Q2 2026 Financial Results

23 July 2026

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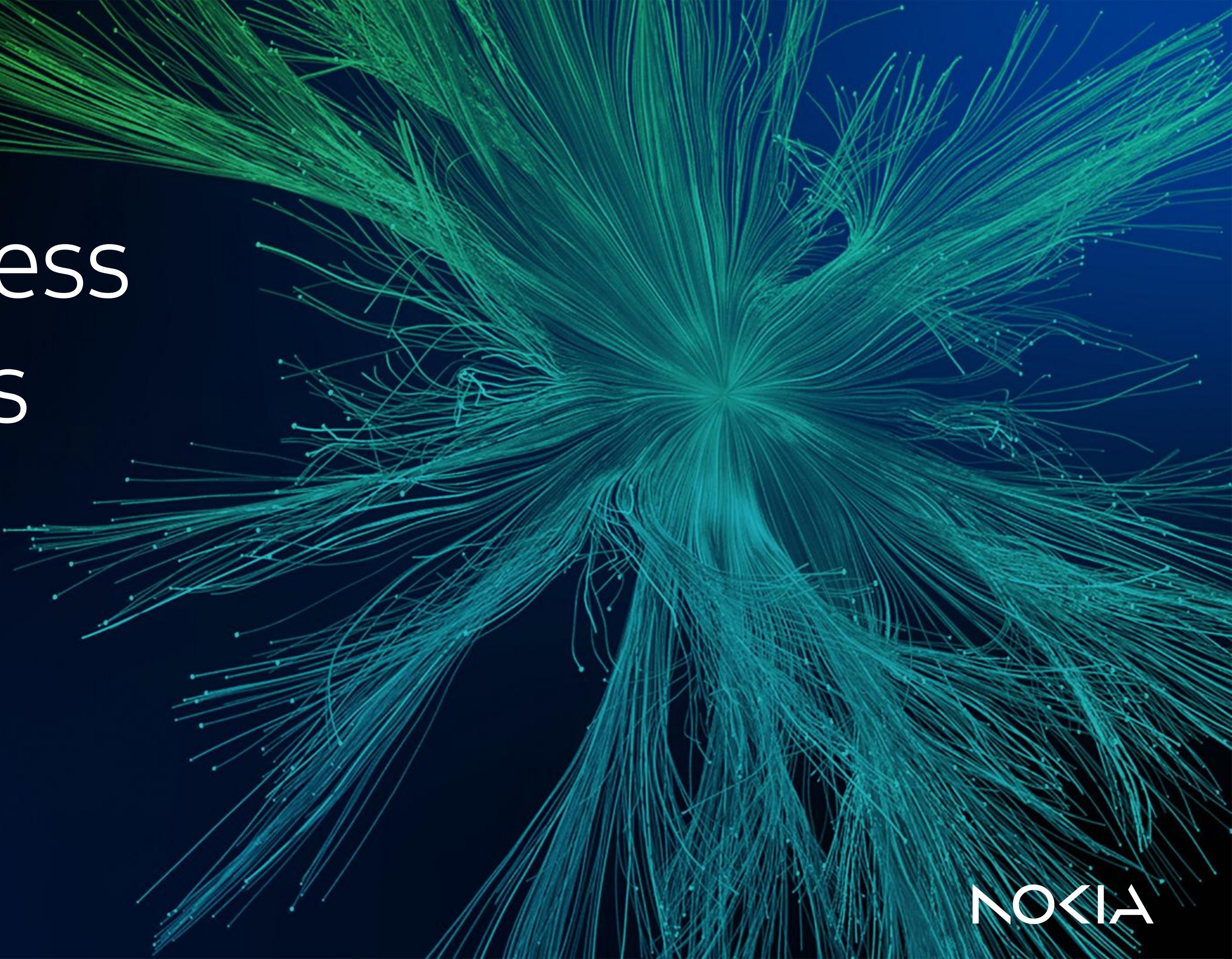
Nokia presents financial information on reported, comparable, constant currency, and constant currency and portfolio basis. Comparable measures presented herein exclude intangible asset amortization and other purchase price fair value adjustments, goodwill impairments, restructuring related charges, transaction and related costs, including integration costs, and certain other items affecting comparability. In order to allow full visibility on determining comparable results, information on items affecting comparability is presented separately for each of the components of profit or loss. Constant currency reporting provides additional information on change in financial measures on a constant currency basis in order to better reflect the underlying business performance. Therefore, change in financial measures at constant currency excludes the impact of changes in exchange rates in comparison to euro, our reporting currency. Constant currency and portfolio measures are presented on a constant currency basis and assume any meaningful acquisitions or disposals for which the IFRS financial measures have not been recast would have been in place since 1 January 2024. Such measures are presented in order to better reflect the underlying business performance when reported net sales have changed not only due to changes in foreign exchange rates but also as a result of acquisitions or disposals. As comparable, constant currency or constant currency and portfolio financial measures are not defined in IFRS they may not be directly comparable with similarly titled 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. Reconciliations of these non-IFRS measures to the most directly reconcilable IFRS measures are available in our financial reports.

