income	(21)	(77)	51
Acquisitions through business combinations ⁽¹⁾	45	2	—
Disposals	—	(75)	—
Other	—	—	(3)
Translation differences	(11)	(20)	(8)
31 December	3 251	3 037	3 148

(1) In 2025, acquisitions through business combinations relates to the acquisition of Infinera. For more information, refer to Note 6.2. Acquisitions.

In addition, at 31 December 2025, Nokia has unrecognized deferred tax assets of which the majority relate to France. These deferred tax assets have not been recognized due to uncertainty regarding their utilization. A significant portion of the French unrecognized deferred tax assets are indefinite in nature and available against future French tax liabilities, subject to a limitation of 50% of annual taxable profits.

The amount of temporary differences, tax losses carried forward and tax credits for which no deferred tax asset was recognized due to uncertainty of utilization:

EURm	2025	2024
Temporary differences	2 071	1 810
Tax losses carried forward	19 530	19 770
Tax credits	317	273
Total	21 918	21 853

Expiry of tax losses carried forward and unused tax credits:

EURm	2025			2024		
	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
Tax losses carried forward						
Within 10 years	1 372	924	2 296	1 356	1 022	2 378
Thereafter	50	83	133	74	—	74
No expiry	1 870	18 523	20 393	1 972	18 748	20 720
Total	3 292	19 530	22 822	3 402	19 770	23 172
Tax credits						
Within 10 years	130	295	425	126	254	380
Thereafter	167	9	176	45	4	49
No expiry	122	13	135	153	15	168
Total	419	317	736	324	273	597

Nokia continually evaluates the probability of utilizing its deferred tax assets and considers both positive and negative evidence in its assessment. As the majority of the recognized deferred tax assets relates to Finland, Nokia has considered the following factors in the assessment:

- The recent years' cumulative accounting and taxable profit in Finland;
- Expectations regarding future financial performance in Finland; and
- The relevant attributes underlying the deferred tax assets are generally not subject to expiry.

Nokia has established the pattern of material taxable and accounting profits in Finland and continued to recognize deferred tax assets related to Finland. In its assessment, Nokia has not applied any cut-off period, other than expiry under the relevant tax legislation. A significant portion of the tax attributes for which the deferred tax assets relate to are indefinite in nature and available fully against future Finnish tax liabilities. Due to the non-expiry of these assets, the sensitivity of future profit projections affects mainly the period over which the deferred tax assets are expected to be utilized. Nokia will continue to monitor the above factors related to Finland, including in particular its actual profit record, in upcoming periods.

Income tax related to items of other comprehensive income

EURm	2025			2024			2023		
	Gross	Tax	Net	Gross	Tax	Net	Gross	Tax	Net
Remeasurements of defined benefit plans	(24)	7	(17)	408	(85)	323	(343)	61	(282)
Translation differences	(1 627)	(3)	(1 630)	537	8	545	(535)	7	(528)
Net investment hedges	111	(22)	89	(40)	8	(32)	135	(27)	108
Cash flow and other hedges	1	—	1	21	(3)	18	(61)	10	(51)
Financial assets at fair value through other comprehensive	9	(2)	7	19	(5)	14	10	—	10
Other increase/(decrease), net	7	(1)	6	3	—	3	(4)	—	(4)
Total	(1 523)	(21)	(1 544)	948	(77)	871	(798)	51	(747)

OECD Pillar Two model rules

Nokia is within the scope of the OECD Pillar Two model rules, which introduced a global minimum tax rate of 15% per jurisdiction. Pillar Two legislation has been enacted in Finland, the jurisdiction in which Nokia is incorporated, and is effective from 1 January 2024.

Nokia has performed an analysis of the impact of the Pillar Two legislation and based on this analysis, in 2025, the impact on income tax expense is immaterial. The main elements of this analysis were the following:

- Current understanding of the interpretation of the rules.
- Applicability of the safe harbors provided for in the Pillar Two legislation.
- Analysis and calculations of potential income tax expense in respect of jurisdictions not meeting safe harbor tests.

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2.6. Discontinued operations

Accounting policies

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets classified as held for sale, or included in a disposal group classified as held for sale, are not depreciated or amortized.

Discontinued operation is reported when a component of Nokia, comprising operations and cash flows that can be clearly distinguished both operationally and for financial reporting purposes from the rest of Nokia, has been disposed of or is classified as held for sale, and that component represents a major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. Profit or loss from discontinued operations is reported separately from income and expenses from continuing operations in the consolidated income statement, with prior periods presented on a comparative basis. Intra-group revenues and expenses between continuing and discontinued operations are eliminated.

In June 2024, Nokia entered into an agreement to sell its wholly owned subsidiary Alcatel Submarine Networks (ASN) to the French State. As a result, Nokia classified the assets and liabilities of ASN as held for sale and recorded an impairment loss of EUR 514 million on the measurement of ASN's net assets to fair value less costs to sell. Concurrently, the Submarine Networks business, which was previously reported as part of Network Infrastructure operating segment, was classified as a discontinued operation.

The sale was completed on 31 December 2024. Upon completion, Nokia recorded a gain of EUR 29 million related to the sale and received a cash consideration of EUR 98 million from the sale. In 2025, Nokia recorded an additional gain on sale of EUR 22 million related to purchase price adjustments and ASN meeting certain financial targets, and received an additional cash consideration from the sale amounting to EUR 40 million.

Nokia retained a 20% shareholding in ASN with board representation to ensure a smooth transition until targeted exit, at which point it is planned for the French State to acquire Nokia's remaining interest. Nokia accounts for its remaining interest in ASN as an investment in an associated company.

Critical accounting judgment

Nokia classified its non-core standalone Submarine Networks business, a global provider of submarine communication networks, as held-for-sale and a discontinued operation following the announcement of its sale on 27 June 2024. For financial reporting purposes the Submarine Networks business had been a separate cash-generating unit within the Network Infrastructure reportable segment. Judgment was applied in determining that the Submarine Networks business is a component of Nokia that represents a separate major line of business which should be presented as a discontinued operation.

Results of discontinued operations

EURm	2025	2024	2023
Net sales	—	1 059	1 120
Expenses	—	(989)	(1 090)
Operating profit	—	70	30
Financial income and expenses	—	(7)	5
Impairment loss recognized on the remeasurement to fair value less costs to sell	—	(514)	—
Gain on sale	22	29	—
Profit/(loss) from discontinued operations before tax	22	(422)	35
Income tax expense	—	(5)	(5)
Profit/(loss) from discontinued operations⁽¹⁾	22	(427)	30

(1) Profit/loss from discontinued operations is attributable to the equity holders of the parent in its entirety.

Cash flows from discontinued operations

EURm	2025	2024	2023
Net cash flows from/(used in) operating activities	—	193	(44)
Net cash flows from/(used in) investing activities ⁽¹⁾	40	(188)	(59)
Net cash flows used in financing activities	—	(18)	(14)
Net cash flows from/(used in) discontinued operations	40	(13)	(117)

(1) Cash proceeds from the disposal of the Submarine Networks business, net of cash disposed of, are included in net cash flows from/used in investing activities of discontinued operations.



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Reconciliation of gain on sale of Submarine Networks business

EURm	31 December 2024
Cash proceeds	98
Deferred cash consideration	30
Total consideration	128
Carrying amount of net assets on disposal	(170)
Cumulative other comprehensive income	64
Transaction costs	(25)
Fair value of retained interest in associate	32
Gain on sale before tax	29
Income tax	—
Gain on sale after tax	29

Carrying amount of assets and liabilities on disposal

EURm	31 December 2024
ASSETS	
Property, plant and equipment	102
Deferred tax assets	80
Inventories	147
Trade receivables	99
Contract assets	293
Other current financial and firm commitment assets	98
Other assets	89
Cash and cash equivalents	227
Total assets	1 135
LIABILITIES	
Lease liabilities	36
Provisions	46
Other financial and firm commitment liabilities	50
Trade payables	93
Contract liabilities	347
Accrued expenses related to customer projects	184
Other liabilities	209
Total liabilities	965
Net assets on disposal	170

2.7. Earnings per share

Accounting policies

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the parent by the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated by adjusting the profit or loss attributable to equity holders of the parent, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Potential ordinary shares are excluded from the calculation of diluted earnings per share when they are determined to be antidilutive.

EURm	2025	2024	2023
Profit or loss attributable to equity holders of the parent			
Continuing operations	629	1 704	635
Discontinued operations	22	(427)	30
Profit for the year	651	1 277	665
Number of shares (000s)			
Weighted average number of shares outstanding	5 415 876	5 475 817	5 549 468
Effect of potentially dilutive shares			
Performance shares	12 905	1 118	8 190
Restricted shares and other ⁽¹⁾	74 001	53 668	28 265
Total effect of potentially dilutive shares	86 906	54 786	36 455
Adjusted weighted average number of shares	5 502 782	5 530 603	5 585 923

(1) Includes the matching shares related to the employee share purchase plan.

Earnings per share, EUR			
Basic earnings per share			
Continuing operations	0.12	0.31	0.11
Discontinued operations	0.00	(0.08)	0.01
Profit for the year	0.12	0.23	0.12
Diluted earnings per share			
Continuing operations	0.11	0.31	0.11
Discontinued operations	0.00	(0.08)	0.01
Profit for the year	0.12	0.23	0.12



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Compensation and benefits

This section provides information on Nokia's employee benefits including remuneration of the management and Board of Directors. Employee benefits comprise salaries and wages, short-term cash incentives and share-based payments, as well as post-employment benefits in accordance with the local conditions and practices in the countries in which Nokia operates.

Information about the remuneration of the President and CEO and Board of Directors is provided in compliance with Finnish Accounting Standards.

3.1. Summary of personnel expenses

EURm	2025	2024	2023
Salaries and wages ⁽¹⁾	6 269	6 163	5 859
Pensions and other post-employment benefits			
Defined contribution plans	261	242	249
Defined benefit plans ⁽²⁾	167	157	155
Share-based payments	337	239	201
Social security costs	797	762	830
Total	7 831	7 563	7 294

(1) Includes termination benefits.

(2) Excludes amounts presented in financial income, refer to Note 3.4. Pensions and other post-employment benefits.

Average number of employees

Number of employees	2025	2024	2023
Continued Operations	78 005	78 434	84 795
Discontinued Operations	—	1 927	1 894
Total	78 005	80 361	86 689

3.2. Remuneration of key management Remuneration of the Group Leadership Team

The amounts below represent each member's time on the Group Leadership Team.

EURm	2025	2024	2023
Short-term benefits	22	14	13
Post-employment benefits ⁽¹⁾	1	1	1
Share-based payments	17	12	13
Termination benefits ⁽²⁾	13	4	—
Total	53	31	27

(1) The members of the Group Leadership Team participate in the local retirement programs applicable to employees in the country where they reside.

(2) Includes both termination payments and payments made under exceptional contractual arrangements for lapsed equity awards.

Remuneration of the President and CEO

EUR	2025		2024		2023
	Justin Hotard, from 1 April	Pekka Lundmark, until 31 March	Pekka Lundmark	Pekka Lundmark	
Base salary	1 057 875	352 625	1 410 500	1 322 750	
Cash incentive payments	1 703 840	567 947	1 824 834	1 079 695	
Share-based payment expenses ⁽¹⁾	3 907 501	979 128	3 117 360	5 041 885	
Pension expenses	490 275	39 291	310 937	422 274	
Other benefits ⁽²⁾	3 584 877	5 239 650	55 044	95 756	
Total	10 744 368	7 178 641	6 718 675	7 962 360	

(1) Represents the expense for all outstanding equity grants recorded during the year.

(2) Other benefits consist of on-boarding and exit agreement benefits, and certain fringe benefits.

Termination terms of President and CEO's service agreement

The President and CEO, Justin Hotard, may terminate the service agreement with 12 months' notice, receiving salary and benefits during the notice period or a lump sum equivalent, plus any incentives vesting during the notice. As a general rule, unvested equity awards are forfeited unless the Board decides otherwise. If termination occurs due to Nokia's material breach of the agreement, the notice period may be reduced to two months, and the CEO is entitled to severance equal to 12 months' compensation including the notice period. In addition, all his equity incentives vest, subject to any applicable performance criteria, prorated until the expiry of the agreement.

Nokia may terminate for cause without notice, with no additional pay and forfeiture of unvested equity awards. For termination without cause, the CEO receives 12 months' compensation (incl. benefits and short-term incentives), with unvested equity awards forfeited after the termination of the agreement unless the Board decides otherwise. If termination occurs within three months before or six months after a change of control, the notice period may be reduced to three months and the CEO receives 12 months' remuneration and all his equity incentives vest subject to performance and time proration until the expiry of the agreement.

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Remuneration of the Board of Directors

The annual remuneration paid to the members of the Board of Directors, as decided by the Annual General Meetings in the respective years:

	2025			2024			2023		
	Annual fee ⁽¹⁾ EUR	Meeting fees ⁽²⁾ EUR	Shares received ⁽³⁾ number	Annual fee ⁽¹⁾ EUR	Meeting fees ⁽²⁾ EUR	Shares received ⁽³⁾ number	Annual fee ⁽¹⁾ EUR	Meeting fees ⁽²⁾ EUR	Shares received ⁽³⁾ number
Sari Baldauf, Chair ⁽⁴⁾⁽⁵⁾	465 000	10 000	41 478	465 000	10 000	52 993	465 000	10 000	47 427
Timo Ihamuotila, Vice Chair ⁽⁵⁾	220 000	9 000	19 624	—	—	—	—	—	—
Søren Skou	—	2 000	—	220 000	14 000	25 072	225 000	14 000	22 948
Timo Ahopelto ⁽⁴⁾⁽⁶⁾	210 000	10 000	18 732	210 000	10 000	23 932	210 000	10 000	21 418
Bruce Brown	—	—	—	—	—	—	—	5 000	—
Elizabeth Crain ⁽⁴⁾⁽⁵⁾	220 000	12 000	19 624	220 000	12 000	25 072	215 000	15 000	21 928
Thomas Dannenfeldt ⁽⁴⁾⁽⁷⁾	245 000	14 000	21 854	240 000	14 000	27 351	230 000	9 000	23 458
Pernille Erenbjerg ⁽⁷⁾	200 000	—	17 840	—	—	—	—	—	—
Lisa Hook ⁽⁵⁾⁽⁷⁾	210 000	12 000	18 732	210 000	14 000	23 932	200 000	17 000	20 399
Jeanette Horan	—	—	—	—	—	—	210 000	10 000	21 418
Edward Kozel	—	—	—	—	—	—	—	5 000	—
Mike McNamara ⁽⁶⁾⁽⁷⁾	210 000	14 000	18 732	210 000	14 000	23 932	—	—	—
Thomas Saueressig ⁽⁶⁾	195 000	14 000	17 394	195 000	14 000	22 223	195 000	14 000	19 889
Carla Smits-Nusteling	—	2 000	—	215 000	9 000	24 502	215 000	14 000	21 928
Kai Öistämö ⁽⁵⁾⁽⁶⁾	215 000	10 000	19 178	205 000	10 000	23 362	205 000	10 000	20 908
Total	2 390 000	109 000		2 390 000	121 000		2 370 000	133 000	

(1) Annual fees consist of Board member fees and Committee chair and member fees.

(2) Meeting fees include all meeting fees paid during the reported year.

(3) Approximately 40% of each Board member's annual compensation is paid in Nokia shares purchased from the market, and the remaining approximately 60% is paid in cash.

(4) Annual fees in 2025 include EUR 30 000 for Thomas Dannenfeldt as Chair and EUR 15 000 for Timo Ahopelto, Sari Baldauf and Elizabeth Crain as members of the Personnel Committee.

(5) Annual fees in 2025 include EUR 20 000 for Elizabeth Crain as Chair and EUR 10 000 for Sari Baldauf, Lisa Hook, Timo Ihamuotila, and Kai Öistämö as members of the Strategy Committee.

(6) Annual fees in 2025 include EUR 20 000 for Kai Öistämö as Chair and EUR 10 000 for Timo Ahopelto, Mike McNamara and Thomas Saueressig as members of the Technology Committee.

(7) Annual fees in 2025 include EUR 30 000 for Thomas Dannenfeldt as Chair and EUR 15 000 for Pernille Erenbjerg, Lisa Hook and Mike McNamara as members of the Audit Committee.



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3.3. Share-based payments

Accounting policies

Nokia offers three types of global share-based compensation plans for employees: performance shares, restricted shares and the employee share purchase plan. All plans are equity-settled.

Employee services received and the corresponding increase in equity are measured by reference to the fair value of the equity instruments at the grant date, excluding the impact of any non-market vesting conditions. Plans that apply tranching vesting are accounted for under the graded vesting model. Share-based compensation plans are generally conditional on continued employment as well as the fulfillment of any performance conditions specified in the award terms. Until the Nokia shares are delivered, the participants do not have any shareholder rights, such as voting or dividend rights, associated with the shares. The share grants are generally forfeited if the employment relationship with Nokia terminates prior to vesting. Share-based compensation is recognized as an expense over the relevant service periods.

Share-based payment expense

In 2025, the share-based payment expense recognized in the income statement for continuing operations for all share-based compensation plans amounted to EUR 337 million (EUR 239 million in 2024 and EUR 201 million in 2023).

Performance shares

In 2025, Nokia had outstanding performance shares from grants made in 2022, 2023, 2024 and 2025. Grants made for performance shares are targeted on a limited basis to senior level employees and executives.

Performance share plans at 31 December 2025:

Plan	Performance shares outstanding at target	Confirmed payout (% of target)	Performance period	Settlement year
2022	—	0%	2022-2024	2025/2026
2023	12 529 600	110%	2023-2025	2026/2027
2024	17 534 756	—	2024-2026	2027/2028
2025	10 681 505	—	2025-2027	2028/2029

The 2022 Performance share grants have a three-year vesting period where Nokia's actual total shareholder return (ATSR) is compared to the target total shareholder return to determine the number of Nokia shares that will be delivered at settlement. The 2022 Performance share grants do not include a minimum payout guarantee.

The 2023 Performance share grants apply the ATSR performance metric to two-thirds of the grant. For the remaining one-third of the granted shares, the metrics are either a service condition alone or a relative total shareholder return (RTSR). RTSR grants measure Nokia's share performance against its peer group companies where minimum payout for this metric requires Nokia to be at least in the 25th percentile when compared with the peer group.

The 2024 and 2025 Performance share grants apply the performance metrics to two-thirds of the grant. For the remaining one-third of the granted shares, the metrics are either a service condition or performance metrics. The performance metrics of the 2024 and 2025 Performance share grants are 50% RTSR, 40% Cumulative EPS targets adjusted for non-recurring events, and 10% carbon emissions targets.

Restricted shares

In 2025, there were outstanding restricted shares from grants made in 2022, 2023, 2024 and 2025. Nokia grants restricted shares to selected employees as the primary method of equity compensation. Restricted shares are Nokia shares that will be delivered to eligible participants at a future point in time, subject to the fulfillment of predetermined service conditions. Restricted shares will either vest on the third anniversary of the award or follow a tranche vesting schedule whereby each plan vests in one or more tranches determined at the award date.

The restricted share grants are generally forfeited if the employment relationship with Nokia terminates prior to vesting of the applicable tranche or tranches.

Employee share purchase plan

Nokia offers a voluntary Employee Share Purchase Plan (ESPP) to its employees. Participating employees make contributions from their net salary to purchase Nokia shares on a monthly basis during a 12-month savings period. Nokia delivers one matching share for every two purchased shares the employee holds at the end of the plan cycle. In 2025, 5 578 417 matching shares were issued as a settlement to the participants of the ESPP 2024 (7 455 343 matching shares issued under the 2023 Plan in 2024, and 6 726 190 matching shares issued under the 2022 Plan in 2023).



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Share-based payment plans by instrument

	Performance shares		Restricted shares	
	Number of shares outstanding at target	Weighted average grant date fair value (EUR)	Number of shares outstanding	Weighted average grant date fair value (EUR)
1 January 2023	63 747 848		54 527 628	
Granted	15 207 400	3.10	45 322 400	3.36
Forfeited	(3 916 744)		(1 998 801)	
Vested ⁽¹⁾	(31 691 700)		(3 175 287)	
31 December 2023	43 346 804		94 675 940	
Granted	19 202 484	3.65	57 602 936	3.48
Forfeited	(3 589 329)		(5 471 235)	
Vested ⁽¹⁾	(15 223 017)		(23 834 342)	
31 December 2024	43 736 942		122 973 299	
Granted ⁽²⁾	10 818 188	4.73	97 037 127	4.37
Forfeited	(2 803 610)		(7 901 371)	
Vested ⁽¹⁾	(11 005 659)		(62 570 770)	
31 December 2025	40 745 861		149 538 285	

(1) Vested performance shares at target are to be multiplied by the confirmed payout (% of target) to calculate the total number of Nokia shares settled.

