Interim Report for Q1 2026

Solid start to the year with strong growth in Optical Networks

- Q1 comparable net sales grew 4% y-o-y on a constant currency and portfolio basis (+2% reported).
- Network Infrastructure net sales grew 6% y-o-y on a constant currency and portfolio basis with a strong contribution from Optical Networks which grew 20%. Net sales from AI & Cloud customers grew 49%.
- Mobile Infrastructure net sales grew 3% y-o-y on a constant currency basis. Core Software grew 5% while Radio Networks was flat and Technology Standards grew 10% with several new deals signed in the quarter.
- Q1 comparable gross margin expanded 320bps y-o-y to 45.5%. Reported gross margin increased 270bps to 44.2%.
- Q1 comparable operating margin increased 200bps y-o-y to 6.2%. Reported operating margin expanded 190bps to 1.4%.
- Q1 comparable diluted EPS of EUR 0.05; reported diluted EPS for the period of EUR 0.02.
- Q1 free cash flow of EUR 0.6 billion, net cash balance of EUR 3.8 billion.
- Nokia's full year outlook is unchanged. Nokia targets EUR 2.0 to 2.5 billion of comparable operating profit.

"We are increasing our growth assumption for Optical and IP Networks and we are investing to capture accelerating demand from AI & Cloud customers."

Justin Hotard, President and CEO

EUR million (except for EPS in EUR)	Q1'26	Q1'25	YoY change
Reported results			
Net sales	**4 497**	4 390	2%
Gross margin %	**44.2%**	41.5%	270bps
Research and development expenses	**(1 239)**	(1 145)	8%
Selling, general and administrative expenses	**(664)**	(723)	(8)%
Operating profit/(loss)	**62**	(21)	
Operating margin %	**1.4%**	(0.5)%	190bps
Profit/(loss) for the period	**87**	(60)	
EPS for the period, diluted	**0.02**	(0.01)	
Net cash and interest-bearing financial investments	**3 788**	2 988	27%
Comparable results			
Net sales	**4 500**	4 390	3%
Constant currency and portfolio YoY change			4%
Gross margin %	**45.5%**	42.3%	320bps
Research and development expenses	**(1 154)**	(1 115)	3%
Selling, general and administrative expenses	**(604)**	(582)	4%
Operating profit	**281**	183	54%
Operating margin %	**6.2%**	4.2%	200bps
Profit for the period	**295**	153	93%
EPS for the period, diluted	**0.05**	0.03	67%

Justin Hotard
President and CEO

In the following quote, net sales comments and growth rates are referring to comparable net sales and are on a constant currency and portfolio basis. References to margins are related to Nokia's comparable results.

We delivered a solid start to the year, with net sales growing 4%, gross margin expanding 320bps and operating margin expanding 200bps in the first quarter. Demand continued to be strong, particularly in AI & Cloud, where net sales grew 49% and now account for 8% of group sales. We also booked EUR 1 billion of orders from AI & Cloud customers in the quarter.

Network Infrastructure net sales grew 6%, with Optical Networks growing 20%, supported by strong order intake and a book-to-bill well above one. We won a number of important AI & Cloud design wins and orders for both pluggables and line systems in the quarter. IP Networks net sales grew 3% and we expect growth to improve in Q2 and for the full year. In Fixed Networks, net sales declined 13%, reflecting our strategic shift to higher-margin products. Our core fiber OLT business was largely flat, with a growing pipeline in our major markets.

At our Capital Markets Day in November, we outlined our view of the AI supercycle and the market opportunity for Nokia. Since then, demand has accelerated significantly. We now expect the addressable market in AI & Cloud to grow at a 27% CAGR (2025–2028), compared to the 16% we estimated in November. Across the supply chain, demand is accelerating and lead times are extending, reflecting the scale of investment underway.