Q2 Business Highlights



Justin Hotard
President and CEO

Q2 highlights

+9%

Net sales growth

+70bps

Comparable gross margin

+70bps

Comparable operating margin

All net sales changes presented are year-on-year on a constant currency basis.

Clear traction on our 5 strategic priorities

1

Accelerate growth in AI & Cloud

AI & Cloud net sales growth in Q2 of +105%

EUR 2.8bn order intake

2

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

AI-RAN product launch

2x spectral efficiency

RAN evolving at software speed

Open and programmable

3

Grow by co-innovating with customers and partners

Google Cloud partnership on AI Agents

AI-powered network slicing with Vodafone Albania

Expanded relationship with IOH in RAN

Out-of-band management solution bringing PON technology into data center

4

Focus capital where we can differentiate

FWA sale to Inseego

Fab 2 optical manufacturing in San Jose

Pennsylvania optical manufacturing expansion

Acquisition of NXP Chandler semiconductor site

5

Unlock sustainable returns

Deploying and scaling AI test beds across Nokia

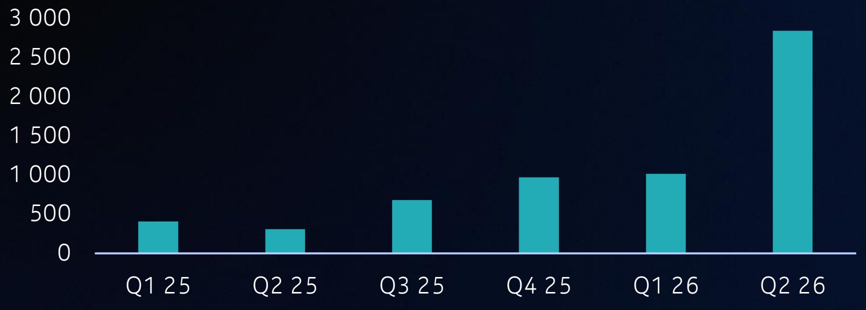
Strong internal AI adoption

Accelerated restructuring plans

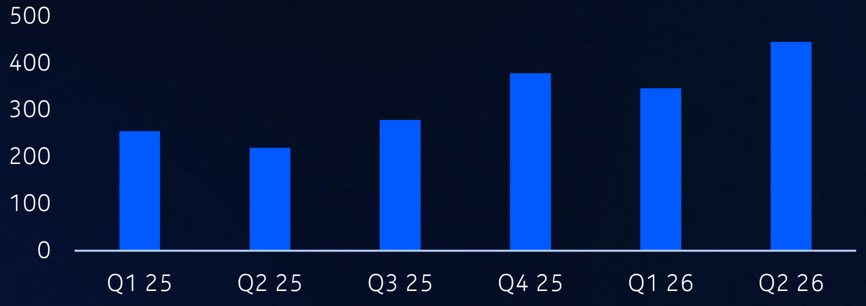
All net sales changes presented are year-on-year on a constant currency basis.