(2) Number of granted restricted shares includes 39.4 million replacement share awards granted as part of the acquisition of Infinera. For more information on the replacement awards as part of the purchase consideration, refer to Note 6.2. Acquisitions.

Estimation of grant date fair values

Plan	Grant date fair value
ATSR	Estimated considering the dividend-adjusted Nokia share price at the end of the performance period of the plan and the target payout levels set for the plan.
RTSR	Estimated considering a combination of the dividend-adjusted Nokia share price compared with benchmark companies' share prices at the end of the performance period of the plan and the target payout levels set for the plan.
Restricted Shares	Estimated using the grant date market price of the Nokia share less the present value of dividends expected to be paid during the vesting period.



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3.4. Pensions and other post-employment benefits

Accounting policies

Nokia has various post-employment plans in accordance with the local conditions and practices in the countries in which it operates. Nokia's defined benefit plans comprise pension schemes as well as other benefit plans providing post-employment healthcare and life insurance coverage to certain employee groups. Defined benefit plans expose Nokia to various risks such as investment risk, interest rate risk, life expectancy risk, and regulatory/compliance risk. The characteristics and extent of these risks vary depending on the legal, fiscal and economic requirements in each country as well as the impact of global events. The plans are generally funded through payments to insurance companies or contributions to trustee-administered funds as determined by periodic actuarial calculations.

The costs of defined benefit plans are assessed using the projected unit credit method. The defined benefit obligation is measured as the present value of the estimated future cash outflows using interest rates on high-quality corporate bonds or government bonds with maturities most closely matching expected payouts of benefits. The plan assets are measured at fair value at the reporting date. Qualifying insurance contracts included within pension plan assets are measured at fair value based upon the actuarial valuation of the underlying insured liability. The liability or asset recognized in the statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets adjusted for effects of any asset ceiling.

Actuarial valuations for defined benefit plans are performed annually or when a material plan amendment, curtailment or settlement occurs. Service cost related to employees' service in the current period and past service cost resulting from plan amendments and curtailments, as well as gains and losses on settlements, are presented in cost of sales, research and development expenses or selling, general and administrative expenses. Net interest and pension plan administration costs that are not considered in determining the return on plan assets are presented in financial income and expenses. Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets, excluding amounts recognized in net interest, are recognized in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

In a defined contribution plan, Nokia's legal or constructive obligation is limited to the amount that it agrees to contribute to the plan. Nokia's contributions to defined contribution plans, multi-employer and insured plans are recognized in the income statement in the period to which the contributions relate. If a pension plan is funded through an insurance contract where Nokia does not retain any legal or constructive obligations, the plan is treated as a defined contribution plan. All arrangements that do not fulfill these conditions are considered defined benefit plans.

Defined benefit plans

Nokia's most significant defined benefit plans are in the United States, Germany, and the United Kingdom. Together, they account for 91% of Nokia's total defined benefit obligation (92% in 2024) and 89% of Nokia's total fair value of plan assets (91% in 2024).

Summary of defined benefit balances at 31 December

EURm	Defined benefit obligation	Fair value of plan assets	Effects of asset ceiling	Net defined benefit balance
2025				
United States, Pension	(8 971)	13 748	—	4 777
United States, OPEB	(1 228)	600	—	(628)
Germany	(1 891)	1 292	—	(599)
United Kingdom	(494)	697	—	203
Other	(1 209)	1 978	(89)	680
Total	(13 793)	18 315	(89)	4 433
2024				
United States, Pension	(10 688)	16 188	—	5 500
United States, OPEB	(1 393)	701	—	(692)
Germany	(1 959)	1 240	—	(719)
United Kingdom	(529)	736	—	207
Other	(1 220)	1 858	(85)	553
Total	(15 789)	20 723	(85)	4 849

Funded status of defined benefit obligation:

EURm	2025	2024
Wholly funded	10 834	12 665
Partly funded	2 142	2 252
Unfunded	817	872
Total	13 793	15 789



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United States

Nokia has significant defined benefit pension plans and a significant post-employment welfare benefit plan (OPEB) providing post-employment healthcare benefits and life insurance coverage in the United States.

Defined Benefit Pension Plans

The defined benefit pension plans include both traditional service-based programs and cash-balance plans. Salaried, non-union-represented employees are covered by a cash-balance program. All other legacy programs, including legacy service-based programs, were frozen by 31 December 2009. For former employees who, when actively employed, were represented by a union, Nokia maintained two defined benefit pension plans, both of which are traditional service-based programs. On 31 December 2021, these two plans were merged. On 31 December 2025, the remaining service-based plan for former union-represented employees was merged into the service-based plan for non-union-represented employees.

Other Post-Employment Benefit Plan

The other post-employment benefit plan provides welfare benefits for certain retired former employees. Pursuant to an agreement with the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) unions, Nokia provides post-employment healthcare benefits and life insurance coverage for employees formerly represented by these two unions. That agreement was renewed in 2020, and the contract expires on 31 December 2027.

On 1 October 2024, Nokia transferred investment management operations for US Pension, OPEB and 401(k) assets to Mercer Investments LLC in an Outsourced Investment Management (OCIO) transaction.

Germany

Nokia maintains two primary plans in Germany which cover the majority of active employees: the cash-balance plan Beitragsorientierter Altersversorgungs Plan (BAP) for the Group's Nokia employees and a similar cash-balance program (AVK Basis-/Matchingkonto) for the Group's former Alcatel-Lucent employees. Individual benefits are generally dependent on eligible compensation levels, ranking within the Group and years of service. These plans are partially funded defined benefit pension plans, the benefits being subject to a minimum return guaranteed by the Group. The funding vehicle for the BAP is the NSN Pension Trust e.V. The trust is legally separate from the Group and manages the plan assets in accordance with the respective trust agreements.

All other plans have been frozen or closed in prior years and replaced by the cash-balance plans. Benefits are paid in annual installments, as monthly retirement pension, or as a lump sum on retirement in an amount equal to accrued pensions and guaranteed interest.

United Kingdom

Nokia maintains one primary plan in the UK, "Nokia Retirement Plan for former NSN & ALU employees", which is the result of the 2019 merger of the legacy Nokia plan where the plan was merged and members' benefits were transferred to the legacy Alcatel-Lucent plan. The combined plan consists of both money purchase sections with Guaranteed Minimum Pension (GMP) underpin and final salary sections. All final salary sections are closed to future benefit accrual: the legacy Nokia plan closed on 30 April 2012 and the legacy Alcatel-Lucent plan on 30 April 2018. Individual benefits for final salary sections are dependent on eligible compensation levels and years of service. For the money purchase sections with GMP underpin, individual benefits are dependent on the greater of the value of GMP at retirement date and the pension value resulting from the individual's invested funds. Nokia engages the services of an external trustee service provider to manage all investments for the combined pension plan. During 2024, Nokia completed a risk transfer buy-out in the amount of EUR 178 million, with insurer Aviva, for certain beneficiaries whose liability was covered by an existing insurance agreement.

In June 2025, the UK Government announced it would legislate a remedy for affected defined benefit pension schemes, with regard to the implications of the ruling by the High Court in June 2023, and the dismissal of appeal by the Court of Appeal in July 2024, in the case of Virgin Media Limited v NTL Pension Trustees II Ltd. Nokia's UK Pension Trustee awaits further developments that may impact this position from pending cases in UK courts that are expected in 2026. As of 31 December 2025, management has not identified any benefit uncertainties for which the potential impact would need to be considered.



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Movements in the defined benefit obligation, fair value of plan assets and the impact of the asset ceiling limitation for the years ended 31 December

Defined benefit obligation

EURm	2025				2024			
	United States pension	United States OPEB	Other pension	Total	United States pension	United States OPEB	Other pension	Total
1 January	(10 688)	(1 393)	(3 708)	(15 789)	(11 325)	(1 471)	(4 072)	(16 868)
Current service cost	(80)	—	(59)	(139)	(86)	—	(62)	(148)
Interest expense	(483)	(66)	(134)	(683)	(509)	(67)	(142)	(718)
Past service cost	(6)	—	(22)	(28)	(12)	—	7	(5)
Settlements ⁽¹⁾	—	—	—	—	—	—	178	178
Total	(569)	(66)	(215)	(850)	(607)	(67)	(19)	(693)
Remeasurements:								
(Loss)/gain from change in demographic assumptions	—	—	(2)	(2)	114	17	32	163
(Loss)/gain from change in financial assumptions	(217)	(31)	148	(100)	463	62	88	613
Experience gain/(loss)	48	(10)	(6)	32	94	27	(13)	108
Total	(169)	(41)	140	(70)	671	106	107	884
Translation differences	1 227	161	62	1 450	(664)	(87)	(32)	(783)
Contributions from plan participants	—	(78)	(4)	(82)	—	(76)	(4)	(80)
Benefits paid	1 228	200	215	1 643	1 237	212	272	1 721
Acquisitions through business combinations	—	—	(84)	(84)	—	—	—	—
Other	—	(11)	—	(11)	—	(10)	40	30
Total	2 455	272	189	2 916	573	39	276	888
31 December	(8 971)	(1 228)	(3 594)	(13 793)	(10 688)	(1 393)	(3 708)	(15 789)
Weighted average duration of the defined benefit obligation (in years)	7.3	8.0	9.5	7.9	9.1	10.3	10.1	9.5

(1) In 2024, the settlement relates to the transfer of a liability in the amount of EUR 178 million to insurer Aviva as part of a buy-out transaction in the UK.



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Fair value of plan assets

EURm	2025				2024			
	United States pension	United States OPEB	Other pension	Total	United States pension	United States OPEB	Other pension	Total
1 January	16 188	701	3 834	20 723	16 285	675	3 954	20 914
Interest income	743	32	138	913	755	30	133	918
Administrative expenses and interest on asset ceiling	(21)	—	(5)	(26)	(18)	—	(5)	(23)
Settlements ⁽¹⁾	—	—	—	—	—	—	(183)	(183)
Total	722	32	133	887	737	30	(55)	712
Remeasurements:								
Return on plan assets, excluding amounts included in interest income	(65)	28	85	48	(576)	50	44	(482)
Total	(65)	28	85	48	(576)	50	44	(482)
Translation differences	(1 859)	(79)	(47)	(1 985)	990	41	41	1 072
Contributions:								
Employers	25	4	26	55	27	3	25	55
Plan participants	—	78	4	82	—	76	4	80
Benefits paid	(1 228)	(200)	(143)	(1 571)	(1 237)	(212)	(179)	(1 628)
Acquisitions through business combinations	—	—	73	73	—	—	—	—
Section 420 transfer ⁽²⁾	(35)	35	—	—	(38)	38	—	—
Other	—	1	2	3	—	—	—	—
Total	(3 097)	(161)	(85)	(3 343)	(258)	(54)	(109)	(421)
31 December	13 748	600	3 967	18 315	16 188	701	3 834	20 723

(1) In 2024, the settlement primarily relates to transfer of assets in the amount of EUR 178 million to insurer Aviva as part of a buy-out transaction in the UK.

(2) Refer to the Future cash flows section below for description of Section 420 transfers.

The impact of the asset ceiling limitation

EURm	2025				2024			
	United States pension	United States OPEB	Other pension	Total	United States pension	United States OPEB	Other pension	Total
1 January	—	—	(85)	(85)	—	—	(87)	(87)
Interest expense	—	—	(1)	(1)	—	—	(1)	(1)
Remeasurements:								
Change in asset ceiling, excluding amounts included in interest expense	—	—	(2)	(2)	—	—	6	6
Translation differences	—	—	(1)	(1)	—	—	(3)	(3)
31 December	—	—	(89)	(89)	—	—	(85)	(85)

Net balances

EURm	2025				2024			
	United States pension	United States OPEB	Other pension	Total	United States pension	United States OPEB	Other pension	Total
31 December	4 777	(628)	284	4 433	5 500	(692)	41	4 849
Consisting of:								
Net pension assets	4 993	—	1 387	6 380	5 749	—	1 183	6 932
Net pension liabilities	(216)	(628)	(1 103)	(1 947)	(249)	(692)	(1 142)	(2 083)

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Recognized in the income statement⁽¹⁾

EURm	2025	2024	2023
Current service cost ⁽²⁾	139	148	157
Past service cost ⁽²⁾	28	5	6
Net interest ⁽³⁾	(203)	(176)	(187)
Settlements ⁽²⁾	—	5	(7)
Total	(36)	(18)	(31)

(1) In 2024 and 2023, amounts comprise both continuing and discontinued operations.

(2) Amounts related to continuing operations are presented in operating expenses within the income statement.

(3) Amounts related to continuing operations are presented in financial income within the income statement.

Recognized in other comprehensive income

EURm	2025	2024	2023
Return on plan assets, excluding amounts included in interest income	48	(482)	(76)
(Loss)/gain from change in demographic assumptions	(2)	163	55
(Loss)/gain from change in financial assumptions	(100)	613	(301)
Experience gain/(loss)	32	108	(26)
Change in asset ceiling, excluding amounts included in interest expense	(2)	6	5
Total	(24)	408	(343)

Actuarial assumptions and sensitivity analysis

Actuarial assumptions

The discount rates and mortality tables used for the significant plans:

	Discount rate		Mortality table
	2025	2024	2025
United States ⁽¹⁾	5.0%	5.3%	Pri-2012 w/MP-2020 Mortality projection scale
Germany	3.9%	3.4%	Heubeck 2018G
United Kingdom ⁽²⁾	5.7%	5.6%	CMI 2023
Total weighted average for all countries	4.8%	4.9%	

(1) Mortality tables remain unchanged in the US. 2024 and 2025 mortality assumption includes an adjustment based upon actual experience.

(2) Mortality tables for United Kingdom have been adjusted with 1.5% long-term rate of improvement.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each country.

The principal actuarial weighted average assumptions used for determining the defined benefit obligation and sensitivity of the defined benefit obligation to changes in these assumptions:

	2025	2024	Change in assumption	Increase in assumption ⁽¹⁾ EURm	Decrease in assumption ⁽¹⁾ EURm
Discount rate for determining present values	4.8%	4.9%	1.0%	990	(1 154)
Pension growth rate	2.1%	2.1%	1.0%	(206)	167
Inflation rate	2.3%	2.0%	1.0%	(222)	203
Life expectancy	87-88 yrs	86-88 yrs	1 year	(555)	524

(1) Positive movement indicates a reduction in the defined benefit obligation; a negative movement indicates an increase in the defined benefit obligation.

Sensitivity analysis

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the present value of the defined benefit obligation is calculated using the projected unit credit method. The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant and may not be representative of the actual impact of changes. If more than one assumption is changed simultaneously, the combined impact of changes would not necessarily be the same as the sum of the individual changes. If the assumptions change to a different level compared with that presented, the effect on the defined benefit obligation may not be linear. Increases and decreases in the principal assumptions, which are used in determining the defined benefit obligation, do not have a symmetrical effect on the defined benefit obligation primarily due to the compound interest effect created when determining the net present value of the future benefit.

Key source of estimation uncertainty

The determination of pension and other post-employment benefit obligations and expenses for defined benefit plans is dependent on a number of estimates and assumptions, including the discount rate, future mortality rate, annual rate of increase in future compensation levels, and healthcare costs trend rates and usage of services in the United States where the majority of Nokia's post-employment healthcare plans are maintained. Changes in assumptions and actuarial estimates may materially affect the benefit obligation, future expense and future cash flow.



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Investment strategies

The overall pension investment objective of Nokia is to preserve or enhance the defined benefit pension plans' funded status through the implementation of an investment strategy that maximizes return within the context of minimizing funded status risk. In formulating the asset allocation for the plans, multiple factors are considered, including, but not limited to, the long-term risk and return expectations for a variety of asset classes as well as current and multi-year projections of the defined benefit pension plans' demographics, benefit payments, contributions and funded status. Local trustee boards are responsible for conducting Asset-Liability Management (ALM) studies, when appropriate; overseeing the investment of plan assets; and monitoring and managing associated risks under company oversight and in accordance with local law. The results of the ALM framework are implemented on a plan level.

Nokia's pension investment managers may use derivative financial instruments including futures contracts, forward contracts, options and interest rate swaps to manage market risk. The performance and risk profile of investments is regularly monitored on a standalone basis as well as in the broader portfolio context. One risk is a decline in the plan's funded status as a result of the adverse performance of plan assets and/or defined benefit obligations. The application of the ALM study focuses on minimizing such risks.

United States plan assets

The majority of Nokia's United States pension plan assets are held in a master pension trust. The OPEB plan assets are held in two separate trusts. The Pension & Benefits Investment Committee formally approves the target asset allocation following the proposal by Nokia's OCIO provider. The overall United States pension plan asset portfolio, at 31 December 2025, reflects a balance of investments split of approximately 63% insurance contracts, 32% short-term investments and 5% other assets.

In November 2025, the Group entered into a buy-in transaction with a third party insurer to de-risk EUR 8.9 billion of pension exposure in the US defined benefit pension scheme. The transaction was fully funded from existing assets with no additional employer contributions required. Nokia retains the pension liability, however this transaction transfers certain investment and longevity risks to the insurer, enhancing the stability of the funding status and protection of Nokia US pension plan member benefits further securing the plan's ability to meet its future liabilities to plan participants. The recognition of the insurance policy as a qualifying plan asset resulted in a gain of approximately EUR 236 million recognized in other comprehensive income.

Disaggregation of plan assets

EURm	2025				2024			
	Quoted	Unquoted	Total	% of total assets	Quoted	Unquoted	Total	% of total assets
Equity securities	1 097	—	1 097	6%	1 055	—	1 055	5%
Fixed income securities	2 101	145	2 246	13%	14 721	142	14 863	72%
Insurance contracts ⁽¹⁾	—	9 211	9 211	50%	—	648	648	3%
Real estate	—	528	528	3%	—	860	860	4%
Short-term investments	4 801	—	4 801	26%	945	—	945	5%
Private equity and other	106	326	432	2%	103	2 249	2 352	11%
Total	8 105	10 210	18 315	100%	16 824	3 899	20 723	100%

(1) In 2025, insurance contracts include a EUR 8.7 billion qualifying insurance contract related to the US buy-in transaction.

Most short-term investments including cash, equities and fixed-income securities have quoted market prices in active markets. Equity securities represent investments in equity funds and direct investments, which have quoted market prices in an active market. Fixed income securities represent direct investments in government and corporate bonds, as well as investments in bond funds, which have quoted market prices in an active market. Insurance contracts are customary pension insurance contracts structured under domestic law in the respective countries. Real estate investments are investments in commercial properties or real estate funds, which invest in a diverse range of real estate properties. Private equity and other investments include investments in private equity limited partnerships and absolute return investments in hedge funds.

Short-term investments are liquid assets or cash, which are being held for a short period of time, with the primary purpose of controlling the tactical asset allocation. Private equity net asset values (NAVs) are determined by the asset managers based on inputs such as operating results, discounted future cash flows and market-based comparable data. Assets invested in alternative asset classes such as private equity, real estate and absolute return are measured using latest available valuations provided by the asset managers, reviewed by Nokia and adjusted for subsequent cash flows.



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Contributions

Group contributions to the pension and other post-employment benefit plans are made to facilitate future benefit payments to plan participants. The funding policy is to meet minimum funding requirements as set forth in the employee benefit and tax laws, as well as any such additional amounts as Nokia may determine appropriate. Contributions are made to benefit plans for the sole benefit of plan participants. Employer contributions expected to be paid in 2026 total EUR 54 million.

United States

Funding methods

Funding requirements for the United States qualified defined benefit pension plan is determined by the applicable statutes, namely the Employee Retirement Income Security Act of 1974 (ERISA), the Internal Revenue Code of 1986, and regulations issued by the Internal Revenue Service (IRS). In determining funding requirements, ERISA allows assets to be either fair value or an average value over a period of time; and liabilities to be based on spot interest rates or average interest rates over a period of time. For the non-represented and formerly represented defined benefit pension plan, Nokia does not foresee any future funding requirement for regulatory funding purposes, given the plan asset allocation and the level of assets compared to liabilities.

Post-employment healthcare benefits for both non-represented and formerly union represented retirees are capped for those who retired after 28 February 1990. The benefit obligation associated with this group of retirees is 96% of the total United States retiree healthcare obligation at 31 December 2025. The US government's Medicare program is the primary payer for those aged 65 and older.

Section 420 transfers

Section 420 of the U.S. Internal Revenue Code (Section 420) allows for the transfer of pension assets in excess of specified thresholds above the plan's funding obligation (excess pension assets) to a retiree health benefits account, a retiree life insurance account, or both, maintained within the pension plan and to use the assets in such accounts to pay for, or to reimburse the employer for the cost of providing applicable health or life insurance benefits, each as defined in Section 420, for retired employees, and with respect to health benefits, their spouses and dependents. Employers making such transfers are required to continue to provide healthcare benefits or life insurance coverage, as the case may be, for a certain period of time (cost maintenance period) at levels prescribed by regulations. Pursuant to Section 420, Nokia has transferred EUR 35 million during 2025 (EUR 38 million in 2024). Section 420 is currently set to expire on 31 December 2032.