At the OFC optical conference in March, we announced a new suite of innovations in Optical Networks designed to deliver the scale and performance required for AI workloads. We announced four new Digital Signal Processors (DSPs) that power 13 new solutions. These solutions unlock new applications and reduce total cost of ownership by up to 70% for our customers. Products will begin sampling in mid-2027, with volume production starting in the second half. Our new indium phosphide manufacturing facility online in San Jose, California is on track to begin ramping production later this year.

We are seeing good traction in IP Networks, with pipeline growth driven by new design wins and deeper penetration into AI & Cloud use cases inside the data center.

Mobile Infrastructure delivered a solid Q1, with an operating margin of 8.9%. Net sales grew 3%, with strength in Core Software, a steady performance in Radio Networks, and growth in Technology Standards supported by new deals in consumer electronics and multimedia. Margin expansion reflected a one-time charge in the prior year. The integration of this new segment is on track, with teams focused on delivering against our KPIs, expanding gross margin and growing operating profit over time.

We are making progress on AI-RAN and are on track to launch customer trials later this year. With the addition of Orange, we now have 10 customers publicly committed to working with us.

For the full year, we now expect Network Infrastructure net sales to grow between 12% and 14% in 2026. We expect Optical Networks and IP Networks combined to grow between 18% and 20%. We are also increasing our investment in Optical Networks to maximize our opportunity in this accelerating market. As a result we are currently tracking somewhat above the mid-point of our full year financial outlook of EUR 2.0 to 2.5 billion in comparable operating profit.

Outlook

	Full Year 2026
Comparable operating profit[1],[2]	EUR 2.0 billion to EUR 2.5 billion

(1) Please refer to Alternative performance measures section in this report for a full explanation of how this term is defined.
(2) Outlook is based on a EUR:USD rate of 1.15 for the remainder of 2026.

The outlook and the underlying outlook assumptions are forward-looking statements subject to a number of risks and uncertainties as described or referred to in the Risk Factors section later in this report.

Along with Nokia's official outlook target provided above, Nokia provides the below assumptions that support the group level financial outlook for 2026.

	Full year 2026	Comment
Q2 seasonality		**Net sales:** Nokia assumes a 5% to 9% q-o-q increase in net sales in Q2. **Comparable operating profit:** Nokia assumes Q2 operating profit to account for between 12% and 16% of full year operating profit.
Network Infrastructure net sales growth[1]	12 - 14% (update)	This incorporates an assumption for combined IP and Optical Networks to grow 18-20% in 2026.
Comparable financial income and expenses	Positive EUR 150 to 250 million (update)	Nokia benefited from EUR 100 million in Q1 related to revaluations of financial investments, now added to the full year assumption.
Comparable income tax rate	~26-27%	Nokia's effective tax rate remains sensitive to geographic mix.
Cash outflows related to income taxes	EUR 500 million	
Capital expenditures	EUR 900 - 1 000 million	Nokia expects higher capital expenditures in 2026 primarily related to investments in additional manufacturing capacity to support the growth outlook in Optical Networks. Nokia is also investing in real estate renewal projects impacting capex.
Free cash flow conversion from comparable operating profit	55% to 75%	FCF conversion will be influenced by customer payment timing, evolution of regional demand and capex timing.
Recurring gross cost savings	EUR 400 million	Related to ongoing cost savings program and not including Infinera-related synergies.
Restructuring and associated charges related to cost savings programs	EUR 250 million	Related to ongoing cost savings program and not including Infinera-related synergies.
Restructuring and associated cash outflows	EUR 450 million	Related to ongoing cost savings program and not including Infinera-related synergies.

(1) Net sales growth assumption is on a constant currency and portfolio basis.

Shareholder distribution

Dividend

Under the authorization by the Annual General Meeting held on 9 April 2026, the Board of Directors may resolve on the distribution of an aggregate maximum of EUR 0.14 per share to be paid in respect of financial year 2025. The authorization will be used to distribute dividend and/or assets from the reserve for invested unrestricted equity in four installments during the authorization period unless the Board decides otherwise for a justified reason.