Accelerating momentum in AI & Cloud in Q2

AI & Cloud order intake (EUR million)



AI & Cloud net sales (EUR million)



Order intake €2.8bn

Net sales growth 105%

All net sales changes presented are year-on-year on a constant currency basis.

AI-RAN. The next platform of the RAN industry

1

Twice the network capacity from the spectrum you already own

And we're not stopping there

2

RAN that evolves at software speed. Not silicon speed.

Without hardware upgrades

3

Open. Programmable. Ready for the AI era.

The RAN becomes a platform

4

Three deployment paths. One AI-RAN platform.

No forklift replacement. Same 6G destination

5

A leap in TCO and power, at no hardware premium

Not incremental outcomes but transformational economics

Co-innovation with customers and partners

Google Cloud

- AI agents built with Gemini for Autonomous Networks
- Accelerating autonomous network operations
- Faster issue resolution, lower costs

vodafone

- AI-powered network slicing for Vodafone Albania
- Agentic AI dynamically optimizes network resources
- Step toward autonomous, self-managing networks

indosat OOREDOO HUTCHISON

- Expanding and modernize IOH’s 5G network
- Unlocking AI-enabled services
- Advancing AI-RAN readiness

Hyperscaler

- Out-of-band data-center management solution
- First trial with a US hyperscaler
- Bringing passive optical technology inside the data center

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Focus capital where we can differentiate

Sale of FWA CPE business

- Nokia agrees sale of FWA business to Inseego
- Transaction expected to close in Q4 2026
- Stronger strategic owner
- Simplifies portfolio

Optical manufacturing

- San Jose fab on track to begin production towards the end of the year
- Increasing Advanced Test and Packaging capacity 10x in Pennsylvania
- Agreement to acquire NXP's Chandler manufacturing site with first production in 2028

Q2 Financial Performance

Marco Wirén

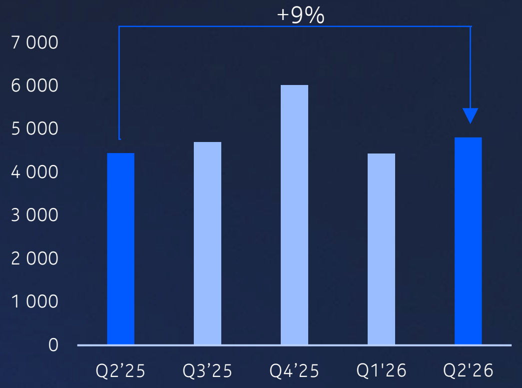
Chief Financial Officer

NOKIA

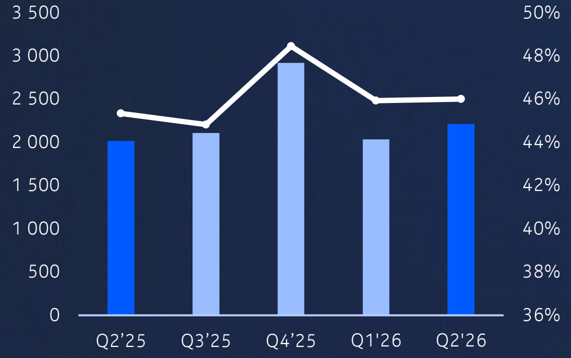
Q2 demand accelerates in AI & Cloud

Net sales (EUR)	Gross margin	Operating margin	FCF (EUR)	Net cash (EUR)
4.8bn +9% y-o-y	46.0% +70 bps y-o-y	9.0% +70 bps y-o-y	-0.7bn	2.8bn

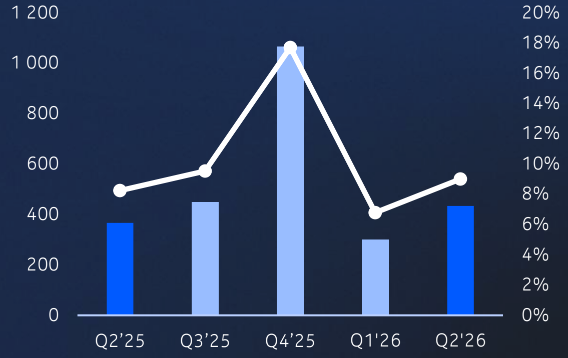
Net sales (EUR million)



Gross profit (EUR million) and margin



Operating profit (EUR million) and margin



All net sales changes presented are year-on-year on a constant currency basis and margin is on a comparable basis.