Benefit payments

The following table summarizes expected benefit payments from the defined benefit pension plans and other post-employment benefit plans until 2035. Actual benefit payments may differ from expected benefit payments.

EURm	US Pension			US OPEB		Other countries	Total
	Management	Occupational	Supplemental plans	Formerly union represented	Non-union represented		
2026	1 057	—	23	41	55	344	1 520
2027	990	—	23	38	55	315	1 421
2028	928	—	22	77	55	320	1 402
2029	868	—	21	70	55	436	1 450
2030	812	—	20	63	56	348	1 299
2031-2035	3 288	—	86	230	272	1 826	5 702

Benefits are paid from plan assets where there is sufficient funding available to the plan to cover the benefit obligation. Any payments in excess of the plan assets are paid directly by Nokia. Direct benefit payments expected to be paid in 2026 total EUR 103 million.



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Operating assets and liabilities

This section provides detailed information on Nokia's assets and liabilities related to its operating activities, such as tangible and intangible fixed assets, leases, inventories, trade receivables and other customer related balances, and provisions.

4.1. Goodwill and intangible assets

Accounting policies

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, except for development costs that may be capitalized, are expensed as incurred. Development costs are capitalized only if Nokia has the technical feasibility to complete the asset; has an ability and intention to use or sell the asset; can demonstrate that the asset will generate future economic benefits; has resources available to complete the asset; and has the ability to measure reliably the expenditure during development.

The useful life of Nokia's intangible assets, other than goodwill, is finite. Following initial recognition, finite intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized over their useful lives, generally three years to twelve years, using the straight-line method, which is considered to best reflect the pattern in which the asset's future economic benefits are expected to be consumed. Depending on the nature of the intangible asset, the amortization charges for continuing operations are included in cost of sales, research and development expenses or selling, general and administrative expenses.

Goodwill is allocated to the groups of cash-generating units that are expected to benefit from the synergies of the related business combination and that reflect the lowest level at which goodwill is monitored for internal management purposes. A cash-generating unit, as determined for the purposes of Nokia's goodwill impairment testing, is the smallest group of assets generating cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The carrying values of the groups of cash-generating units include their share of relevant corporate assets allocated to them on a reasonable and consistent basis. When the composition of one or more groups of cash-generating units to which goodwill has been allocated is changed, the goodwill is reallocated based on the relative value of the affected groups of cash-generating units.

Nokia tests the carrying value of goodwill for impairment annually. In addition, Nokia assesses the recoverability of the carrying value of goodwill and intangible assets if events or changes in circumstances indicate that the carrying value may be impaired. Factors that Nokia considers when it reviews indications of impairment include, but are not limited to, underperformance of the asset relative to its historical or projected future results, significant changes in the manner of using the asset or the strategy for the overall business, and significant negative industry or economic trends.

Nokia conducts its impairment testing by determining the recoverable amount for an asset, a cash-generating unit or groups of cash-generating units. The recoverable amount of an asset, a cash-generating unit or groups of cash-generating units is the higher of its fair value less costs of disposal and its value-in-use. The recoverable amount is compared to the asset's, cash-generating unit's or groups of cash-generating units' carrying value. If the recoverable amount for the asset, cash-generating unit or groups of cash-generating units is less than its carrying value, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are presented in cost of sales, research and development expenses or selling, general and administrative expenses, except for impairment losses on goodwill, which are presented in other operating expenses.

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EURm	Goodwill	Intangible assets	Total
2025			
Acquisition cost at 1 January	6 873	9 793	16 666
Additions	—	161	161
Acquisitions through business combinations ⁽¹⁾	833	1 111	1 944
Disposals and retirements	—	(14)	(14)
Translation differences	(596)	(607)	(1 203)
Acquisition cost at 31 December	7 110	10 444	17 554
Accumulated amortization and impairment charges at 1 January	(1 137)	(8 991)	(10 128)
Amortization	—	(521)	(521)
Impairment	—	(18)	(18)
Disposals and retirements	—	12	12
Translation differences	23	473	496
Accumulated amortization and impairment charges at 31 December	(1 114)	(9 045)	(10 159)
Net book value at 1 January	5 736	802	6 538
Net book value at 31 December	5 996	1 399	7 395
2024			
Acquisition cost at 1 January	6 629	9 893	16 522
Additions	—	97	97
Acquisitions through business combinations	33	—	33
Assets held for sale	(38)	(170)	(208)
Disposals and retirements	(11)	(282)	(293)
Translation differences	260	255	515
Acquisition cost at 31 December	6 873	9 793	16 666
Accumulated amortization and impairment charges at 1 January	(1 125)	(8 807)	(9 932)
Amortization	—	(390)	(390)
Assets held for sale	—	165	165
Disposals and retirements	—	278	278
Translation differences	(12)	(237)	(249)
Accumulated amortization and impairment charges at 31 December	(1 137)	(8 991)	(10 128)
Net book value at 1 January	5 504	1 086	6 590
Net book value at 31 December	5 736	802	6 538

(1) In 2025, acquisitions through business combinations relates to the acquisition of Infinera. For more information, refer to Note 6.2. Acquisitions.

Net book value of intangible assets by type of asset

EURm	2025	2024
Customer relationships	548	317
Patents and licenses	341	304
Technologies and IPR&D	269	12
Tradenames and other	98	51
Intangible assets under construction	143	118
Total	1 399	802

Weighted average remaining amortization period

Years	31 December 2025
Customer relationships	11
Patents and licenses	7
Technologies and IPR&D	3
Tradenames and other	2

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Goodwill

Nokia has allocated goodwill to its operating segments corresponding to groups of cash-generating units (CGUs) that are expected to benefit from goodwill. Refer to Note 2.2. Segment information.

Allocation of goodwill

The following table presents the allocation of goodwill to groups of CGUs at 31 December:

EURm	2025	2024
Network Infrastructure	3 323	2 831
Cloud and Network Services ⁽¹⁾	440	559
Mobile Networks ⁽¹⁾	2 233	2 346

(1) In 2025, includes EUR 79 million of goodwill reallocation from Cloud and Network Services to Mobile Networks related to the transfer of Managed Services

Recoverable amounts

The recoverable amounts of the groups of CGUs in 2025 were based on value-in-use that was determined using a discounted cash flow calculation. The cash flow projections approved by management were based on financial plans covering a forecast period of five years that reflects management's expectations of recovery from the market-driven mid-term decrease in sales and market cyclicality, especially in the Mobile Networks segment and accelerated growth in Network Infrastructure segment, followed by a five-year period that then converge to the steady state cash flow projection modelled in the terminal year. The terminal growth rate assumptions do not exceed long-term average growth rates for the industries and economies in which the groups of CGUs operate.

The discount rates reflect current assessments of the time value of money and relevant market risk premiums considering risks and uncertainties for which the future cash flow estimates have not been adjusted. Discounted cash flow projections are based on post-tax cash flows and post-tax discount rates, which do not materially differ from the pre-tax basis discounted cash flow projections.

Terminal growth rate and post-tax discount rate applied in the impairment test for the groups of CGUs:

Key assumption %	Terminal growth rate		Post-tax discount rate	
	2025	2024	2025	2024
Network Infrastructure	2.0%	1.5%	9.5%	9.4%
Cloud and Network Services	1.0%	1.5%	7.6%	8.0%
Mobile Networks	1.0%	1.0%	7.8%	8.4%

Other key variables in future cash flow projections include assumptions on estimated sales growth, gross margin and operating margin. Sales growth and gross margin assumptions reflect management expectations of addressable market growth, market share and competitive position, as well as Nokia's strategy and long-term business outlook. Gross margin and operating margin assumptions include the impact of the ongoing efficiency, investment discipline and cost savings initiatives, which are expected to reduce cost base and increase operational leverage throughout the operating segments.

The results of the impairment testing indicate adequate headroom for each group of CGUs in 2025.



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4.2. Property, plant and equipment

Accounting policies

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recorded on a straight-line basis over the expected useful lives of the assets as follows:

Buildings and constructions

Buildings and constructions	20–33 years
Light buildings and constructions	3–20 years

Machinery and equipment

Production machinery and measuring and test equipment	1–10 years
Other machinery and equipment	3–10 years

Land and water areas are not depreciated.

Maintenance, repairs and renewals are generally expensed in the period in which they are incurred. However, major renovations are capitalized and included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to Nokia. Major renovations are depreciated over the remaining useful life of the related asset. Leasehold improvements are depreciated over the shorter of the lease term and the useful life. Gains and losses on the disposal of property, plant and equipment are included in other operating income or expenses.

EURm	Land, buildings and constructions	Machinery, equipment and other	Assets under construction	Total
2025				
Acquisition cost at 1 January	946	3 390	126	4 462
Additions	11	205	244	460
Acquisitions through business combinations	24	123	94	241
Reclassifications	47	75	(122)	—
Disposals and retirements	(50)	(148)	(4)	(202)
Translation differences	(88)	(95)	(19)	(202)
Acquisition cost at 31 December	890	3 550	319	4 759
Accumulated depreciation at 1 January	(518)	(2 582)	—	(3 100)
Depreciation	(57)	(326)	—	(383)
Disposals and retirements	42	143	—	185
Translation differences	57	52	—	109
Accumulated depreciation at 31 December	(476)	(2 713)	—	(3 189)
Net book value at 1 January	428	808	126	1 362
Net book value at 31 December	414	837	319	1 570
2024				
Acquisition cost at 1 January	1 434	3 547	167	5 148
Additions	22	230	115	367
Reclassifications	50	55	(105)	—
Disposals and retirements	(51)	(199)	(4)	(254)
Assets held for sale	(548)	(306)	(50)	(904)
Translation differences	39	63	3	105
Acquisition cost at 31 December	946	3 390	126	4 462
Accumulated depreciation at 1 January	(569)	(2 628)	—	(3 197)
Depreciation	(80)	(321)	—	(401)
Impairment	(55)	—	—	(55)
Disposals and retirements	40	190	—	230
Assets held for sale	171	223	—	394
Translation differences	(25)	(46)	—	(71)
Accumulated depreciation at 31 December	(518)	(2 582)	—	(3 100)
Net book value at 1 January	865	919	167	1 951
Net book value at 31 December	428	808	126	1 362

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4.3. Leases

Accounting policies

In the majority of its lease agreements, Nokia is acting as a lessee. Nokia's leased assets relate mostly to commercial and industrial properties such as R&D, production and office facilities. Nokia also leases vehicles provided as employee benefits and service vehicles. There are only minor lease contracts, mainly concerning subleases of vacant leasehold or freehold facilities, where Nokia is acting as a lessor.

As a lessee, Nokia recognizes a right-of-use asset and a lease liability at the commencement date of the lease. Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurements of the lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Buildings	3–22 years
Other	3–5 years

Lease liabilities are initially measured at the present value of the lease payments made over the lease term. Nokia uses its incremental borrowing rate to calculate the present value as the interest rate implicit in the lease is not readily determinable. Subsequently, lease liabilities are measured on an amortized cost basis using the effective interest method. In addition, lease liabilities are remeasured if there is a lease modification, a change in the lease term or a change in the future lease payments. The interest component of the lease payments is recognized as interest expense in financial expenses.

Nokia applies practical expedients whereby the payments for short-term leases and leases of low-value assets are recognized as an operating expense on a straight-line basis over the lease term. In addition, Nokia does not separate certain non-lease components from lease components but instead accounts for each lease component and associated non-lease component as a single lease component.

Right-of-use assets

EURm	Buildings	Other	Total
2025			
Acquisition cost at 1 January	1 422	286	1 708
Additions ⁽¹⁾	280	83	363
Acquisitions through business combinations	57	—	57
Retirements	(50)	(59)	(109)
Translation differences	(76)	(9)	(85)
Acquisition cost at 31 December	1 633	301	1 934
Accumulated depreciation at 1 January	(813)	(137)	(950)
Depreciation	(133)	(82)	(215)
Retirements	50	55	105
Translation differences	42	4	46
Accumulated depreciation at 31 December	(854)	(160)	(1 014)
Net book value at 1 January	609	149	758
Net book value at 31 December	779	141	920
2024			
Acquisition cost at 1 January	1 434	275	1 709
Additions ⁽¹⁾	36	95	131
Assets held for sale	(25)	(47)	(72)
Retirements	(48)	(38)	(86)
Translation differences	25	1	26
Acquisition cost at 31 December	1 422	286	1 708
Accumulated depreciation at 1 January	(677)	(126)	(803)
Depreciation	(135)	(88)	(223)
Impairment	(43)	—	(43)
Assets held for sale	4	40	44
Retirements	48	38	86
Translation differences	(10)	(1)	(11)
Accumulated depreciation at 31 December	(813)	(137)	(950)
Net book value at 1 January	757	149	906
Net book value at 31 December	609	149	758

(1) Additions comprise new lease contracts as well as modifications and remeasurements of existing lease contracts.

Amounts recognized in the income statement

EURm	2025	2024	2023
Depreciation of right-of-use assets ⁽¹⁾	(215)	(223)	(216)
Interest expense on lease liabilities ⁽¹⁾	(35)	(33)	(28)
Impairment charges, net of reversals	—	(43)	2
Total	(250)	(299)	(242)

(1) In 2024 and 2023, amounts comprise both continuing and discontinued operations.

Amounts recognized in the income statement presented above exclude expenses relating to short-term leases and leases of low-value assets and income from subleasing right-of-use assets as these are immaterial.

Amounts reported in the statement of cash flows

EURm	2025	2024	2023
Payment of principal portion of lease liabilities ⁽¹⁾	(221)	(233)	(239)
Interest paid on lease liabilities ⁽¹⁾	(35)	(33)	(28)
Total	(256)	(266)	(267)

(1) In 2024 and 2023, amounts comprise both continuing and discontinued operations.

Amounts reported in the statement of cash flows exclude payments for short-term leases and leases of low-value assets.

The maturity analysis of lease liabilities is presented in Note 5.4. Financial risk management. Commitments related to future lease contracts are presented in Note 6.1. Commitments, contingencies and legal proceedings.



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4.4. Inventories

Accounting policies

Inventories are measured at the lower of cost and net realizable value. Cost is determined using standard cost, which approximates actual cost on a first-in first-out (FIFO) basis. In addition to the cost of materials and direct labor, an appropriate proportion of production overheads is allocated to the cost of inventory. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Contract work in progress comprises costs incurred to date for customer contracts where the contractual performance obligations are not yet satisfied. Contract work in progress will be recognized as cost of sales when the corresponding revenue is recognized.

EURm	2025	2024
Raw materials and semi-finished goods	583	708
Finished goods	1 088	930
Contract work in progress	538	525
Total	2 209	2 163

Inventories recognized as an expense during the year in respect of continuing operations was EUR 5 728 million in 2025 (EUR 5 050 million in 2024 and EUR 7 115 million in 2023).

During the year write-downs of inventories to net realizable value totaled EUR 142 million (EUR 259 million in 2024 and EUR 287 million in 2023) and reversals of previous inventory write-downs totaled EUR 41 million (EUR 54 million in 2024 and EUR 88 million in 2023). The write-downs and reversals of previous write-downs have been included in cost of sales. Previous write-downs have been reversed primarily as a result of changes in estimated customer demand.

The amount of inventories expected to be recovered after more than 12 months was EUR 561 million at 31 December 2025 (EUR 464 million in 2024).

4.5. Trade receivables and other customer-related balances

Accounting policies

Customer contracts

Nokia presents its customer contracts in the statement of financial position as either a contract asset or a contract liability, depending on the relationship between Nokia's performance and the customer's payment for each individual contract. On a net basis, a contract asset position represents where Nokia has performed by transferring goods or services to a customer before the customer has provided the associated consideration or before payment is due. Conversely, a contract liability position represents where a customer has paid consideration or payment is due, but Nokia has not yet transferred goods or services to the customer. Contract assets presented in the statement of financial position are current in nature while contract liabilities can be either current or non-current.

Invoices are generally issued as control transfers and/or as services are rendered. Invoiced receivables represent an unconditional right to receive the consideration and only the passage of time is required before the consideration is received. Invoiced receivables are presented separately from contract assets as trade receivables in the statement of financial position. Trade receivables may be converted to customer loan receivables in certain cases where extended payment terms are requested. From time to time Nokia may also extend loans to other third parties and these loans are accounted for similarly as customer loan receivables. Nokia sells trade receivables and customer loan receivables to various financial institutions primarily without recourse in the normal course of business, in order to manage credit risk and working capital cycle.

The business model for managing trade receivables and customer loan receivables is holding receivables to collect contractual cash flows and selling receivables. Trade receivables and customer loan receivables are initially recognized and subsequently remeasured at fair value using the discounted cash flow method.

The changes in fair value are recognized in the fair value reserve through other comprehensive income. Interest calculated using the effective interest method as well as foreign exchange gains and losses are recognized in financial income and expenses.

Discounts without performance obligations presented on the statement of financial position in other current liabilities relate to discounts given to customers which will be executable upon satisfying specific criteria. As these discounts become executable, they are netted against related trade receivables or customer loan receivables.

Expected Credit Losses

Loss allowance for expected credit losses (ECL) is recognized on financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, as well as on financial guarantee contracts and loan commitments. Nokia continuously assesses its financial instruments on a forward-looking basis and accounts for the changes in ECL on a quarterly basis using the following method:

- $ECL = PD \times LGD \times EAD$
- Probability of Default (PD) is based on the credit rating profile of the counterparties as well as specific local circumstances as applicable, unless there are specific events that would indicate that the credit rating would not be an appropriate basis for estimating credit risk at the reporting date.
- For Loss Given Default (LGD), the recovery rate is based on the type of receivable, specific local circumstances as applicable and related collateral arrangements, if any.
- Exposure at Default (EAD) is normally the nominal value of the receivable.

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Nokia applies a simplified approach to recognize a loss allowance based on lifetime ECL on trade receivables and contract assets without significant financing components. Based on quantitative and qualitative analysis, Nokia has determined that the credit risk exposure arising from its trade receivables is low risk. Quantitative analysis focuses on historical loss rates, historic and projected sales and the corresponding trade receivables, and overdue trade receivables including indicators of any deterioration in the recovery expectation. Qualitative analysis focuses on all relevant conditions, including customer and country credit rating, to improve the accuracy of estimating lifetime ECL.

For customer loan receivables, the ECL is calculated separately for each significant counterparty using the method described above, including the impact of any collateral arrangements or other credit enhancements to LGD. The estimate is based on 12-month ECL unless there has been a significant increase in credit risk for the specific counterparty since the initial recognition, in which case lifetime ECL is estimated. Breaches of contract, credit rating downgrades and other credit measures are typical indicators that Nokia takes into consideration when assessing whether the credit risk on a financial instrument has increased significantly since initial recognition. Nokia considers additional indicators to determine if a financial asset is credit-impaired including whether the counterparty is in significant financial difficulties and whether it is becoming probable that the customer will enter bankruptcy or financial reorganization. Typically customer loan credit risk is higher than credit risk of trade receivables and contract assets on average.

The change in the amount of ECL for trade receivables and contract assets is recognized in other operating expenses and for customer loan receivables in financial expenses. For customer loan receivables, the loss allowance is recorded as an adjustment in other comprehensive income instead of adjusting the carrying amount that has already been recorded at fair value. If trade receivables and customer loan receivables are sold, the impact of ECL is reversed and the difference between the carrying amount derecognized and the consideration received is recognized in financial expenses.

Customer-related balances

Nokia aims to ensure the highest possible quality in trade receivables and contract assets, as well as customer loan receivables. The Credit Risk Management Standard Operating Procedure (CRMSOP), approved by Nokia's Chief Financial Officer, lays out the framework for the management of business-related credit risks. The CRMSOP sets out that credit decisions are based on credit evaluation in each business, including credit rating and limits for larger exposures, according to defined principles. Group level limit approvals are required for material credit exposures. Credit risks are monitored in each business and, where appropriate, mitigated on a case-by-case basis with the use of letters of credit, collaterals, sponsor guarantees, credit insurance and sale of selected receivables.

Aging of trade receivables, contract assets, and customer financing-related loan receivables at 31 December

EURm	Current	Past due			Total
		1-30 days	31-180 days	> 180 days	
2025					
Trade receivables ⁽¹⁾	4 710	113	167	161	5 151
Contract assets	805	—	—	—	805
Customer financing-related loan receivables	62	—	—	—	62
Total gross receivables	5 577	113	167	161	6 018
Expected credit loss allowance	(81)	(4)	(30)	(68)	(183)
Total net receivables	5 496	109	137	93	5 835
2024					
Trade receivables ⁽¹⁾	4 894	163	195	213	5 465
Contract assets	694	—	—	—	694
Customer financing-related loan receivables	70	—	—	—	70
Total gross receivables	5 658	163	195	213	6 229
Expected credit loss allowance	(78)	(9)	(31)	(108)	(226)
Total net receivables	5 580	154	164	105	6 003

(1) Nokia's payment terms are 80 days (89 days in 2024) on average.