Network Infrastructure

Optical Networks Net sales

+20%

EUR 868 million

IP Networks Net sales

+16%

EUR 679 million

Fixed Networks Net sales (EUR)

-2%

EUR 490 million

Gross margin

42.7%

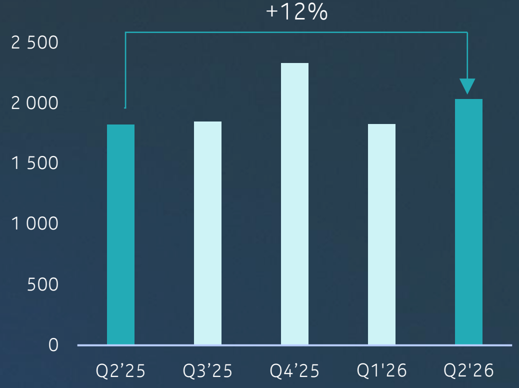
+240 bps y-o-y

Operating margin

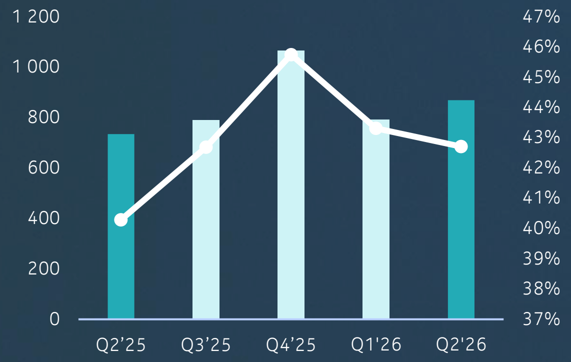
8.1%

+170bps y-o-y

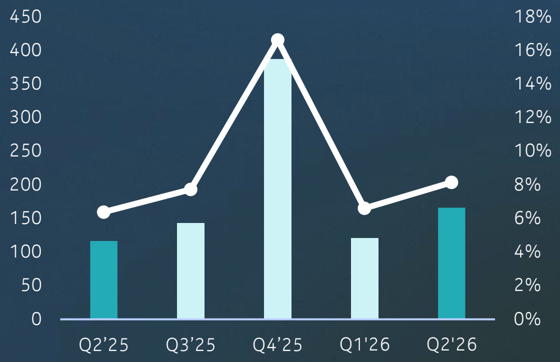
Net sales (EUR million)



Gross profit (EUR million) and margin



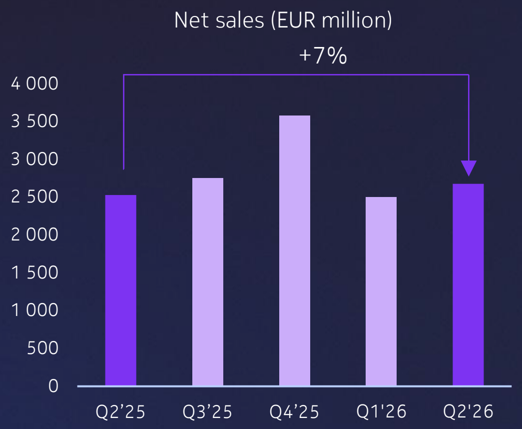
Operating profit (EUR million) and margin

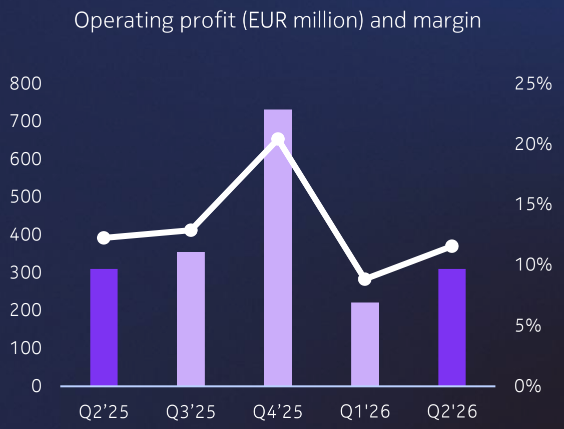


All net sales changes presented are year-on-year on a constant currency basis.