The reversal of ECL credited to the income statement was EUR 50 million (EUR 137 million 2024 and EUR 16 million in 2023).

At 31 December 2025, the total ECL related to credit-impaired assets amounted to EUR 30 million (EUR 62 million in 2024 and EUR 396 million in 2023). In 2024, the reduction of ECL related to credit-impaired assets of EUR 334 million includes releases of EUR 233 million related to assets that were written off during the year and EUR 111 million related to assets for which payments were received.



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Credit risk exposure by customer and country

Credit exposure is measured as the total of trade receivables, contract assets and loans outstanding from customers and committed credits. Trade receivables do not include any major concentrations of credit risk by customer.

Credit risk exposure by customer and country as % of total trade receivables and contract assets as well as loans and loan commitments to customers:

Customer	2025	2024
Customer 1	4.8%	7.5%
Customer 2	4.2%	4.9%
Customer 3	3.2%	4.7%
Total	12.2%	17.1%

Country	2025	2024
United States	20.3%	21.5%
Country 2	7.1%	10.6%
Country 3	6.0%	5.8%
Total	33.4%	37.9%

Contract assets and contract liabilities

Contract asset balances decrease upon reclassification to trade receivables when Nokia's right to payment becomes unconditional. Contract liability balances decrease when Nokia satisfies the related performance obligations and revenue is recognized. There were no material cumulative adjustments to revenue recognized arising from changes in transaction prices, changes in measures of progress or changes in estimated variable consideration.

During the year, Nokia recognized EUR 1.0 billion (EUR 1.5 billion in 2024 of which EUR 0.1 billion related to discontinued operations sold in 2024) of revenue that was included in the current contract liability balance at the beginning of the period.

4.6. Other receivables and liabilities

Other non-current receivables

EURm	2025	2024
R&D tax credits	152	144
Indirect tax receivables	14	27
Other	111	39
Total	277	210

Other current receivables

EURm	2025	2024
VAT and other indirect tax receivables	311	300
Prepayments related to contract manufacturing	101	126
IT-related prepaid expenses	42	47
R&D tax credits and grant receivables	51	43
Divestment-related receivables	23	23
Other	256	228
Total	784	767

Other non-current liabilities

EURm	2025	2024
Salaries, wages and social charges	39	30
Other	108	87
Total	147	117

Other current liabilities

EURm	2025	2024
Salaries, wages and social charges	1 591	1 531
Accrued expenses related to customer projects	190	245
Discounts without performance obligations	294	380
VAT and other indirect tax payables	285	314
Other ⁽¹⁾	378	413
Total	2 738	2 883

(1) Includes accrued logistics, R&D and IT expenses.



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4.7. Provisions

Accounting policies

Provision is recognized when Nokia has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Management judgment may be required in determining whether it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is based on the best estimate of unavoidable costs required to settle the obligation at the end of the reporting period.

When estimating the amount of unavoidable costs, management may be required to consider a range of possible outcomes and their associated probabilities, risks and uncertainties surrounding the events and circumstances, as well as making assumptions about the timing of payment. Changes in estimates of timing or amounts of costs required to settle the obligation may become necessary as time passes and/or more accurate information becomes available. Nokia assesses the adequacy of its existing provisions and adjusts the amounts as necessary based on actual experience and changes in facts and circumstances at each reporting date.

EURm	Restructuring	Litigation and environmental ⁽¹⁾	Warranty	Material liability	Other	Total
1 January 2025	219	242	230	145	392	1 228
Business combinations	1	—	29	1	12	43
Charged to income statement						
Additions ⁽²⁾	397	165	295	109	72	1 038
Reversals	(6)	(18)	(56)	(115)	(106)	(301)
Total charged/(credited) to income statement	391	147	239	(6)	(34)	737
Utilized during year ⁽³⁾	(239)	(78)	(118)	(39)	(28)	(502)
Translation differences and other	(1)	(22)	(3)	(13)	(51)	(90)
31 December 2025	371	289	377	88	291	1 416
Non-current	135	148	120	—	234	637
Current	236	141	257	88	57	779

(1) Environmental provision was EUR 130 million at 31 December 2025 (EUR 152 million at 31 December 2024).

(2) Additions to warranty provision are primarily due to a contract settlement related to a customer specific project that started in 2019.

(3) The utilization of restructuring provision includes items transferred to accrued expenses. A total of EUR 60 million of these remained in accrued expenses at 31 December 2025.

Restructuring provision

Nokia provides for the estimated cost to restructure when a detailed formal plan of restructuring has been completed, approved by management, and announced. Restructuring costs consist primarily of personnel restructuring charges. The other main components are costs associated with exiting real estate locations, and costs of terminating certain other contracts directly linked to the restructuring. At 31 December 2025, the restructuring provision consists primarily of amounts related to the announcements made by Nokia on 16 March 2021 and 19 October 2023. The majority of the restructuring cash outflows is expected to occur over the next two years.

Litigation and environmental provisions

Nokia provides for the estimated future settlements related to legal proceedings based on the probable outcome of the claims. Nokia also provides for environmental remediation when Nokia becomes obliged, legally or constructively, to rectify environmental damage relating to soil, groundwater, surface water or sediment contamination. Cash outflows related to the litigation and environmental liabilities are inherently uncertain and generally occur over several periods. For a presentation of legal matters potentially affecting Nokia, refer to Note 6.1. Commitments, contingencies and legal proceedings.

Warranty provision

Nokia provides for the estimated liability to repair or replace products under standard warranty at the time revenue is recognized. The provision estimate is based on historical experience of the level of repairs and replacements. Cash outflows related to the warranty provision are generally expected to occur in the next 18 months.

Material liability provision

Nokia recognizes the estimated liability for non-cancellable purchase commitments for inventory in excess of forecasted requirements at each reporting date. Cash outflows related to the material liability provision are expected to occur over the next 12 months.

Other provisions

Nokia provides for various legal and constructive obligations such as project losses, indirect tax provisions, divestment-related provisions, certain employee-related provisions other than restructuring provisions and asset retirement obligations. Cash outflows related to other provisions are generally expected to occur over the next two years.



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Capital and financial instruments

This section provides information on shareholders' equity, shareholders' remuneration and Nokia's capital management objectives. Furthermore, this section comprises the policies and disclosures related to Nokia's financial assets and liabilities and hedge accounting, as well as information on Nokia's financial risks and financial risk management principles and objectives.

5.1. Equity

Shares and share capital

Share capital

Nokia Corporation has one class of shares. Each share entitles the holder to one vote at general meetings. The shares have no par value nor is there a minimum or maximum share capital or number of shares under the Articles of Association of Nokia Corporation. The share capital amounted to EUR 245 896 461.96 at 31 December 2025 and 2024, and consisted of 5 742 239 696 (5 605 850 345 in 2024) issued and fully paid shares.

In 2025, Nokia Corporation issued 166 389 351 new shares at the subscription price of USD 6.01 per share, corresponding to EUR 5.16 per share, in a directed share issue to NVIDIA Corporation. The total proceeds of USD 1 000 million (EUR 850 million, net of the share issuance costs) were recognized in the reserve for invested unrestricted equity. Nokia will use the proceeds from the issuance to accelerate its strategic plans to advance trusted connectivity for the AI supercycle and other general corporate purposes.

In addition, Nokia Corporation issued in a directed share issue 120 000 000 (150 000 000 in 2024) new shares to itself without consideration and canceled 150 000 000 (157 646 220 in 2024) related to the share buyback program announced in January 2024) shares it had repurchased under the share buyback program announced in November 2024.

Share premium

Share premium reserve includes the Parent Company's share premium account and the equity impact of employee services related to equity-settled share-based compensation plans.

Treasury shares

At 31 December 2025, the number of Nokia shares held by the Group companies was 159 705 525 (232 700 997 in 2024) representing 2.8% (4.2% in 2024) of the share capital and total voting rights.

In 2025, Nokia repurchased 130 813 954 shares under its share buyback program announced in November 2024 (176 832 266 shares in 2024 under the share buyback programs announced in January and November 2024). The shares repurchased under the November 2024 program were canceled in April 2025.

On 28 February 2025, Nokia completed the acquisition of Infinera. The aggregated consideration transferred included 127 434 986 Nokia shares held by Nokia Corporation. Refer to Note 6.2. Acquisitions for more information.

Additionally in 2025, Nokia Corporation transferred without consideration 46 374 440 (24 380 761 in 2024) shares held by the Company to employees, including certain members of the Group Leadership Team, as settlement of the Group's equity-based incentive plans and the employee share purchase plan.

Number of shares outstanding at the beginning and at the end of the period

Number of shares 000s	2025	2024	2023
1 January	5 373 149	5 525 601	5 587 016
Settlement of share-based payments	46 375	24 380	16 886
Shares issued as consideration for business combinations	127 435	—	—
Directed share issue	166 389	—	—
Acquisition of treasury shares	(130 814)	(176 832)	(78 301)
31 December	5 582 534	5 373 149	5 525 601

Nature and purpose of other equity reserves

Translation differences

Translation differences consist of foreign exchange differences arising from translation of foreign operations into euro, the presentation currency of the consolidated financial statements, as well as gains and losses related to hedging of net investments in foreign operations.

Fair value and other reserves

Pension remeasurements

Pension remeasurements reserve includes actuarial gains and losses as well as return on plan assets and changes in the effect of the asset ceiling, excluding amounts recognized in net interest, related to Nokia's defined benefit plans.

Hedging reserve

Hedging reserve includes the change in fair value that reflects the change in spot exchange rates for certain foreign exchange forward contracts and foreign exchange options, as well as the part of cross-currency swaps that is designated as a cash flow hedge to the extent that the hedges are effective.



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Cost of hedging reserve

Cost of hedging reserve includes the forward element of foreign exchange forward contracts and the time value of foreign exchange options related to cash flow hedging of forecast foreign currency sale and purchase transactions. Additionally, cost of hedging reserve includes the difference between the change in fair value of the forward element of foreign exchange forward contracts and the time value of option contracts and the amortization of the forward element of foreign exchange forward contracts and time value of option contracts related to net investment hedging. Cost of hedging reserve also includes changes in fair value from foreign currency basis spread related to fair value hedging of foreign currency denominated bonds.

Fair value reserve

Fair value reserve includes the changes in fair value of financial instruments that are managed in a portfolio with a business model of holding financial instruments to collect contractual cash flows including principal and interest, as well as selling financial instruments. The fair value changes recorded in fair value reserve for these instruments are reduced by amounts of loss allowances.

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes that part of the subscription price of issued shares that according to the share issue decision is not to be recorded to the share capital as well as other equity inputs that are not recorded to some other reserve. The amount received for treasury shares is recorded to the reserve for invested unrestricted equity, unless it is provided in the share issue decision that it is to be recorded in full or in part to the share capital. The Nokia shares repurchased under the 2022, January 2024 and November 2024 share buyback programs were funded using funds in the reserve for invested unrestricted equity.

Changes in other comprehensive income by component of equity

EURm	Translation differences ⁽¹⁾	Fair value and other reserves			
		Pension remeasurements	Hedging reserve	Cost of hedging reserve	Fair value reserve
1 January 2023	169	3 893	78	(18)	(48)
Foreign exchange translation differences	(547)	—	—	—	—
Net investment hedging gains	105	—	—	3	—
Remeasurements of defined benefit plans	—	(261)	—	—	—
Net fair value gains/(losses)	—	—	2	(25)	(87)
Transfer to income statement	19	—	(66)	38	96
Movement attributable to non-controlling interests	5	—	—	—	—
31 December 2023	(249)	3 632	14	(2)	(39)
Foreign exchange translation differences	623	—	—	—	—
Net investment hedging losses	(31)	—	—	(1)	—
Remeasurements of defined benefit plans	—	326	—	—	—
Net fair value gains/(losses)	—	—	20	(1)	66
Transfer to income statement	(78)	—	(19)	19	(52)
Movement attributable to non-controlling interests	(2)	—	—	—	—
31 December 2024	263	3 958	15	15	(25)
Foreign exchange translation differences	(1 626)	—	—	—	—
Net investment hedging gains	89	—	—	—	—
Remeasurements of defined benefit plans	—	(17)	—	—	—
Net fair value gains/(losses)	—	—	79	(27)	26
Transfer to income statement	(2)	—	(63)	11	(19)
Other increase	—	2	—	—	—
Movement attributable to non-controlling interests	4	—	—	—	—
31 December 2025	(1 272)	3 943	31	(1)	(18)

(1) At 31 December 2025, translation differences include a EUR 244 million gain related to net investment hedging (EUR 154 million gain in 2024 and EUR 186 million gain in 2023).



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Capital management

For capital management purposes Nokia defines capital as total equity and interest-bearing liabilities less cash and cash equivalents, current interest-bearing financial investments and non-current interest-bearing financial investments.

The main objectives of Nokia's capital management are to maintain a solid overall financial position and to ensure sufficient financial flexibility to execute Nokia's long-term business strategy and to provide returns to shareholders. From a cash perspective, Nokia aims to maintain the balance of its cash and cash equivalents and interest-bearing financial investments less interest-bearing liabilities at 10-15% of annual net sales over time. To support these objectives, Nokia aims to maintain investment grade credit ratings. At 31 December 2025, Nokia's long-term credit ratings are BBB- (stable) by Fitch, Ba1 (positive) by Moody's, and BBB- (stable) by S&P Global.

With regards to shareholder remuneration, Nokia targets 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. Nokia may also use share repurchases as a tool to manage its capital structure through the reduction of capital and distribute excess cash to the shareholders.

Distribution of funds

Nokia distributes funds to its shareholders in two ways: a) as dividends from retained earnings and/or as assets from the reserve for invested unrestricted equity, and b) by repurchasing shares using funds in the unrestricted equity. The amount of any distribution is limited to the Parent Company's distributable funds and subject to its solvency, and may not exceed the amount proposed by the Board of Directors.

Dividend and/or assets from the reserve for unrestricted invested equity

For the financial year 2025

Nokia's Board of Directors proposes to the Annual General Meeting 2026 that no dividend is distributed by a resolution of the AGM for the financial year ended on 31 December 2025. Instead, the Board proposes to be authorized to decide, in its discretion, on the distribution of an aggregate maximum of EUR 0.14 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity. The authorization would be used to distribute dividend and/or assets from the reserve for invested unrestricted equity in four installments during the period of validity of the authorization unless the Board decides otherwise for a justified reason. Distributions of dividend and/or assets from the reserve for invested unrestricted equity are recognized as a reduction of equity and a liability when the Board has decided on the distribution. On the date of issuing the financial statements for 2025, the total number of Nokia shares is 5 742 239 696, based on which the total amount of distribution would be EUR 804 million. The total number of shares includes the shares held by the Parent Company which are not entitled to a distribution.

For the financial year 2024

The AGM in 2025 resolved to authorize the Board of Directors to decide on the distribution of an aggregate maximum of EUR 0.14 per share as dividend from the retained earnings and/or as assets from the reserve of invested unrestricted equity for the financial year 2024. The authorization was used to distribute a dividend in four installments. During 2025, three installments of dividend were distributed amounting to EUR 0.11 per share and EUR 593 million in total. The fourth installment of EUR 0.03 per share and EUR 168 million in total was paid in February 2026. The total amount of dividend paid for the financial year 2024 was EUR 761 million.

For the financial year 2023

For the financial year 2023, a total dividend of EUR 709 million, corresponding to EUR 0.13 per share, was paid.

Share buyback programs

November 2024 program

In November 2024, Nokia launched a share buyback program to offset the dilutive effect of the acquisition of Infinera completed on 28 February 2025. The repurchases commenced on 25 November 2024 and ended on 2 April 2025. Nokia repurchased in total 150 000 000 shares under the program of which 130 813 954 shares were purchased in 2025. The aggregate purchase price of all shares acquired under the program was EUR 703 million, and the average price per share was EUR 4.69.

The repurchases were funded using funds in the reserve for invested unrestricted equity in accordance with the authorization given to the Board of Directors by the AGM, and hence the repurchases reduced Nokia's total unrestricted equity. The repurchased shares were canceled in April 2025.

January 2024 program

In January 2024, Nokia's Board of Directors initiated a share buyback program targeting to return up to EUR 600 million of cash to shareholders in tranches over a period of two years.

The purchases under the first phase of the program commenced on 20 March 2024. In July 2024, Nokia announced it had decided to accelerate the repurchases in a way that the whole share buyback program would be completed by the end of 2024. During the program, which ended on 21 November 2024, Nokia repurchased 157 646 220 shares. The aggregate purchase price of all shares acquired was EUR 600 million, and the average price per share was EUR 3.81.

The repurchases were funded using funds in the reserve for invested unrestricted equity, and hence the repurchases reduced Nokia's total unrestricted equity. The repurchased shares were canceled in December 2024.



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The 2022 program

In February 2022, Nokia's Board of Directors initiated a share buyback program targeting to return up to EUR 600 million of cash to shareholders in tranches over a period of two years.

In the first phase of the program, which was launched on 11 February 2022 and which ended on 11 November 2022, Nokia repurchased 63 963 583 shares. The aggregate purchase price of all shares acquired in the first phase was EUR 300 million, and the average price per share was EUR 4.69. The repurchased shares were canceled in December 2022.

In the second phase of the program, which was launched on 2 January 2023 and which ended on 10 November 2023, Nokia repurchased 78 301 011 shares. The aggregate purchase price of all shares acquired under the second phase of the program was EUR 300 million, and the average price per share was EUR 3.83. The repurchased shares were canceled in November 2023.

The repurchases were funded using funds in the reserve for invested unrestricted equity, and hence the repurchases reduced Nokia's total unrestricted equity.

Authorizations given to the Board of Directors

The following authorizations related to the issue and repurchase of shares were given to the Board of Directors at the AGM held on 29 April 2025.

Authorization to issue shares and special rights entitling to shares

The shareholders authorized the Board to issue a maximum of 530 million shares, corresponding to less than 10% of the total number of Nokia's shares, through issuance of shares or special rights entitling to shares in one or more issues during the effective period of the authorization. The Board is authorized to issue either new shares or shares held by Nokia. Shares and special rights entitling to shares may be issued in deviation from the shareholders' pre-emptive rights within the limits set by law. The authorization may be used to develop Nokia's capital structure, diversify the shareholder base, finance or carry out acquisitions or other arrangements, settle Nokia's equity-based incentive plans or for other purposes resolved by the Board of Directors.

The authorization is effective until 28 October 2026, and it terminated the previous authorizations to issue shares and special rights entitling to shares.

Authorization to repurchase shares

The shareholders authorized the Board to repurchase a maximum of 530 million shares, corresponding to less than 10% of the total number of Nokia's shares, using funds in the unrestricted equity, which means that the repurchases will reduce Nokia's distributable funds. The price paid for the shares under the authorization shall be based on the market price of Nokia shares on the securities markets on the date of the repurchase or a price otherwise formed in a competitive process. Shares may be repurchased to be cancelled, held to be reissued, transferred further or for other purposes resolved by the Board of Directors. The Company may enter into derivative, share lending or other arrangements customary in capital market practice. The shares may be repurchased otherwise than in proportion to the shares held by the shareholders. The Board shall resolve on all other matters related to the repurchase of Nokia shares.

The authorization is effective until 28 October 2026, and it terminated the previous authorization to repurchase shares to the extent that the Board has not previously resolved to repurchase shares based on such authorization.



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5.2. Financial assets and liabilities

Accounting policies

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities measured at fair value are categorized based on the availability of observable inputs used to measure their fair value. Three hierarchical levels are based on an increasing amount of judgment associated with the inputs used to derive fair valuation for these assets and liabilities, Level 1 being market values for exchange traded products, Level 2 being primarily based on publicly available market information and Level 3 requiring most management judgment.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest, by using quoted market rates, discounted cash flow analyses and other appropriate valuation models. Nokia uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. At the end of each reporting period, all financial assets and liabilities, that are either measured at fair value on a recurring basis or for which fair values are disclosed in the financial statements, are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

Classification and measurement

Financial assets

Nokia classifies its financial assets that are debt instruments in the following three categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit and loss. The selection of the appropriate category is made based on both Nokia's business model for managing the financial asset and on the contractual cash flow characteristics of the asset. Equity instruments and derivative financial assets are measured at fair value through profit and loss.

Nokia's business model for managing financial assets is defined on a portfolio level. The business model must be observable on a practical level by the way the business is managed. The cash flows of financial assets measured at amortized cost are solely payments of principal and interest. These assets are held within a business model that has an objective to hold assets to collect contractual cash flows. Financial assets measured at fair value through other comprehensive income have cash flows that are solely payments of principal and interest, and these assets are held within a business model that has an objective that is achieved both by holding financial assets to collect contractual cash flows and selling financial assets. For these categories, a loss allowance is calculated on a quarterly basis based on a review of collectability (probability of default) and available collateral (loss given default) for the asset, recorded as an adjustment to the carrying amount of the asset and recognized in other financial expenses in the income statement.

Financial assets measured at fair value through profit and loss are assets that do not fall in either of the categories in the paragraph above. Additionally, the accounting for financial assets depends on whether the financial asset is part of a hedging relationship (refer to Note 5.3. Derivative assets and liabilities).

All purchases and sales of financial assets are recorded on the trade date, i.e. when Nokia commits to purchase or sell the asset. All financial assets are initially measured at fair value and subsequently remeasured according to their classification. Subsequently, instruments classified as fair value through profit or loss and instruments classified as fair value through other comprehensive income are remeasured at fair value, while instruments classified as amortized cost are remeasured using the effective interest rate method. For instruments classified as fair value through profit or loss, the fair value adjustments and foreign exchange gains and losses are recognized in the income statement either in other operating income and expenses or financial income and expenses as determined by the purpose of the instruments. For instruments classified as fair value through other comprehensive income, changes in fair value are recognized in the fair value reserve through other comprehensive income (refer to Note 5.1. Equity).

For instruments classified as amortized cost, interest calculated using the effective interest method, as well as foreign exchange gains and losses, are recognized in financial income and expenses in the income statement.

A financial asset is derecognized when substantially all the risks and rewards related to the financial asset have been transferred to a third party that assumes control of the asset. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the income statement either in other operating income and expenses or financial income and expenses as determined by the purpose of the instrument. The FIFO method is used to determine the cost basis of financial assets at amortized cost that are disposed of.

Financial liabilities

Nokia classifies its financial liabilities as financial liabilities measured at amortized cost except for derivative liabilities and the conditional obligation related to Nokia Shanghai Bell, which are classified as financial liabilities at fair value through profit and loss.

All financial liabilities are initially recognized at fair value and, in the case of borrowings and payables, net of transaction costs. Financial liabilities are subsequently remeasured according to their classification.

For financial liabilities measured at amortized cost, interest calculated using the effective interest method, as well as foreign exchange gains and losses, are recognized in financial income and expenses in the income statement.

Financial liabilities are derecognized when the related obligation is discharged, canceled or expired. Additionally, a substantial modification of the terms of an existing financial liability is accounted for as a derecognition of the original financial liability and the recognition of a new financial liability. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in financial income or expenses in the income statement.

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Fair value of financial instruments

EURm	2025							2024						
	Carrying amounts				Fair value ⁽¹⁾			Carrying amounts				Fair value ⁽¹⁾		
	Amortized cost	Fair value through profit or loss			Fair value through other comprehensive income ⁽²⁾	Total	Total	Amortized cost	Fair value through profit or loss			Fair value through other comprehensive income ⁽²⁾	Total	Total
Level 1		Level 2	Level 3	Level 1					Level 2	Level 3				
Non-current interest-bearing financial investments	368	—	—	—	—	368	377	457	—	—	—	—	457	466
Venture funds and similar equity investments	—	—	—	857	—	857	857	—	—	—	865	—	865	865
Other non-current financial assets	96	—	82	—	37	215	215	179	—	97	—	40	316	316
Other current financial assets	231	—	—	—	17	248	248	315	92	—	—	25	432	432
Derivative assets ⁽³⁾	—	—	127	—	—	127	127	—	—	197	—	—	197	197
Trade receivables ⁽⁴⁾	—	—	—	—	4 975	4 975	4 975	—	—	—	—	5 248	5 248	5 248
Current interest-bearing financial investments	323	—	638	—	—	961	962	486	—	1 175	—	—	1 661	1 661
Cash and cash equivalents	4 647	—	815	—	—	5 462	5 462	5 251	—	1 372	—	—	6 623	6 623
Total financial assets	5 665	—	1 662	857	5 029	13 213	13 223	6 688	92	2 841	865	5 313	15 799	15 808
Long-term interest-bearing liabilities	2 329	—	—	—	—	2 329	2 401	2 918	—	—	—	—	2 918	2 986
Other long-term financial liabilities	28	—	—	31	—	59	59	33	—	—	45	—	78	78
Short-term interest-bearing liabilities	1 084	—	—	—	—	1 084	1 083	969	—	—	—	—	969	969
Other short-term financial liabilities ⁽⁵⁾	46	—	—	6	—	52	52	883	—	—	488	—	1 371	1 371
Derivative liabilities ⁽³⁾	—	—	266	—	—	266	266	—	—	299	—	—	299	299
Discounts without performance obligations ⁽⁴⁾	294	—	—	—	—	294	294	380	—	—	—	—	380	380
Trade payables	2 978	—	—	—	—	2 978	2 978	3 213	—	—	—	—	3 213	3 213
Total financial liabilities	6 759	—	266	37	—	7 062	7 133	8 396	—	299	533	—	9 228	9 296

(1) The following fair value measurement methods are used for items not carried at fair value: The fair values of long-term interest-bearing liabilities, including current portion, are primarily based on publicly available market information (level 2). The fair values of other assets and liabilities, including loan receivables and loans payable, are primarily based on discounted cash flow analysis (level 2). The fair value is estimated to equal the carrying amount for short-term financial assets and financial liabilities due to limited credit risk and short time to maturity.

(2) No financial instruments measured at fair value through other comprehensive income are categorized in fair value hierarchy level 1 or level 3.

(3) For further information on derivative assets and liabilities, refer to Note 5.3. Derivative assets and liabilities.

(4) For further information on trade receivables and discounts without performance obligation, refer to Note 4.5. Trade receivables and other customer-related balances.

(5) In 2024, other financial liabilities included a liability related to Nokia's share buyback program reflecting Nokia's commitment under the agreement with a third-party broker conducting the share repurchases on Nokia's behalf.



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Financial assets

Interest-bearing financial investments

Nokia invests a portion of the corporate cash needed to cover the projected cash outflows of its ongoing business operations in highly liquid, interest-bearing investments. Interest-bearing financial investments may include investments measured at amortized cost and investments measured at fair value through profit and loss.

Non-current interest-bearing financial investments are investments in highly liquid corporate bonds that are long-term in nature based on their initial maturity and are measured at amortized cost using the effective interest method.

Current interest-bearing financial investments in bank deposits, as well as fixed income and money market securities with an initial maturity or put feature longer than three months, that have characteristics of solely payments of principal and interest and are not part of structured investments, are managed in a portfolio with a business model of holding investments to collect principal and interest and are measured at amortized cost using the effective interest method. These investments are executed with the main purpose of collecting contractual cash flows and principal repayments. However, investments are sold from time to time for liquidity management and market risk mitigation purposes.

Current interest-bearing financial investments may also include money market funds that do not qualify as cash equivalents, investments acquired for trading purposes, investment structures consisting of securities traded in combination with derivatives with complementing and typically offsetting risk factors and other investments that have cash flows not being solely payments of principal and interest. These investments are executed for capital appreciation and other investment returns and can be sold at any time. These investments are classified as fair value through profit or loss, with fair value adjustments, foreign exchange gains and losses and realized gains and losses recognized in financial income and expenses in the income statement. The fair values of these investments are based on publicly available market information.

Corporate cash investments in bank deposits used as collateral for derivative transactions are measured at amortized cost using the effective interest method.

Other financial assets

Other non-current financial assets include unlisted private equity and unlisted venture fund investments, including investments managed by NGP Capital which specializes in growth-stage investing. These investments do not fulfill the criteria of being solely payments of principal and interest and they are classified as investments at fair value through profit and loss. The fair value of these level 3 investments is determined using one or more valuation techniques where the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of calculating the net present value of expected future cash flows.

For unlisted funds, the selection of appropriate valuation techniques by the fund managing partner may depend on the availability and reliability of relevant inputs. In some cases, one valuation technique may provide the best indication of fair value while in other circumstances multiple valuation techniques may be appropriate.

Inputs generally considered include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations or other transactions undertaken by the issuer, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors. The fair value may be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the managing partner in the absence of market information.

Level 3 investments are remeasured at each reporting date taking into consideration any changes in estimates, projections and assumptions, as well as any changes in economic and other relevant conditions. These investments include approximately 50 separate venture funds investing in hundreds of individual companies in various sectors and geographies, focusing on AI, data infrastructure, digital health, software and enterprise sectors.

Hence, specific estimates and assumptions used in the absence of observable inputs do impact the fair value of individual investments, but no individual input has a significant impact on the aggregated fair value of level 3 investments.

Fair value adjustments, foreign exchange gains and losses, and realized gains and losses from the disposal of these investments are recognized in financial income.

From time to time Nokia may have investments in listed equity shares classified as level 1 investments. These are exchange traded products with quoted prices readily and regularly available from an exchange representing actual and regularly occurring market transactions on an arm's length basis.

Other non-current financial assets also include restricted assets and other receivables, customer financing-related loan receivables (refer to Note 4.5. Trade receivables and other customer-related balances) and certain other financial assets of a long-term nature.

Restricted assets and other receivables include restricted bank deposits primarily related to employee benefits as well as other loan receivables measured at amortized cost using the effective interest method.

The cash flows of certain other financial assets of a long-term nature do not fulfill the criteria of being solely payments of principal and interest. These investments are measured at fair value using quoted market rates, discounted cash flow models or other appropriate valuation methods as of the reporting date. Fair value adjustments, foreign exchange gains and losses, and realized gains and losses from the disposal of these investments are mainly recognized in financial income and expenses.

Other current financial assets include the current part of other non-current financial assets as well as short-term loan receivables measured at amortized cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as highly liquid, fixed income and money market investments that are readily convertible to known amounts of cash with maturities at acquisition of three months or less, as well as bank deposits with maturities or contractual call periods at acquisition of three months or less. Due to the high credit quality and short-term nature of these investments, there is an insignificant risk of change in value. Investments in money market funds that have a risk profile consistent with the aforementioned criteria are also classified as cash equivalents.



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Investments that have cash flows that are solely payments of principal and interest are measured at amortized cost using the effective interest method whereas all other investments are classified as fair value through profit and loss, with fair value adjustments and foreign exchange gains and losses recognized in financial income and expenses. The fair values of these investments are based on publicly available market information.

Financial liabilities

Interest-bearing liabilities

Interest-bearing liabilities are measured at amortized cost using the effective interest method. Long-term and short-term interest-bearing liabilities include issued bonds and other borrowings. Short-term interest-bearing liabilities also include the current portion of long-term interest-bearing liabilities and collaterals for derivative transactions.

Other financial liabilities

In 2024, other financial liabilities included a liability related to Nokia's share buyback program.

In 2024, other financial liabilities also included a liability related to a contractual arrangement Nokia entered into with China Huaxin Post & Telecommunication Economy Development Center (China Huaxin), the non-controlling shareholder in Nokia Shanghai Bell (NSB), in 2017. The arrangement provided China Huaxin with the right to fully transfer its ownership interest in NSB to Nokia and Nokia with the right to purchase China Huaxin's ownership interest in NSB. To reflect this, Nokia derecognized the non-controlling interest in NSB and recognized a level 3 financial liability.

This financial liability was measured based on the expected cash settlement with any changes recorded in financial income and expenses. The measurement of the financial liability involved estimation of the acquisition price and the distribution of excess cash balances. Unobservable valuation inputs included certain financial performance metrics of NSB. No individual input had a significant impact on the total fair value.

Trade payables

Trade payables are carried at invoiced amount in the statement of financial position. Trade payables include balances payable to suppliers under reverse factoring arrangements with financial institutions. The related payments are classified as cash flows from operating activities (refer to Note 5.4. Financial risk management).

Interest-bearing loans and other borrowings

All borrowings presented in the table below are senior unsecured and have no financial covenants.

Issuer/borrower	Instrument	Currency	Nominal (million)	Final maturity	Carrying amount EURm ⁽¹⁾	
					2025	2024
Nokia Corporation	EIB R&D Loan	EUR	500	2/2025	—	500
Nokia Corporation	NIB R&D Loan	EUR	83	5/2025	—	83
Nokia Corporation	2.375% Senior Notes	EUR	292	5/2025	—	292
Nokia Corporation	2.00% Senior Notes	EUR	630	3/2026	630	624
Nokia Corporation	4.375% Senior Notes	USD	500	6/2027	418	458
Nokia of America Corporation	6.50% Senior Notes	USD	74	1/2028	63	71
Nokia Corporation	3.125% Senior Notes	EUR	500	5/2028	490	487
Nokia of America Corporation	6.45% Senior Notes	USD	206	3/2029	176	199
Nokia Corporation	4.375% Sustainability-linked Senior Notes ⁽²⁾	EUR	500	8/2031	503	513
Nokia Corporation	NIB R&D Loan ⁽³⁾	EUR	250	10/2032	250	100
Nokia Corporation	6.625% Senior Notes	USD	500	5/2039	417	455
Various Group companies	Other borrowings ⁽⁴⁾				466	105
Total					3 413	3 887

(1) Carrying amount includes EUR 15 million of fair value losses (EUR 46 million in 2024) related to fair value hedge accounting relationships, including EUR 120 million of fair value gains (EUR 137 million in 2024) related to discontinued fair value hedge accounting relationships that are amortized over the life of the respective senior notes.

(2) The bond has a one-time redemption premium at maturity of EUR 4 million in case Nokia does not meet its commitment to reduce its greenhouse gas (GHG) emissions (in tCO₂e) across its value chain (Scope 1, 2, and 3) by 50% between 2019 and 2030. This target is one of Nokia's key sustainability targets and has been selected to be the Sustainability Performance Target in Nokia's Sustainable Finance Framework that enables the issuance of sustainability-linked financing instruments.

(3) The loan from Nordic Investment Bank (NIB) is repayable in two installments in 2031 and 2032.

(4) At 31 December 2025, other borrowings contained the M&A loan of EUR 399 million, which was drawn to acquire China Huaxin's ownership interest in Nokia Shanghai Bell (NSB). The loan has been fully repaid during January 2026.

Changes in level 3 financial assets and liabilities measured at fair value

EURm	2025		2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
1 January	865	(533)	779	(499)
Net (losses)/gains in income statement	(66)	(5)	40	(25)
Additions ⁽¹⁾	111	—	96	(13)
Deductions ⁽¹⁾	(52)	501	(45)	16
Transfers out of level 3	—	—	(5)	—
Other movements	(1)	—	—	(12)
31 December	857	(37)	865	(533)

(1) For level 3 financial assets, additions mainly include capital contributions to venture funds and deductions mainly include distributions from venture funds.

A net loss of EUR 70 million (net gain of EUR 17 million in 2024) related to level 3 financial instruments held at 31 December 2025 was included in the profit and loss during 2025. In 2025, deductions in level 3 financial liabilities primarily relate to the purchase of China Huaxin's non-controlling ownership interest in NSB. Nokia had exercised its call option, outlined in NSB's shareholders' agreement, in 2024, to initiate the process to become the sole shareholder in NSB. The purchase was completed in December 2025 with the cash settlement amounting to EUR 501 million (the financial liability representing the estimated cash settlement was EUR 487 million in 2024).

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5.3. Derivative assets and liabilities

Accounting policies

Fair value

All derivatives are recognized initially at fair value on the date a derivative contract is entered into and subsequently remeasured at fair value. The method of recognizing the resulting gain or loss varies according to whether the derivatives are designated and qualify under hedge accounting.

Foreign exchange forward contracts are valued at market-forward exchange rates. Changes in fair value are measured by comparing these rates with the original contract-forward rate. Currency options are valued at each reporting date by using the Garman & Kohlhagen option valuation model.

Interest rate swaps and cross-currency swaps are valued using the discounted cash flow method.

Hedge accounting

Nokia applies hedge accounting on certain foreign exchange forward contracts, options or option strategies, and interest rate derivatives. Qualifying options and option strategies have zero net premium, or a net premium paid. For option structures, the critical terms of the purchased and written options are the same and the notional amount of the written option component is not greater than that of the purchased option.

In the fair valuation of foreign exchange forward contracts, Nokia separates the forward element and considers it to be the cost of hedging for foreign exchange forward contracts. In the fair valuation of foreign exchange option contracts, Nokia separates the time value and considers it to be the cost of hedging for foreign exchange option contracts. In the fair valuation of cross-currency swaps, Nokia separates the foreign currency basis spread and considers it to be the cost of hedging for cross-currency swaps.

Hedge effectiveness is assessed at inception and subsequently on a quarterly basis during the hedge relationship to ensure that an economic relationship exists. As Nokia only enters in hedge relationships where the critical terms match, the assessment of effectiveness is done on a qualitative basis with no significant ineffectiveness expected.

Presentation in the statement of cash flows

The cash flows of a hedge are classified as cash flows from operating activities in cases where the underlying hedged items relate to Nokia's operating activities. When a derivative contract is accounted for as a hedge of an identifiable position relating to financing or investing activities, the cash flows of the contract are classified in the same way as the cash flows of the position being hedged. Cash flows of derivatives used in hedging the foreign exchange risk of Nokia's cash position are presented in cash flows from investing activities.

Cash flow hedges: hedging of forecast foreign currency denominated sales and purchases

Nokia applies cash flow hedge accounting primarily to foreign exchange exposure that arises from highly probable forecast operative business transactions. The risk management strategy is to hedge material net exposures (identified standard net sales exposure minus identified standard costs exposure) by using foreign exchange forwards and foreign exchange options in a layered hedging style that follows defined hedging level ranges and hedge maturities in quarterly time buckets. The hedged item must be highly probable and present an exposure to variations in cash flows that could ultimately affect profit or loss.

For qualifying foreign exchange forwards and foreign exchange options, the change in fair value that reflects the change in spot exchange rates on a discounted basis is recognized in hedging reserve through other comprehensive income (refer to Note 5.1. Equity). The changes in the forward element of the foreign exchange forwards and the time value of the options that relate to hedged items are deferred in the cost of hedging reserve through other comprehensive income (refer to Note 5.1. Equity) and are subsequently accounted for in the same way as the spot element or intrinsic value.

In each quarter, Nokia evaluates whether the forecast sales and purchases are still expected to occur. If a portion of the hedged cash flow is no longer expected to occur, the hedge accounting criteria are no longer met and all related deferred gains or losses are derecognized from fair value and other reserves and recognized in other operating income and expenses in the income statement.

If the hedged cash flow ceases to be highly probable, but is still expected to occur, accumulated gains and losses remain in fair value and other reserves until the hedged cash flow affects profit or loss.

Nokia's risk management objective is to hedge forecast cash flows until the related revenue has been recognized. Each hedge relationship is discontinued during the quarter when the hedge matures, which is also the quarter that it had been designated to hedge. At this point, the accumulated gain or loss of cash flow hedges is reclassified to other operating income and expenses in the income statement. In cases where the forecast amount of revenue is not recognized during a quarter, the full accumulated gain or loss of cash flow hedges designated for said quarter is still reclassified and the portion related to forecast revenue that was not recognized is disclosed as hedge ineffectiveness.

As cash flow hedges primarily mature in the same quarter as the hedged item, there is no significant ineffectiveness resulting from the time value of money. Nokia will validate the magnitude of the impact of discounting related to the amount of gain or loss recognized in fair value and other reserves on a quarterly basis.

Cash flow and fair value hedges: hedging of foreign exchange risk of future interest cash flows

Nokia also applies cash flow hedging to future interest cash flows in foreign currency related to issued bonds. These future interest cash flows are hedged with cross-currency swaps that have been bifurcated and designated partly as fair value hedges (see Fair value hedges: hedging of interest rate exposure below) to hedge both the foreign exchange and interest rate benchmark risk component of the issued bond, and partly as cash flow hedges to hedge the foreign exchange risk related to the remaining portion of interest cash flows on the issued bond. The accumulated gain or loss for the part of these cross-currency swaps designated as cash flow hedges is initially recorded in hedging reserve through other comprehensive income and reclassified to profit or loss at the time when the related interest cash flows are settled.



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Fair value hedges: hedging of interest rate exposure

Nokia applies fair value hedge accounting to reduce exposure to fair value fluctuations of interest-bearing liabilities due to changes in interest rates and foreign exchange rates. Nokia uses interest rate swaps and cross-currency swaps aligned with the hedged items to hedge interest rate risk and associated foreign exchange risk.

Nokia has entered into long-term borrowings mainly at fixed rates and has swapped most of them into floating rates in line with a defined target interest profile. Nokia aims to mitigate the adverse impacts from interest rate fluctuations by continuously managing net interest exposure resulting from financial assets and liabilities by setting appropriate risk management benchmarks and risk limits. The hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps as appropriate to achieve the risk management objective. Nokia enters into interest rate swaps that have similar critical terms to the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount and hence Nokia expects that there will be no significant ineffectiveness. Nokia has not entered into interest rate swaps where it would be paying fixed rates.