Mobile Infrastructure

Core Software Net sales	Radio Networks Net sales	Technology Standards Net sales	Gross margin	Operating margin
+1%	+7%	+15%	49.3%	11.6%
EUR 507million	EUR 1 765 million	EUR 407 million	-70bps y-o-y	-60bps y-o-y

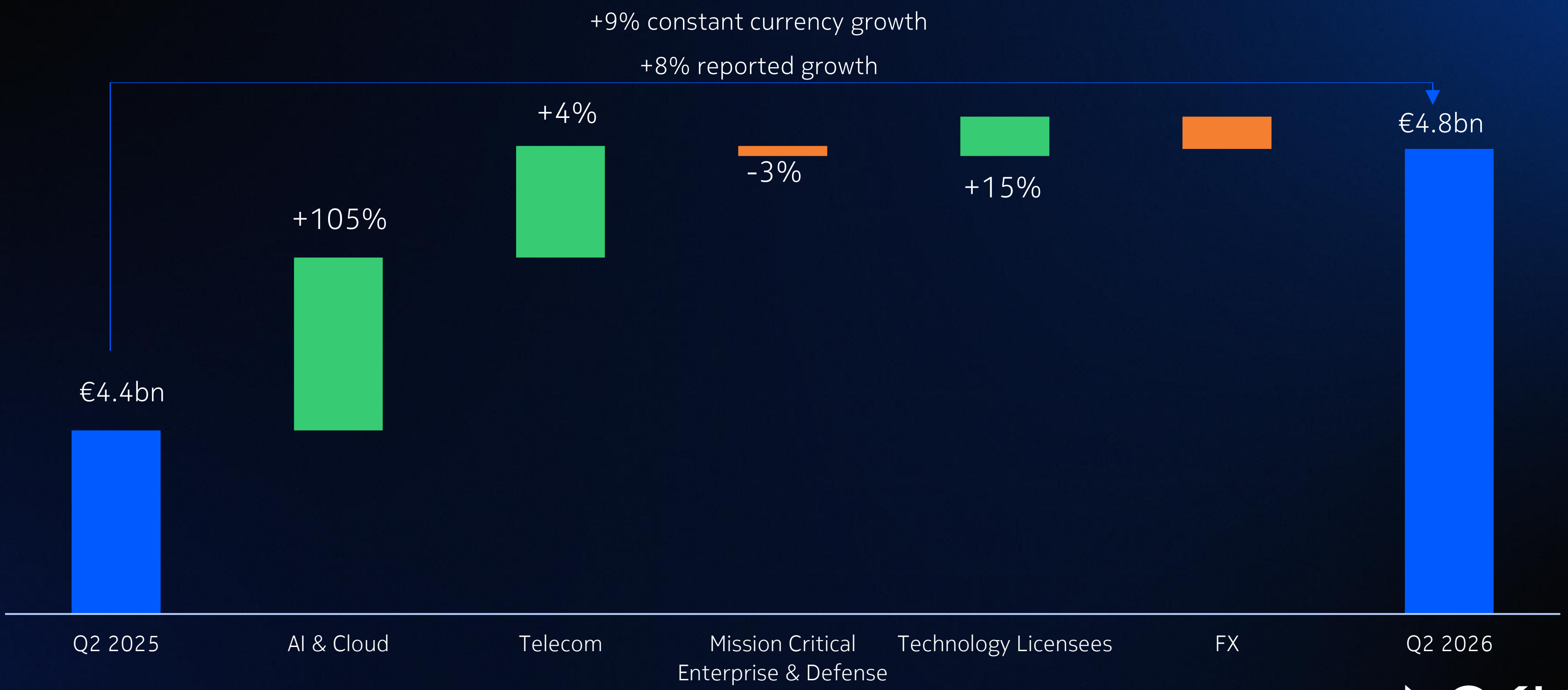




All net sales changes presented are year-on-year on a constant currency basis.

Sales trends by customer type

Year-on-year on constant currency and portfolio basis



Restructuring Update

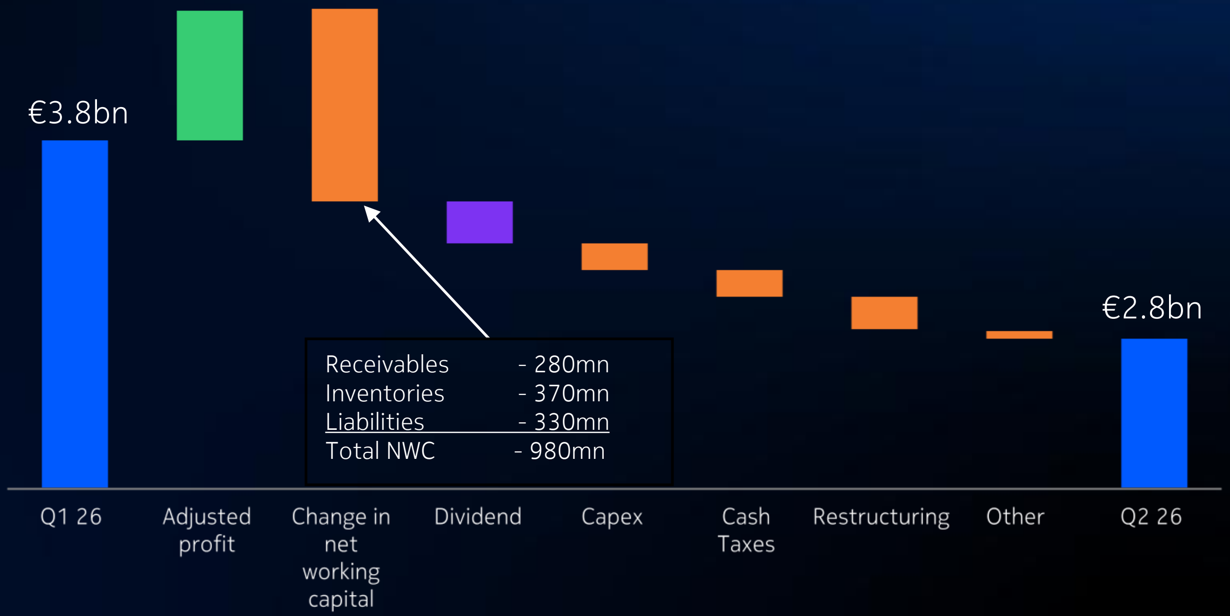
Simplification, increased productivity, strategic alignment

- 23-26 program
- China
- Additional program in Europe

  | Public

Working capital increase impacts cash in the quarter

- Working capital impact from employee incentive payments from 2025 and some working capital investment supporting growth.
- EUR 0.2 billion in dividends
- Free cash flow of negative EUR 0.7 billion



  | Public

2026 outlook and additional assumptions

Full year 2026 financial outlook	
Comparable operating profit[1]	EUR 2.1 billion to EUR 2.6 billion (technical increase from EUR 2.0 billion to EUR 2.5 billion)

Supporting Assumptions	
H2 seasonality	**Net sales:** Nokia assumes a 3% to 7% q-o-q increase in net sales in Q3. **Comparable operating profit:** Nokia assumes comparable operating profit will be largely flat from Q2 into Q3 due to the phasing of software revenue recognition. Nokia then expects a meaningful increase in Q4.
2026 Comparable financial income and expenses	Positive EUR 150 to 250 million
2026 Comparable income tax rate	~26-27%
2026 Cash outflows related to income taxes	EUR 500 million
2026 Capital expenditures	EUR 800 - 900 million
2026 Free cash flow conversion from comparable operating profit	55% to 75%

[1] 2026 Outlook is based on a EUR:USD rate of 1.14 for the remainder of the 2026.

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Q&A

Justin Hotard
President and CEO
Marco Wirén
Chief Financial Officer

Connecting
Intelligence