Nokia's borrowings are carried at amortized cost. Changes in the fair value of derivatives designated and qualifying as fair value hedges, together with any changes in the fair value of hedged liabilities attributable to the hedged risk, are recorded in financial income and expenses in the income statement. Nokia separates the foreign currency basis spread from cross-currency swaps and excludes it from the hedged risk as cost of hedging that is initially recognized and subsequently measured at fair value and recorded in the cost of hedging reserve through other comprehensive income. If a hedge relationship no longer meets the criteria for hedge accounting, hedge accounting ceases, the cost of hedging recorded in the cost of hedging reserve is immediately expensed and any fair value adjustments made to the carrying amount of the hedged item while the hedge was effective are recognized in financial income and expenses in the income statement based on the effective interest method.

Hedges of net investments in foreign operations

Nokia applies hedge accounting for its foreign currency hedging of selected net investments. The hedged item can be an amount equal to or less than the carrying amount of the net assets of the foreign operation in the statement of financial position. The risk management strategy is to protect the euro counter value of the portion of this exposure expected to materialize as non-euro cash repatriation in the foreseeable future.

For qualifying foreign exchange forwards, foreign exchange options and option strategies, the change in fair value that reflects the change in spot exchange rates is recognized in translation differences in shareholders' equity (refer to Note 5.1. Equity). The changes in the forward element of foreign exchange forwards as well as the changes in the time value of options (collectively known as the "cost of hedging") is recognized in the cost of hedging reserve through other comprehensive income. The cost of hedging at the date of designation of the foreign exchange forward or option contract as a hedging instrument is amortized to financial income and expenses in the income statement over the duration of the contract. Hence, in each reporting period, the change in fair value of the forward element of the foreign exchange forward contract or the time value of the option contract is recorded in the cost of hedging reserve through other comprehensive income, while the amortization amount is reclassified from the cost of hedging reserve to profit or loss.

The cumulative amount or proportionate share of changes in the fair value of qualifying hedges deferred in translation differences is recognized as gain or loss on disposal of all or part of a foreign subsidiary.

Derivatives not designated in hedge accounting relationships carried at fair value through profit and loss

For derivatives not designated under hedge accounting, but hedging identifiable forecast exposures such as anticipated foreign currency denominated sales and purchases, the gains and losses are recognized in other operating income and expenses in the income statement. The gains and losses on all other derivatives not designated under hedge accounting are recognized in financial income and expenses.

Embedded derivatives included in contracts are identified and monitored by Nokia. For host contracts that are not financial assets containing embedded derivatives that are not closely related, the embedded derivatives are separated and measured at fair value at each reporting date with changes in fair value recognized in financial income and expenses in the income statement. For host contracts that are financial assets containing embedded derivatives, the whole contract is measured at fair value at each reporting date with changes in fair value recognized in financial income and expenses in the income statement.

Derivatives

	2025				2024			
	Assets		Liabilities		Assets		Liabilities	
	Fair value ⁽¹⁾	Notional ⁽²⁾						
EURm								
Cash flow hedges								
Foreign exchange forward contracts	30	807	(5)	351	7	381	(19)	733
Currency options bought	4	563	—	—	—	90	—	—
Cash flow and fair value hedges⁽³⁾								
Cross-currency swaps	—	—	(178)	851	15	241	(97)	722
Fair value hedges								
Interest rate swaps	22	1 255	(3)	375	28	1 130	(10)	792
Hedges on net investment in foreign subsidiaries								
Foreign exchange forward contracts	1	88	(2)	460	3	527	(8)	971
Derivatives not designated in hedge accounting relationships carried at fair value through profit and loss								
Foreign exchange forward contracts	65	5 184	(70)	3 815	110	7 129	(165)	6 124
Currency options bought	—	—	—	—	15	770	—	—
Embedded derivatives ⁽⁴⁾	5	311	(8)	183	19	996	—	—
Total	127	8 208	(266)	6 035	197	11 264	(299)	9 342

(1) Included in other current financial assets and other financial liabilities in the statement of financial position.

(2) Includes the gross amount of all notional values for contracts that have not yet been settled or canceled. The amount of notional value outstanding is not necessarily a measure or indication of market risk as the exposure of certain contracts may be offset by that of other contracts.

(3) Cross-currency swaps have been designated partly as fair value hedges and partly as cash flow hedges.

(4) Embedded derivatives are related to customer contracts.

To manage interest rate and foreign exchange risks related to Nokia's interest-bearing liabilities, Nokia has designated the following cross-currency swaps as hedges under both fair value hedge accounting and cash flow hedge accounting, and interest rate swaps as hedges under fair value hedge accounting at 31 December:

Entity	Instrument	Currency	Maturity	Notional (million in currency)		Fair value EURm	
				2025	2024	2025	2024
				Nokia Corporation	Interest rate swaps	EUR	5/2025
Nokia Corporation	Interest rate swaps	EUR	3/2026	630	630	8	(1)
Nokia Corporation	Cross-currency swaps	USD	6/2027	500	500	(29)	9
Nokia Corporation	Interest rate swaps	EUR	5/2028	500	500	(2)	(7)
Nokia Corporation	Interest rate swaps	EUR	8/2031	500	500	13	22
Nokia Corporation	Cross-currency swaps	USD	5/2039	500	500	(149)	(92)
Total						(159)	(66)



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5.4. Financial risk management

General risk management principles

Nokia has a systematic and structured approach to risk management. Key risks and opportunities are primarily identified against business targets either in business operations or as an integral part of strategy and financial planning. Risk management covers strategic, operational, financial, compliance and reputational risks. Key risks and opportunities are analyzed, managed and monitored as part of business performance management. The principles documented in the Nokia Enterprise Risk Management Policy, which is approved by the Audit Committee of the Board, require risk management and its elements to be integrated into key processes. One of the core principles is that the business or function head is also the risk owner, although all employees are responsible for identifying, analyzing and managing risks, as appropriate, given their roles and duties. Nokia's overall risk management concept is based on managing the key risks that would prevent Nokia from meeting its objectives, rather than focusing on eliminating risks. In addition to the principles defined in the Nokia Enterprise Risk Management Policy, other key policies and operating procedures reflect the implementation of specific aspects of risk management, including financial risk management.

Financial risks

The objective for treasury activities is to guarantee sufficient funding at all times and to identify, evaluate and manage financial risks. Treasury activities support this aim by mitigating the adverse effects on the profitability of the underlying business caused by fluctuations in the financial markets, and by managing the capital structure by balancing the levels of liquid assets and financial borrowings. Treasury activities are governed by the Nokia Treasury Policy approved by the President and CEO, which provides principles for overall financial risk management and determines the allocation of responsibilities for financial risk management activities. Operating procedures approved by the Chief Financial Officer (CFO) cover specific areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk, as well as the use of derivative financial instruments in managing these risks. Nokia is risk averse in its treasury activities.

Financial risks are divided into market risk covering foreign exchange risk and interest rate risk, financial credit risk, and liquidity risk.

Market risk

Foreign exchange risk

Nokia operates globally and is exposed to transaction and translation foreign exchange risks. The objective of foreign exchange risk management is to mitigate adverse impacts from foreign exchange fluctuations on Nokia's profitability and cash flows. Treasury applies a global portfolio approach to manage foreign exchange risks within approved guidelines and limits.

Transaction risk arises from foreign currency denominated assets and liabilities together with foreign currency denominated future cash flows. Transaction exposures are managed in the context of various functional currencies of Group companies. Material transactional foreign exchange exposures are hedged, unless hedging would be uneconomical due to market liquidity and/or hedging cost. Exposures are defined using transaction nominal values. Exposures are mainly hedged with derivative financial instruments, such as foreign exchange forward contracts and foreign exchange options with most of the hedging instruments having a duration of less than a year.

A layered hedging approach is typically used for hedging of highly probable forecast foreign currency denominated cash flows with quarterly hedged items defined based on set hedge ratio ranges for each successive quarter. Hedged items defined for successive quarters are hedged with foreign exchange forward contracts and foreign exchange options with a hedge ratio of 1:1. Hedging level ranges are adjusted on a monthly basis including hedging instrument designation and documentation as appropriate. In cases where hedges exceed the hedge ratio range for any specific quarter, the hedge portfolio for that specific quarter is adjusted accordingly.

As Nokia has entities where the functional currency is other than the euro, the shareholders' equity is exposed to fluctuations in foreign exchange rates. Changes in shareholders' equity caused by movements in foreign exchange rates are shown as currency translation differences in the consolidated financial statements. The risk management strategy is to protect the euro counter value of the portion of this exposure expected to materialize as foreign currency repatriation cash flows in the foreseeable future. Exposures are mainly hedged with derivative financial instruments, such as foreign exchange forward contracts and foreign exchange options with most of the hedging instruments having a duration of less than a year. Hedged items are defined based on conservative expectations of repatriation cash flows based on a range of considerations. Net investment exposures are reviewed, hedged items designated, and hedging levels adjusted at minimum on a quarterly basis with a hedge ratio of 1:1. Additionally, hedging levels are adjusted whenever there are significant events impacting expected repatriation cash flows.

The foreign exchange risk arising from foreign currency denominated interest-bearing liabilities is primarily hedged using cross-currency swaps that are also used to manage Nokia's interest rate profile (refer to the interest rate risk section below).



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Notional amounts in currencies that represent a significant portion of the currency mix in outstanding financial instruments and other hedged items at 31 December:

EURm	2025				2024			
	USD ⁽¹⁾	CNY	INR	JPY	USD ⁽¹⁾	CNY	INR	GBP
Foreign exchange exposure designated as hedged item for cash flow hedging, net ⁽²⁾	1 138	(201)	(215)	252	450	(220)	(175)	222
Foreign exchange exposure designated as hedged item for net investment hedging ⁽³⁾	—	218	25	—	135	783	208	152
Foreign exchange exposure from interest-bearing liabilities ⁽⁴⁾	(723)	—	—	—	(786)	—	—	—
Foreign exchange exposure from items on the statement of financial position, excluding interest-bearing liabilities, net	1 460	(229)	(673)	189	1 296	(822)	(718)	(100)
Other foreign exchange derivatives, carried at fair value through profit and loss, net ⁽⁵⁾	(940)	191	341	(232)	676	813	200	83

(1) Includes foreign exchange exposures from US dollar pegged currencies.

(2) Includes foreign exchange exposures from forecast cash flows related to sales and purchases. In some currencies, especially the US dollar, Nokia has substantial foreign exchange exposures in both estimated cash inflows and outflows. These underlying exposures have been hedged.

(3) Includes net investment exposures in foreign operations. These underlying exposures have been hedged.

(4) Includes interest-bearing liabilities that have been hedged with cross-currency swaps and foreign exchange forwards. Refer to Note 5.3. Derivative assets and liabilities.

(5) Items on the statement of financial position are hedged by a portion of foreign exchange derivatives not designated in a hedge relationship and carried at fair value through profit and loss. Embedded derivatives are included in this line item.

Effects of hedge accounting on the financial position and performance

Nokia is using several types of hedge accounting programs to manage its foreign exchange and interest rate risk exposures; refer to Note 5.3. Derivative assets and liabilities. The effect of these programs on Nokia's financial position and performance at 31 December:

EURm	Cash flow hedges ⁽¹⁾	Net investment hedges ⁽¹⁾	Fair value and cash flow hedges ⁽¹⁾
2025			
Carrying amount of hedging instruments	29	(2)	(180)
Notional amount of hedging instruments	(1 594)	(547)	2 481
Notional amount of hedged items	1 594	547	(2 481)
Change in intrinsic value of hedging instruments since 1 January	120	112	34
Change in value of hedged items used to determine hedge effectiveness	(116)	(112)	(31)
2024			
Carrying amount of hedging instruments	(12)	(5)	(88)
Notional amount of hedging instruments	(1 043)	(1 498)	2 885
Notional amount of hedged items	1 043	1 498	(2 885)
Change in intrinsic value of hedging instruments since 1 January	(3)	(39)	10
Change in value of hedged items used to determine hedge effectiveness	6	39	(13)

(1) No significant ineffectiveness has been recorded during the periods presented and economic relationships have been fully effective.

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The methodology for assessing foreign exchange risk exposures: Value-at-Risk

Nokia uses the Value-at-Risk (VaR) methodology to assess exposures to foreign exchange risks. The VaR-based methodology provides estimates of potential fair value losses in market risk-sensitive instruments as a result of adverse changes in specified market factors, at a specified confidence level over a defined holding period. Nokia calculates the foreign exchange VaR using the Monte Carlo method, which simulates random values for exchange rates in which Nokia has exposures and takes the non-linear price function of certain derivative instruments into account. The VaR is determined using volatilities and correlations of rates and prices estimated from a sample of historical market data, at a 95% confidence level, using a one-month holding period. To put more weight on recent market conditions, an exponentially weighted moving average is performed on the data with an appropriate decay factor. This model implies that, within a one-month period, the potential loss will not exceed the VaR estimate in 95% of possible outcomes.

In the remaining 5% of possible outcomes, the potential loss will be at minimum equal to the VaR figure and, on average, substantially higher. The VaR methodology relies on a number of assumptions, which include the following: risks are measured under average market conditions, changes in market risk factors follow normal distributions, future movements in market risk factors are in line with estimated parameters and the assessed exposures do not change during the holding period. Thus, it is possible that, for any given month, the potential losses at a 95% confidence level are different and could be substantially higher than the estimated VaR.

The VaR calculation includes foreign currency denominated monetary financial instruments, such as current financial investments, loans and trade receivables, cash, and loans and trade payables; foreign exchange derivatives carried at fair value through profit and loss that are not in a hedge relationship and are mostly used to hedge the statement of financial position foreign exchange exposure, as well as embedded derivatives; and foreign exchange derivatives designated as forecast cash flow hedges, fair value hedges and net investment hedges as well as the exposures designated, as hedged items for these hedge relationships.

The VaR risk measures for Nokia's sensitivity to foreign exchange risks are presented in the Total VaR column and the simulated impact to financial statements is presented in the profit, other comprehensive income (OCI) and cumulative translation adjustment (CTA) columns in the table below.

EURm	2025				2024			
	Total VaR	Simulated impact on financial statements			Total VaR	Simulated impact on financial statements		
		Profit	OCI	CTA		Profit	OCI	CTA
31 December	12	10	15	—	36	40	23	—
Average for the year	25	19	37	—	19	15	21	—
Range for the year	12-41	10-34	13-56	0-0	8-36	9-40	11-25	0-0

The most significant foreign exchange hedging instruments under cash flow, net investment and fair value hedge accounting at 31 December:

	Currency	Fair value (EURm)	Weighted average hedged	Total	Maturity breakdown of notional amounts (EURm) ⁽¹⁾	
					Within 3 months	Between 3 and 12 months
2025						
Cash flow hedge accounting	GBP	—	0.8654	(151)	(38)	(113)
	JPY	15	171.7178	(169)	(27)	(142)
	USD	9	1.1599	(1 125)	(266)	(859)
Net investment hedge accounting	CNY	(1)	8.2658	(218)	(218)	—
2024						
Cash flow hedge accounting	GBP	(5)	0.8423	(222)	(69)	(153)
	USD	(11)	1.0670	(459)	(170)	(289)
Net investment hedge accounting	CNY	(6)	7.6474	(783)	(783)	—
	INR	—	88.8518	(208)	(186)	(22)

(1) Negative notional amounts indicate that hedges sell currency, and positive notional amounts indicate that hedges buy currency.



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Interest rate risk

Nokia is exposed to interest rate risk either through market value fluctuations of items on the statement of financial position (price risk) or through changes in interest income or expenses (refinancing or reinvestment risk). Interest rate risk mainly arises through interest-bearing liabilities and assets. Estimated future changes in cash flows and the structure of the statement of financial position also expose Nokia to interest rate risk.

The objective of interest rate risk management is to mitigate adverse impacts arising from interest rate fluctuations on the income statement, cash flow and financial assets and liabilities while taking into consideration Nokia's target capital structure and the resulting net interest rate exposure. Nokia has entered into long-term borrowings mainly at fixed rates and swapped most of them into floating rates, in line with a defined target interest profile. Nokia has not entered into interest rate swaps where it would be paying fixed rates. Nokia aims to mitigate the adverse impacts from interest rate fluctuations by continuously managing net interest rate exposure arising from financial assets and liabilities, by setting appropriate risk management benchmarks and risk limits.

Treasury monitors and manages interest rate exposure centrally. Nokia uses selective sensitivity analyses to assess and measure interest rate exposure arising from interest-bearing assets, interest-bearing liabilities and related derivatives. Sensitivity analysis determines an estimate of potential fair value changes in market risk-sensitive instruments by varying interest rates in currencies in which Nokia has material amounts of financial assets and liabilities while keeping all other variables constant.

Sensitivities to credit spreads are not reflected in the sensitivity analysis.

Interest rate profile of items under interest rate risk management at 31 December:

EURm	2025		2024	
	Fixed rate	Floating rate ⁽¹⁾	Fixed rate	Floating rate ⁽¹⁾
Non-current interest-bearing financial investments	368	—	457	—
Current interest-bearing financial investments	172	789	133	1 528
Cash and cash equivalents	55	5 407	54	6 569
Interest-bearing liabilities	(3 145)	(268)	(3 150)	(737)
Financial assets and liabilities before derivatives	(2 550)	5 928	(2 506)	7 360
Interest rate derivatives	2 322	(2 322)	2 820	(2 820)
Financial assets and liabilities after derivatives	(228)	3 606	314	4 540

(1) All cash equivalents and derivative transaction-related collaterals with initial maturity of three months or less are considered floating rate for the purposes of interest rate risk management.

Nokia's sensitivity to interest rate exposure in the investment and debt portfolios is presented in the fair value column in the table below with simulated impact to the financial statements presented in the profit and other comprehensive income (OCI) columns.

EURm	2025			2024		
	Impact on fair value	Impact on profit	Impact on OCI	Impact on fair value	Impact on profit	Impact on OCI
Interest rates - increase by 100 basis points	9	3	1	3	4	—
Interest rates - decrease by 100 basis points	(9)	(3)	(1)	(2)	(5)	—



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Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Nokia. Credit risk arises from credit exposures to customers, including outstanding receivables, financial guarantees and committed transactions, as well as financial institutions, including bank and cash, fixed income and money market investments, and derivative financial instruments. Credit risk is managed separately for business-related and financial credit exposures.

Financial instruments contain an element of risk resulting from changes in the market price due to counterparties becoming less creditworthy or risk of loss due to counterparties being unable to meet their obligations. Financial credit risk is measured and monitored centrally by Treasury. Financial credit risk is managed actively by limiting counterparties to a sufficient number of major banks and financial institutions, and by monitoring the creditworthiness and the size of exposures continuously. Additionally, Nokia enters into netting arrangements with all major counterparties, which give the right to offset in the event that the counterparty would not be able to fulfill its obligations. Nokia enters into collateral agreements with most counterparties, which require counterparties to post collateral against derivative receivables.

Investment decisions are based on strict creditworthiness and maturity criteria as defined in the Treasury-related policies and procedures. As a result of this investment policy approach and active management of outstanding investment exposures, Nokia has not been subject to any material credit losses in its financial investments in the years presented. Due to the high credit quality of Nokia's financial investments, the expected credit loss for these investments is deemed insignificant based on 12 months' expected credit losses at 31 December 2025. For information on expected credit losses for customer-related balances, refer to Note 4.5. Trade receivables and other customer-related balances.

Nokia has restricted bank deposits primarily related to employee benefits of EUR 61 million (EUR 114 million in 2024) that are presented in other non-current financial assets. Nokia has assessed the counterparty credit risk for these financial assets and concluded that expected credit losses are not significant.

Outstanding non-current and current interest-bearing financial investments, cash equivalents and cash classified by credit rating grades ranked in line with S&P Global Ratings categories at 31 December:

EURm	Rating ⁽¹⁾	Cash equivalents and interest-bearing financial investments					Total ⁽²⁾⁽³⁾
		Cash	Due within 3 months	Due between 3 and 12 months	Due between 1 and 3 years	Due between 3 and 5 years	
2025	AAA	—	789	—	11	—	800
	AA+ – AA-	938	273	—	34	6	1 251
	A+ – A-	1 654	1 874	106	365	57	4 359
	BBB+ – BBB-	104	69	8	64	3	248
	Other	120	13	—	—	—	133
Total		2 816	3 018	114	474	66	6 791
2024	AAA	—	1 496	—	8	—	1 504
	AA+ – AA-	720	727	12	27	6	1 492
	A+ – A-	2 004	2 346	380	241	157	5 230
	BBB+ – BBB-	48	244	15	63	26	396
	Other	117	2	—	—	—	119
Total		2 889	4 815	407	339	189	8 741

(1) Bank Parent Company ratings are used here for bank groups. Actual bank subsidiary ratings may differ from the Bank Parent Company rating.

(2) Non-current and current interest-bearing financial investments and cash equivalents include bank deposits, structured deposits, investments in money market funds and investments in fixed income instruments.

(3) Instruments that include a call feature have been presented at their final maturities. Instruments that are contractually due beyond three months include EUR 495 million (EUR 306 million in 2024) of instruments that have a call period of less than three months.

The following table sets out financial assets and liabilities subject to offsetting under enforceable master netting agreements and similar arrangements at 31 December. To reconcile the items presented to the statement of financial position, items that are not subject to offsetting would need to be included, refer to Note 5.3. Derivative assets and liabilities.

EURm	Net amounts of financial assets/ (liabilities) presented in the statement of financial position	Related amounts not set off in the statement of financial position		Net amount
		Financial instruments assets/(liabilities)	Cash collateral (received)/pledged	
2025				
	Derivative assets	121	(17)	1
	Derivative liabilities	(258)	148	(7)
Total		(137)	131	(6)
2024				
	Derivative assets	178	(33)	2
	Derivative liabilities	(296)	147	(6)
Total		(118)	114	(4)

The financial instruments subject to enforceable master netting agreements and similar arrangements are not offset in the statement of financial position as there is no intention to settle net or realize the asset and settle the liability simultaneously.

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Liquidity risk

Liquidity risk is defined as financial distress or extraordinarily high financing costs arising from a shortage of liquid funds in a situation where outstanding debt needs to be refinanced or where business conditions unexpectedly deteriorate and require financing. Transactional liquidity risk is defined as the risk of executing a financial transaction below fair market value or not being able to execute the transaction at all within a specific period of time. The objective of liquidity risk management is to maintain sufficient liquidity, and to ensure that it is readily available without endangering its value in order to avoid uncertainty related to financial distress at all times.

Nokia aims to secure sufficient liquidity at all times through efficient cash management and by investing primarily in highly liquid money market investments. Depending on its overall liquidity position, Nokia may pre-finance or refinance upcoming debt maturities before contractual maturity dates. The transactional liquidity risk is minimized by entering into transactions where proper two-way quotes can be obtained from the market. Nokia aims to ensure flexibility in funding by maintaining committed and uncommitted credit lines.

Nokia's trade payables include balances payable to suppliers under reverse factoring arrangements with financial institutions. These balances are classified as trade payables since the payments are made to the banks on very similar terms as to suppliers. Possible extensions to payment terms beyond the due dates agreed with suppliers are insignificant and there are no special guarantees securing the payments to be made. These arrangements do not result in a significant liquidity risk given the limited amount of liabilities subject to supplier finance arrangements and Nokia's access to other sources of finance.

Liabilities under supplier finance arrangements at 31 December:

Carrying amount of liabilities (EURm)	2025	2024
Presented within trade payables	861	564
Of which suppliers have received payment	241	250
Range of payment due dates after invoice date (days)	2025	2024
Liabilities that are part of the arrangements	60-120	60-90
Comparable trade payables that are not part of an arrangement	30-120	30-120

Nokia's significant credit facilities and funding programs at 31 December:

Committed/uncommitted	Financing arrangement	Currency	Nominal (million)	Utilized (million)	
				2025	2024
Committed	Revolving Credit Facility ⁽¹⁾	EUR	2 000	—	—
Committed	EIB R&D Loan Facility ⁽²⁾	EUR	435	—	—
Uncommitted	Finnish Commercial Paper Programme	EUR	750	—	—
Uncommitted	Euro-Commercial Paper Programme	EUR	1 500	—	—
Uncommitted	Euro Medium Term Note Programme ⁽³⁾	EUR	5 000	1 630	1 922
Total				1 630	1 922

(1) At 31 December 2025, Nokia had committed Revolving Credit Facilities (RCF) with nominal values of EUR 1 500 million maturing in June 2030 (with two one-year extension options) and EUR 500 million maturing in March 2027 (with a one-year extension options). On 3 March 2026, Nokia voluntarily canceled the EUR 500 million RCF with the effective date of 6 March 2026.

(2) The availability period of the loan facility ends in December 2027.

(3) All euro-denominated bonds have been issued under the Euro Medium Term Note Programme.

Certain changes in financial liabilities do not have a direct impact on Nokia's liquidity position. A disaggregation of cash and non-cash changes in lease liabilities, interest-bearing liabilities and associated derivatives arising from financing activities has been presented in the table below.

EURm	Long-term interest-bearing liabilities	Short-term interest-bearing liabilities	Derivatives held to hedge long-term borrowings ⁽¹⁾	Lease liabilities ⁽²⁾	Total
1 January 2025	2 918	969	88	863	4 838
Cash flows	(724)	360	—	(221)	(585)
Non-cash changes:					
Acquisitions through business combinations	—	6	—	57	63
Changes in foreign exchange rates	(124)	(3)	99	(41)	(69)
Changes in fair value	13	—	(7)	—	6
Reclassification between long-term and short-term	246	(246)	—	—	—
Additions ⁽³⁾	—	—	—	342	342
Other	—	(2)	—	—	(2)
31 December 2025	2 329	1 084	180	1 000	4 593
1 January 2024	3 637	554	174	997	5 362
Cash flows	(361)	(6)	—	(225)	(592)
Non-cash changes:					
Changes in foreign exchange rates	64	2	(49)	15	32
Changes in fair value	(5)	—	(37)	—	(42)
Reclassification between long-term and short-term	(417)	417	—	—	—
Liabilities associated with assets held for sale	—	—	—	(30)	(30)
Additions ⁽³⁾	—	—	—	117	117
Other	—	2	—	(11)	(9)
31 December 2024	2 918	969	88	863	4 838

(1) Includes derivatives designated in fair value and cash flow hedge accounting relationships as well as derivatives not designated in hedge accounting relationship but hedging identifiable long-term borrowing exposures.

(2) Includes non-current and current lease liabilities. In 2024, cash flows exclude Submarine Networks' cash flows after it was classified as held for sale and a discontinued operation.

(3) Includes new lease contracts, modifications and remeasurements of existing lease contracts as well as impacts from early terminations of lease contracts.



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The following table presents an undiscounted, contractual cash flow analysis for lease liabilities, financial liabilities and financial assets presented on the statement of financial position as well as loan commitments given and obtained. The line-by-line analysis does not directly reconcile with the statement of financial position.

EURm	2025						2024					
	Due					Total	Due					Total
	within 3 months	between 3 and 12 months	between 1 and 3 years	between 3 and 5 years	beyond 5 years		within 3 months	between 3 and 12 months	between 1 and 3 years	between 3 and 5 years	beyond 5 years	
Non-current financial assets												
Non-current interest-bearing financial investments	2	4	373	17	—	396	3	5	359	129	—	496
Other non-current financial assets ⁽¹⁾	—	—	46	1	43	90	—	—	57	8	48	113
Current financial assets												
Other current financial assets excluding derivatives ⁽¹⁾	140	90	—	—	—	230	318	99	—	—	—	417
Current interest-bearing financial investments ⁽²⁾	870	93	—	—	—	963	1 390	279	—	—	—	1 669
Cash and cash equivalents ⁽²⁾	4 989	134	145	10	244	5 522	6 351	114	80	83	25	6 653
Cash flows related to derivative financial assets net settled:												
Derivative contracts – receipts	2	9	9	8	8	36	(6)	3	(1)	(1)	4	(1)
Cash flows related to derivative financial assets gross settled:												
Derivative contracts – receipts	4 543	1 792	352	—	—	6 687	5 492	2 471	1 081	114	—	9 158
Derivative contracts – payments	(4 505)	(1 773)	(341)	—	—	(6 619)	(5 428)	(2 416)	(1 017)	(106)	—	(8 967)
Trade receivables	4 275	864	39	—	—	5 178	4 529	933	39	—	—	5 501
Non-current financial and lease liabilities												
Long-term interest-bearing liabilities	(8)	(101)	(1 181)	(301)	(1 454)	(3 045)	(21)	(103)	(1 345)	(926)	(1 441)	(3 836)
Long-term lease liabilities	—	—	(315)	(205)	(467)	(987)	—	—	(294)	(172)	(266)	(732)
Other non-current financial liabilities	(11)	—	(9)	(8)	—	(28)	(12)	—	(23)	(10)	—	(45)
Current financial and lease liabilities												
Short-term interest-bearing liabilities	(1 095)	(3)	—	—	—	(1 098)	(603)	(386)	—	—	—	(989)
Short-term lease liabilities	(71)	(169)	—	—	—	(240)	(64)	(175)	—	—	—	(239)
Other financial liabilities excluding derivatives ⁽³⁾	(3)	(7)	—	—	—	(10)	(490)	(2)	—	—	—	(492)
Cash flows related to derivative financial liabilities net settled:												
Derivative contracts – payments	(4)	1	1	—	—	(2)	(2)	(14)	(10)	3	—	(23)
Cash flows related to derivative financial liabilities gross settled:												
Derivative contracts – receipts	3 635	711	801	56	665	5 868	5 517	1 400	965	160	784	8 826
Derivative contracts – payments	(3 675)	(727)	(835)	(59)	(705)	(6 001)	(5 635)	(1 458)	(1 013)	(174)	(777)	(9 057)
Discounts without performance obligations	(124)	(145)	(20)	—	(5)	(294)	(222)	(149)	(6)	(3)	—	(380)
Trade payables	(2 841)	(102)	(35)	—	—	(2 978)	(3 049)	(126)	(25)	(12)	(1)	(3 213)
Commitments given and obtained												
Loan commitments given undrawn ⁽⁴⁾	(4)	(3)	—	—	—	(7)	(5)	(6)	—	—	—	(11)
Loan commitments obtained undrawn ⁽⁵⁾	(1)	(3)	928	1 496	—	2 420	(1)	148	1 410	—	—	1 557
Investment commitments given undrawn ⁽⁶⁾	(221)	—	—	—	—	(221)	(306)	—	—	—	—	(306)

(1) Other non-current financial assets and other current financial assets excluding derivatives mainly include financial receivables from customers and suppliers.

(2) Instruments that include a call feature have been presented at their final maturities. Instruments that are contractually due beyond three months include EUR 495 million (EUR 306 million in 2024) of instruments that have a call period of less than three months.

(3) In 2024, Other financial liabilities excluding derivatives included a conditional obligation to China Huaxin presented in the earliest period as the exercise period was open.

(4) Loan commitments given undrawn have been included in the earliest period in which they could be drawn or called.

(5) Loan commitments obtained undrawn have been included based on the period in which they expire. These amounts include related commitment fees.

(6) The timing of draw downs for these commitments are dependent on investment decisions of various venture funds and these are typically spread over a time period of several years. For further information on venture fund commitments, refer to Note 6.1. Commitments, contingencies and legal proceedings.

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This section contains information on Nokia's off-balance sheet commitments and contingencies, business combinations, Group structure and related party transactions, as well as events after the reporting period.

6.1. Commitments, contingencies and legal proceedings

Contractual obligations

EURm	Within 1 year	1-5 years	More than 5 years
2025			
Purchase obligations	4 264	617	15
Lease commitments ⁽¹⁾	—	101	731
2024			
Purchase obligations	2 538	697	3
Lease commitments ⁽¹⁾	9	86	573

(1) Relates to lease contracts that had not yet commenced as at the reporting date.

At 31 December 2025, Nokia has potential undiscounted future lease payments of EUR 906 million (EUR 812 million in 2024) relating to extension options not expected to be exercised and EUR 97 million (EUR 58 million in 2024) relating to termination options expected to be exercised that are not included in the lease liability.

Guarantees and financing commitments

The contingent liabilities in the table below represent the maximum principal amount of guarantees and financing commitments, and do not reflect management's expected outcomes.

EURm	2025	2024
Guarantees on behalf of Group companies		
Guarantees issued by financial institutions		
Commercial guarantees ⁽¹⁾	943	964
Non-commercial guarantees	431	498
Corporate guarantees ⁽²⁾		
Commercial guarantees ⁽¹⁾	275	263
Non-commercial guarantees	37	33
Financing commitments		
Customer finance commitments ⁽³⁾	7	11
Investment commitments ⁽⁴⁾	221	306

- (1) Commercial guarantees are guarantees that are issued in the normal course of business to Nokia's customers for the performance of Nokia's obligations under supply agreements; these include tender bonds, performance bonds and warranty bonds.
- (2) Corporate guarantees are guarantees with a primary obligation that are issued to Nokia's customers and other third parties.
- (3) Customer finance commitments are available under customer loan facilities. Availability of the facility depends on the borrower's continuing compliance with the agreed financial and operational covenants, and other administrative terms of the facility. The loan facilities are primarily available to fund purchases of network infrastructure equipment and services. Refer to Note 4.5. Trade receivables and other customer-related balances.
- (4) As a limited partner in NGP Capital and certain other funds making technology-related investments, Nokia is committed to capital contributions and entitled to cash distributions according to the respective partnership agreements and underlying fund activities.



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Legal matters

Accounting policies

Nokia discloses ongoing legal matters that relate to possible obligations whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Nokia. These matters are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable so as to recognize a provision.

Nokia is and will likely continue to be subject to various legal proceedings that arise from time to time, including proceedings related to intellectual property, antitrust, commercial disputes, product liability, environmental issues, tax, health and safety, employment and wrongful discharge, sales and marketing practices, international trade, securities, privacy matters and compliance. While management does not expect any of the legal proceedings it is currently aware of to have a material adverse effect on Nokia's financial position, litigation is inherently unpredictable, and Nokia may in the future receive judgments or enter into settlements that could have a material adverse effect on its results or cash flows.

Litigation and proceedings

Mass labor litigation in Brazil

Nokia is defending against a number of labor claims in various Brazilian labor courts. Plaintiffs are former employees whose contracts were terminated after Nokia exited from certain managed services contracts. The claims mainly relate to payments made under, or in connection with, the terminated labor contracts. Nokia has closed the majority of the court cases through settlement or judgment.

Asbestos litigation in the United States

Nokia is defending approximately 250 asbestos-related matters, at various stages of litigation. The claims are based on premises liability, products liability, and contractor liability. The claims also involve plaintiffs allegedly diagnosed with various diseases, including but not limited to asbestosis, lung cancer, and mesothelioma.

Intellectual property rights litigation

Litigations concluded during the year

In 2023, Nokia commenced patent infringement proceedings against Amazon in several countries in relation to patents covering video-related technologies implemented in Amazon's services and devices. In March 2025, Nokia announced it had signed a patent agreement with Amazon. The agreement resolves all pending patent litigation between the parties.

6.2. Acquisitions

Accounting policies

Business combinations are accounted for using the acquisition method. At the acquisition date the consideration transferred, comprising the sum of assets transferred, liabilities assumed and equity interests issued, is generally measured at fair value. The consideration transferred is allocated to the separately identifiable assets acquired and liabilities assumed, including assets and liabilities that were not recognized on the statement of financial position of the acquiree, such as certain intangible assets or contingent liabilities. The total amount of consideration transferred and non-controlling interests in the acquiree, if any, exceeding the net of all identifiable assets acquired and liabilities assumed is recognized as goodwill. The acquisition-related costs are recognized as expenses in the periods incurred, except for the costs related to issuing debt or equity securities. The results of businesses acquired are consolidated in the results of Nokia from the acquisition date.

Acquisition of Infinera

On 28 February 2025, Nokia completed the acquisition of Infinera Corporation (Infinera), pursuant to the definitive agreement announced on 27 June 2024. Infinera, the San Jose based global supplier of innovative open optical networking solutions and advanced optical semiconductors, became part of the Nokia Group effective as of the closing, with Nokia holding 100% of its equity and voting rights. The acquisition is expected to significantly improve Nokia's scale and profitability in optical networks, and accelerate Nokia's growth strategy in data centers and strengthen its presence both in North America and with hyperscalers. Nokia is reporting the acquired business as part of its Network Infrastructure segment.

Purchase consideration

The purchase consideration transferred to the Infinera shareholders comprised cash and 127 434 986 Nokia shares in the form of American Depositary Shares (ADSs). The fair value of Nokia shares issued was determined with reference to the closing price of Nokia ADSs in the New York Stock Exchange on 28 February 2025. The total purchase consideration also included the fair value of the portion of Infinera's performance and restricted shares attributable to pre-combination services that were replaced with Nokia's share-based payment awards, and the fair value of Infinera's convertible senior notes as described below.



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The acquisition resulted in a conversion event and a “make whole fundamental change” for Infinera’s convertible senior notes in accordance with relevant indentures. The fair value of convertible notes included in the purchase consideration was determined with regards to the pricing mechanism of the “make whole fundamental change” in accordance with the bond terms. The pricing formula included a component which was dependent on the performance of Nokia ADSs 40 trading days after conversion notice from each individual bondholder. The fair value of convertible notes included as part of the purchase consideration was determined based on the closing price of Nokia ADSs in the New York Stock Exchange at the date of acquisition. Conversion elections expired on 19 March 2025 with all bondholders surrendering their notes. The surrendered notes were settled in cash in May 2025. Nokia recognized EUR 23 million loss in the financial expenses in the consolidated income statement for the change in the fair value of convertible notes between the acquisition date and the subsequent settlement date.

EURm	28 February 2025
Cash	1 066
Infinera's convertible notes	785
Nokia shares issued	584
Portion of the replacement equity awards attributable to pre-combination service	61
Total purchase consideration	2 496

Fair value of net assets acquired and goodwill

EURm	28 February 2025
ASSETS	
Intangible assets	1 111
Property, plant and equipment	241
Deferred tax assets	82
Inventories	337
Trade receivables ⁽¹⁾	349
Other assets	207
Cash and cash equivalents	78
Assets acquired	2 405
LIABILITIES	
Deferred tax liabilities	37
Trade payables	230
Contract liabilities	184
Other liabilities	291
Liabilities assumed	742
Net identifiable assets acquired	1 663
Goodwill	833
Net assets acquired	2 496

(1) The gross amount of trade receivables does not materially differ from their fair value, and it is expected that the full contractual amounts can be collected.

Goodwill arising from the acquisition of Infinera amounts to EUR 833 million and is primarily attributable to the acquired workforce, as well as anticipated synergies and economies of scale. Goodwill is allocated in its entirety to the Network Infrastructure segment and is expected not to be deductible for income tax purposes.

Fair values of intangible assets acquired

	Fair value (EURm)	Useful life (years)
Customer relationships	646	12
Technologies	380	3-4
Tradenames and other	85	3-4
Total	1 111	

Critical accounting judgment

The determination and fair value measurement of intangible assets recognized separately from goodwill are dependent on management estimations and assumptions, including value drivers and synergies of the acquisition, and revenue growth, profitability and cash flow projections, useful lives and other characteristics of the intangible assets, as well as discount rates, as of the acquisition date. Assumptions and estimations have material impact on the carrying value of the intangible assets at initial recognition, and on the subsequent amortization expense.

Acquisition-related costs amounted to EUR 41 million of which EUR 21 million is recorded in 2025. Acquisition-related costs are presented in selling, general and administrative expenses in the consolidated income statement, and in operating cash flows in the consolidated statement of cash flows.

From 28 February to 31 December 2025 the acquired business contributed net sales of EUR 1 258 million and an operating loss of EUR 215 million to the consolidated income statement. Nokia Group net sales and operating profit in 2025 would have been EUR 20 092 million and EUR 846 million, respectively, had the acquisition been completed on 1 January 2025. The information regarding the combined entity’s net sales and operating profit as of the beginning of 2025 is unaudited and for illustrative purposes only, and is calculated by using the subsidiary’s results for January-February 2025 adjusted for the impacts of accounting policy alignment and release of purchase price allocation adjustments.

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6.3. Principal Group companies

Principal Group companies at 31 December 2025:

Company name	Domicile	Parent holding %	Group ownership interest %
Nokia Solutions and Networks Oy	Finland	100.0	100.0
Nokia of America Corporation	United States	—	100.0
Nokia Solutions and Networks B.V.	Netherlands	—	100.0
Nokia Technologies Oy	Finland	100.0	100.0
Nokia Participations	France	—	100.0
Nokia Networks France	France	—	100.0
Nokia Solutions and Networks India Private Limited	India	—	100.0
Nokia Solutions and Networks Japan G.K.	Japan	—	100.0
Nokia Solutions and Networks Branch Operations Oy	Finland	—	100.0
Infinera Corporation	United States	—	100.0
Nokia Arabia Limited	Saudi Arabia	—	100.0
Nokia Shanghai Bell Co., Ltd. ⁽¹⁾	China	—	100.0
Nokia Solutions and Networks do Brasil Telecomunicações Ltda.	Brazil	—	100.0
Nokia Solutions and Networks Taiwan Co., Ltd.	Taiwan	—	100.0
Nokia Spain, S.A.	Spain	—	100.0
Nokia UK Limited	United Kingdom	—	100.0
Nokia Canada Inc.	Canada	—	100.0
Nokia Solutions and Networks Italia S.p.A.	Italy	—	100.0
Nokia Solutions and Networks Australia Pty Ltd	Australia	—	100.0

(1) In December 2025, Nokia completed the purchase of China Huaxin's approximately 50% share in Nokia Shanghai Bell. Refer to Note 5.2. Financial assets and liabilities.

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6.4. Related party transactions

Nokia has related party transactions with its subsidiaries, associated companies, joint ventures and pension funds as well as the management and the Board of Directors. Transactions and balances between Group companies are eliminated on consolidation. For more information on principles of consolidation and principal Group companies, refer to Note 1.2. General accounting policies, and Note 6.3. Principal Group companies, respectively.

Transactions and balances with associated companies and joint ventures

EURm	2025	2024	2023
Sales	33	36	46
Purchases	(154)	(147)	(141)
Trade and other receivables	20	73	18
Trade and other payables	(32)	(35)	(31)

Investments in associated companies and joint ventures are individually immaterial. The aggregate carrying amount for the investments in associated companies and joint ventures was EUR 180 million in 2025 (EUR 124 million in 2024).

In 2024, Nokia completed the sale of Alcatel Submarine Networks (ASN) to the French State. Nokia retained a 20% shareholding with board representation to ensure a smooth transition until targeted exit, at which point it is planned for the French State to acquire Nokia's remaining interest. The retained interest is accounted for as an investment in an associate. Refer to Note 2.6. Discontinued operations for more information on disposal of the Submarine Networks business.

Nokia holds a 51% ownership interest in TD Tech Holding Limited ("TD Tech HK"), a Hong Kong based joint venture holding company which Nokia has accounted for as an investment in associated companies and joint ventures. In 2024, TD Tech HK completed the divestment of the entire business of the joint venture through the sale of its operating subsidiaries to a consortium consisting of Huawei Technologies, Chengdu High-tech Investment Group and other buyers. Following the divestment, Nokia is in the process of exiting from its shareholding in the parent company TD Tech HK. Nokia considered the transactions as a sale of associated companies and joint ventures, recorded a gain of EUR 191 million related to the sale and received a cash consideration of EUR 248 million from the sale in 2024.

In 2016, Nokia entered into a strategic agreement with HMD Global Oy (HMD) granting HMD an exclusive global license to create Nokia branded mobile phones and tablets for 10 years. Under the agreement, Nokia receives royalty payments from HMD for sales of Nokia branded mobile phones and tablets, covering both brand and patent licensing. In August 2023, Nokia and HMD amended the licensing agreement so that HMD's exclusive license to create Nokia branded devices would expire by March 2026. In October 2025, Nokia and HMD agreed to extend the license period for the Nokia-branded feature phones until March 2029 for limited countries. Nokia has held an ownership interest in HMD since 2020 which it has accounted for as an investment in associate. In 2023, Nokia recorded an impairment loss of EUR 28 million related to its investment in HMD in the share of result of associates and joint ventures.

Transactions with pension funds

Nokia has borrowings of EUR 34 million (EUR 35 million in 2024) from Nokia's German pension fund, a separate legal entity. The indefinite loan bears 6% annual interest and can be terminated by either party with a 90-day notice. The loan is included in short-term interest-bearing liabilities in the statement of financial position. For more information on Nokia's post-employment benefit plans, refer to Note 3.4. Pensions and other post-employment benefits.

Transactions with the Group Leadership Team and the Board of Directors

No loans were granted to the members of the Group Leadership Team and the Board of Directors in 2025, 2024 or 2023. For information on remuneration of Nokia's key management personnel, refer to Note 3.2. Remuneration of key management.

6.5. Subsequent events

Non-adjusting events after the reporting period

Nokia to operate with two primary operating segments

Nokia announced on 19 November 2025, together with its new strategy, that it will reorganize its business into two primary operating segments to better align to customer needs and accelerate innovation as the AI supercycle increases demand for advanced connectivity. This reorganization took effect as of 1 January 2026.

The reorganization recognizes Network Infrastructure as a growth segment, positioned to capitalize on the rapid, global AI and data center build-out while continuing to innovate for its telecommunications customer base. The segment consists of three business units Optical Networks, IP Networks and Fixed Networks and is led by David Heard.

The new Mobile Infrastructure segment brings together Nokia's Core Networks portfolio, Radio Networks portfolio and Technology Standards (formerly Nokia Technologies). It is positioned for core and radio network technology and services leadership to lead the industry to AI-native networks and 6G. The new segment brings together a portfolio whose value creation is founded on mobile communication technologies based on 3GPP standards with a strong cash flow position underpinned by IP licensing. It is led by Justin Hotard on an interim basis and consists of three business units Core Software, Radio Networks and Technology Standards.

In addition, as part of its strategy work, Nokia identified several units which are not seen as core to the future of the company's strategy. These units were moved into a dedicated operating segment called Portfolio Businesses while the company assesses the best value creating opportunity for them. The units moved were:

- Fixed Wireless Access CPE (previously in Fixed Networks in Network Infrastructure)
- Site Implementation and Outside Plant (previously in Fixed Networks in Network Infrastructure)
- Enterprise Campus Edge (previously in Cloud and Network Services)
- Microwave Radio (previously in Mobile Networks)



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Report of independent registered public accounting firm

To the shareholders and the Board of Directors of Nokia Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Nokia Corporation and subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in

Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue recognition – Accounting for significant and complex contracts — Refer to Note 2.1 to the financial statements

Critical Audit Matter Description

The Company enters into multi-year framework agreements with customers, which together with purchase orders for hardware, software and services, represent revenue contracts. Certain revenue contracts are particularly significant in value and contain highly complex terms and conditions which impact revenue recognition. Accounting complexities for such revenue contracts include the assessment of contractual settlements, contract combinations and subsequent contract modifications, and other factors occurring during the period that materially impact revenue recognition.

Given the level of complexity in performing such accounting assessments for these significant and complex revenue contracts, our audit procedures to evaluate the reasonableness of these accounting judgements require a high degree of auditor judgement.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the determination of the appropriateness of the revenue recognition for these significant and complex revenue contracts included the following, amongst others:

- We tested the effectiveness of controls over the determination of accounting treatment for significant and complex revenue contracts;
- We utilised data analytics to identify revenue contracts that were significant in value and contained complexities;
- We analysed the significant and complex revenue contracts entered into or modified during the current period, to identify all terms and conditions relevant to revenue recognition; and
- We assessed whether management's accounting conclusions in relation to the areas of complexity identified in significant and complex revenue contracts were in accordance with IFRS 15 Revenue from Contracts with Customers.

/s/ Deloitte Oy

Helsinki, Finland
March 5, 2026

We have served as the Company's auditor since 2020.

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To the shareholders and the Board of Directors of Nokia Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Nokia Corporation and subsidiaries (the “Company”) as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the financial statements as of and for the year ended December 31, 2025, of the Company and our report dated March 5, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s annual report on internal control over financial reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte Oy

Helsinki, Finland

March 5, 2026

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Exhibits

- 1 [Articles of Association of Nokia Corporation \(English Translation of the Finnish original\) \(incorporated by reference to Exhibit 1 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on 13 March 2025 \(File No. 001-13202\)\).](#)

- 8 [Refer to Note 6.3. Principal Group companies, in our consolidated financial statements for more information on our significant subsidiaries.](#)

- 11.1 [Code of Ethics \(incorporated by reference to Exhibit 11.1 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on 13 March 2025 \(File No. 001-13202\)\)](#)

- 11.2 [Insider Trading Policy \(incorporated by reference to Exhibit 11.2 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on 13 March 2025 \(File No. 001-13202\)\).](#)

- 12.1 [Certification of Justin Hotard, President and Chief Executive Officer of Nokia Corporation, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

- 12.2 [Certification of Marco Wirén, Group Chief Financial Officer of Nokia Corporation, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

- 13 [Certification, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

- 15.1 [Consent of Deloitte Oy.](#)

- 97.1 [Executive Officer Clawback Policy \(incorporated by reference to Exhibit 97.1 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on 29 February 2024 \(File No. 001-13202\)\).](#)

- 101 Interactive Data Files (Inline XBRL – Related Documents).

- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).



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Glossary

2G (Second Generation Mobile Communications): Also known as GSM (Global System for Mobile Communications): A digital system for mobile communications that is based on a widely-accepted standard and typically operates in the 900 MHz, 1800 MHz and 1900 MHz frequency bands.

3G (Third Generation Mobile Communications): The third generation of mobile communications standards designed for carrying both voice and data generally using WCDMA or close variants. See also WCDMA.

3GPP (The Third Generation Partnership Project): A consortium comprising several standards organizations which develop protocols for mobile telecommunications. The initial goal was to develop a global technical specification for a 3G mobile phone system. Since then, the operations have been extended and today the main focus is on 5G networks.

4G (Fourth Generation Mobile Communications): The fourth generation of mobile communications standards based on LTE, offering IP data connections only and providing true broadband internet access for mobile devices. See also LTE.

5G (Fifth Generation Mobile Communications): The next major phase of mobile telecommunications standards. 5G is a complete redesign of network architecture with the flexibility and agility to support upcoming service opportunities. It delivers higher speeds, higher capacity, extremely low latency and greater reliability.

6G (Sixth Generation Mobile Communications): The cellular industry introduces a new generation about every ten years. The next generation of technology is expected to be introduced by 2030 and is generally referred to as 6G.

Access network: A telecommunications network between a local exchange and the subscriber station.

AI & Cloud: One of Nokia's customer segments.

AI-RAN: AI-RAN is the fusion of innovation in AI and radio access networks (RAN) to the mutual benefit of both.

AirScale Radio Access: A 5G-ready complete radio access generation that helps operators address the increasing demands of today and tomorrow. The solution comprises: Nokia AirScale Base Station with multiband radio frequency elements and system modules; Nokia AirScale Active Antennas; Cloud RAN with Nokia AirScale Cloud Base Station Server and the cloud-based AirScale RNC (Radio Network Controller) for 3G; Nokia AirScale Wi-Fi; common software; and services which use intelligent analytics and extreme automation to maximize the performance of hybrid networks.

Alcatel-Lucent: Alcatel-Lucent Group, that has been part of the Nokia Group since 2016.

Annual revenue run-rate: A financial projection that takes Nokia's current revenue and extrapolates it over a full year, assuming current performance remains constant.

Artificial Intelligence (AI): Autonomous and adaptive intelligence of machines, where machines have the ability to perform tasks in complex environments without constant guidance by a user and have the ability to improve performance by learning from experience.

Bandwidth: The width of a communication channel, which affects transmission speeds over that channel.

Base station: A network element in a mobile network responsible for radio transmission and reception to or from the mobile station.

Broadband: The delivery of higher bandwidth by using transmission channels capable of supporting data rates greater than the primary rate of 9.6 Kbps.

Churn: A measure of the number of customers or subscribers who leave their service provider, e.g., a mobile operator, during a given time period.

Cloud: Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications and services) that can be rapidly provisioned and released with minimal management effort.

Cloud and Network Services: Our Cloud and Network Services business group enables telecommunication providers and enterprises to deploy and monetize 5G, cloud-native software and as-a-Service delivery models.

Cloud RAN: Cloud RAN refers to all or some of the baseband functions being run on a commercial off-the-shelf (COTS) computing platform rather than purpose-built hardware.

Convergence: The coming together of two or more disparate disciplines or technologies. Convergence types are, for example, IP convergence, fixed-mobile convergence and device convergence.

Core network: A combination of exchanges and the basic transmission equipment that together form the basis for network services.

Digital: A signaling technique in which a signal is encoded into digits for transmission.

Discontinued operations: Submarine Networks business, which was previously reported as part of Network Infrastructure operating segment, was sold in 2024 and is presented as a discontinued operation.

Ecosystem: An industry term to describe the increasingly large communities of mutually beneficial partnerships that participants such as hardware manufacturers, software providers, developers, publishers, entertainment providers, advertisers and ecommerce specialists form in order to bring their offerings to market. At the heart of the major ecosystems in the mobile devices and related services industry is the operating system and the development platform upon which services are built.

ETSI (European Telecommunications Standards Institute): Standards produced by the ETSI contain technical specifications laying down the characteristics required for a telecommunications product.

Fixed Wireless Access (FWA): Uses wireless networks to connect fixed locations such as homes and businesses with broadband services.

GSM (Global System for Mobile Communications): A digital system for mobile communications that is based on a widely accepted standard and typically operates in the 900 MHz, 1800 MHz and 1900 MHz frequency bands. See also 2G.

Hexa-X: European Commission's flagship 6G initiative for research into the next generation of wireless networks. The initiative began in January 2021 with Nokia as project lead, working closely with a strong consortium of European partners.

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Hyperscalers: One of Nokia's customer segments. Hyperscaler refers to companies like Alphabet (Google), Amazon (Amazon Web Services), Microsoft and Meta Platforms (Facebook) that provide cloud solutions at a global scale leveraging massive connected data centers.

Infinera: Infinera Corporation, a global supplier of innovative open optical networking solutions and advanced optical semiconductors. In 2024, Nokia announced its plans to acquire the company and the acquisition of Infinera was closed in February 2025.

Internet of Things (IoT): All things such as cars, the clothes we wear, household appliances and machines in factories connected to the internet and able to automatically learn and organize themselves.

IP (Internet Protocol): A network layer protocol that offers a connectionless internet work service and forms part of the (Transmission Control Protocol) TCP/IP protocol.

IP (Intellectual Property): Intellectual property results from original creative thought, covering items such as patents, copyright material and trademarks, as well as business models and plans.

IPR (Intellectual Property Rights): Legal rights protecting the economic exploitation of intellectual property, a generic term used to describe products of human intellect, for example patents, that have an economic value.

IPR licensing: Generally, an agreement or an arrangement where a company allows another company to use its intellectual property (such as patents, trademarks or copyrights) under certain terms.

LTE (Long-Term Evolution): 3GPP radio technology evolution architecture and a standard for wireless communication of high-speed data. Also referred to as 4G.

Massive MIMO (Multiple Input Multiple Output) radios: Advanced technology, which extends the MIMO concept by using a large array of transmit and receive antennas. Nokia provides an extensive portfolio of Massive MIMO radios to deliver high-performance 5G with optimized capacity, coverage and energy efficiency.

Mission critical enterprise & Defense: One of Nokia's customer segments.

Mission critical networks/communications: One of the key elements of 5G. Mission critical communications meets the needs of emergency responders such as emergency operations centers, fire departments, emergency vehicles, police, and search and rescue services, replacing traditional radio with new communications capabilities available to smartphone users.

Mobile broadband: Refers to high-speed wireless internet connections and services designed to be used from multiple locations.

Mobile Infrastructure: One of Nokia's primary operating segments effective 1 January 2026. The Mobile Infrastructure segment brings together Nokia's Core Software portfolio, Radio Networks portfolio and Technology Standards.

Mobile Networks: Our Mobile Networks business group offers products and services for radio access networks covering technologies from 2G to 5G, and microwave radio links for transport networks.

Network Infrastructure: Our Network Infrastructure business group provides fiber, copper, fixed wireless access technologies, IP routing, data center, subsea and terrestrial optical networks – along with related services – to customers including communications service providers, webscales (including hyperscalers), digital industries and governments.

NVIDIA: NVIDIA Corporation, a world leader in AI and accelerated computing.

Nokia Bell Labs: Our research arm engaged in discovering and developing the technological shifts needed for the next phase of human existence as well as exploring and solving complex problems to radically redefine networks.

Nokia Technologies: Our Nokia Technologies business group is responsible for managing Nokia's patent portfolio and monetizing Nokia's intellectual property, including patents, technologies and the Nokia brand.

Operating System (OS): Software that controls the basic operation of a computer or a mobile device, such as managing the processor and memory. The term is also often used to refer more generally to the software within a device, for example, the user interface.

Platform: Software platform is a term used to refer to an operating system or programming environment, or a combination of the two.

PON (Passive Optical Network): A fiber access architecture in which unpowered fiber optic splitters are used to enable a single optical fiber to serve multiple endpoints without having to provide individual fibers between the hub and customer.

Portfolio Business: One of Nokia's segments effective 1 January 2026. The Portfolio Business segment include Fixed Wireless Access CPE, Site Implementation and Outside Plant Services, Enterprise Campus Edge, and Microwave Radio.

Private wireless network: Private wireless is a standalone network focused on industrial operational assets and users. A private wireless network provides broadband connectivity, similar to a public wireless network, but is owned and controlled by the organization that built or purchased it.

RAN (radio access networks): A mobile telecommunications system consisting of radio base stations and transmission equipment.

SEP (Standard-Essential Patent): Generally, patents needed to produce products which work on a standard which companies declare as essential and agree to license on Fair, Reasonable and Non-Discriminatory (FRAND) terms. Can also be referred to as essential patent.

Standalone (SA): Network architecture that allows independent operation of a 5G service without interaction with an existing 4G core and 4G radio network.

Submarine Networks: In 2024, Nokia sold its wholly owned subsidiary, Alcatel Submarine Networks (ASN), a global submarine communication networks leader, to the French State. The business unit was previously reported as part of Nokia's Network Infrastructure business groups segment and is now presented as a discontinued operation.

Technology licensing: Generally, refers to an agreement or arrangement where under certain terms a company provides another company with its technology and possibly know-how, whether protected by intellectual property or not, for use in products or services offered by the other company.

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Telco cloud: Applying cloud computing, SDN and NFV principles in telecommunications environment, for example separating application software from underlying hardware with automated, programmable interfaces while still retaining telecommunications requirements such as high availability and low latency.

Telecommunication providers: One of Nokia's customer segments

Transmission: The action of conveying signals from one point to one or more other points.

Virtual Reality (VR): The simulation of a three-dimensional image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment, such as a helmet with a screen inside or gloves fitted with sensors.

WCDMA (Wideband Code Division Multiple Access): A third-generation mobile wireless technology that offers high data speeds to mobile and portable wireless devices. Also referred to as 3G.

Webscale companies: Companies which are investing in cloud technology and network infrastructure on an increasing scale to fulfill their needs for massive, mission critical networks.

XGS-PON (10Gbps Symmetrical Passive Optical Network): A high-speed optical network technology that enables both upstream and downstream gigabit and multigigabit services. Its adoption is accelerating, helping operators improve competitiveness, revenue, and network efficiency, while meeting the growing demand for bandwidth from video, online gaming, and emerging applications like virtual reality.



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Information on the internet

www.nokia.com

Available on the internet: financial reports, information on members of the Group Leadership Team, other investor-related materials and information on events, and press releases as well as environmental and social information, Code of Conduct, Corporate Governance Statement and Remuneration Statement.

SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC (<http://www.sec.gov>).

Investor Relations contacts

investor.relations@nokia.com

Annual General Meeting

Date: 9 April 2026

Place: Helsinki, Finland

Dividend

The Board proposes to the Annual General Meeting 2026 to be authorized to decide, in its discretion, on the distribution of an aggregate maximum of EUR 0.14 per share as dividend from the retained earnings and/or as assets from the reserve for invested unrestricted equity.

Financial reporting

Our interim reports in 2026 are planned to be published on 23 April 2026, 23 July 2026 and 22 October 2026. The full-year 2026 results are planned to be published in January 2027.

Information published in 2025

All our global press releases and statements published in 2025 are available on the internet at www.nokia.com/newsroom.

Stock exchanges

The Nokia Corporation share is quoted on the following stock exchanges:

	Symbol	Trading currency
Nasdaq Helsinki (since 1915)	NOKIA	EUR
New York Stock Exchange (since 1994)	NOK	USD

In 2025, Nokia also maintained a listing on Euronext Paris Stock Exchange (since 2015) but decided to apply for delisting in November 2025. The final day of trading of Nokia's shares on Euronext Paris was 30 December 2025.

Documents on display

The documents referred to in this Annual Report on Form 20-F can be read at the Securities and Exchange Commission's internet site at <http://www.sec.gov>.

Contact information

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Signatures

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on Form 20-F on its behalf.

Nokia Corporation

By: **/S/ STEPHAN PROSI**

Name: Stephan Prosi

Title: Vice President, Corporate Controlling and Accounting

By: **/S/ JOHANNA MANDELIN**

Name: Johanna Mandelin

Title: Vice President, Corporate Legal

5 March 2026

The Nokia logo is displayed in white, uppercase letters on a dark brown background. The letters are spaced out and have a clean, sans-serif font.

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The Nokia logo is displayed in white, uppercase letters. The background of the entire image is a vibrant, abstract pattern of flowing, multi-colored lines in shades of purple, blue, cyan, and magenta, creating a sense of motion and energy.

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