On 23 April 2026, the Board resolved to distribute a dividend of EUR 0.04 per share. The dividend record date is 28 April 2026 and the dividend will be paid on 7 May 2026. The actual dividend payment date outside Finland will be determined by the practices of the intermediary banks transferring the dividend payments.

Following this announced distribution, the Board’s remaining distribution authorization is a maximum of EUR 0.10 per share.

Financial Results

Q1 2026 compared to Q1 2025

Net sales

In Q1 2026, reported net sales increased 2%. The increase from the acquisition of Infinera (which closed at the end of February 2025) contributed 4% and was offset by foreign exchange rate fluctuations with a negative impact of 6%, along with the following drivers.

On a constant currency and portfolio basis, Nokia's comparable net sales increased 4%, driven by 6% growth in Network Infrastructure. Network Infrastructure growth was primarily driven by Optical Networks which grew 20%. Mobile Infrastructure grew 3% with strength in both Technology Standards and Core Software which grew by 10% and 5% respectively. Radio Networks net sales were stable year-on-year.

Gross margin

Reported gross margin increased 270 basis points to 44.2% in Q1 2026 and comparable gross margin increased 320 basis points to 45.5%. Both reported and comparable gross margin increased mainly due to the absence of a one-time contract settlement impact of EUR 120 million which negatively impacted the year-ago quarter in Mobile Infrastructure.

Operating profit/loss and margin

Reported operating profit in Q1 2026 was EUR 62 million, or 1.4% of net sales, up from negative 0.5% in Q1 2025.

Comparable operating profit increased 54% to EUR 281 million and comparable operating margin was 6.2%, up from 4.2% in Q1 2025.

The increase in gross profit was partially offset by higher operating expenses. Operating expenses increased due to the impact of the Infinera acquisition along with targeted growth investments, partially offset by cost savings.

The impact of hedging in Q1 2026 was positive EUR 5 million, compared to a negative impact of EUR 6 million in Q1 2025.

In Q1 2026, the difference between reported and comparable operating profit was primarily driven by EUR 156 million of restructuring and associated charges, amortization and depreciation of acquired intangible assets and property, plant and equipment of EUR 46 million, EUR 12 million charge related to a change in provisions related to past acquisitions, EUR 8 million of integration related costs associated with the Infinera acquisition and EUR 7 million gain on defined benefit plan amendment (related to a retroactive application of new legislation). In Q1 2025, the difference between reported and comparable operating profit was primarily driven by EUR 97 million from amortization and depreciation of acquired intangible assets and property, plant and equipment, EUR 64 million of restructuring and associated charges, EUR 23 million in transaction and related costs associated with the Infinera acquisition and EUR 19 million related to the release of acquisition related fair value adjustments to inventory.

Profit for the period

Reported profit for the period in Q1 2026 was EUR 87 million, compared to a loss of EUR 60 million in Q1 2025. Comparable profit for the period in Q1 2026 was EUR 295 million, compared to EUR 153 million in Q1 2025. Beyond the increase in comparable operating profit, the increase in comparable profit for the period was driven by the net positive impact from financial income and expenses due to valuation changes of venture fund and similar equity investments and foreign exchange rate fluctuations.

Apart from the items affecting comparability included in operating profit (and their associated tax effects), the difference between reported and comparable profit in Q1 2026 related to an EUR 37 million impact from a resolution of legal dispute.

In Q1 2025, the difference between reported and comparable profit was mainly due to the change in fair value of Infinera convertible notes of negative EUR 29 million, the fair value reduction of current equity investments in Vodafone Idea of EUR 13 million, as well as the change in financial liability to acquire non-controlling interest in Nokia Shanghai Bell of negative EUR 7 million.

Earnings per share

Reported diluted EPS was EUR 0.02 in Q1 2026, compared to negative EUR 0.01 in Q1 2025. Comparable diluted EPS was EUR 0.05 in Q1 2026, compared to EUR 0.03 in Q1 2025.

Cash performance

During Q1 2026, net cash increased by EUR 410 million, resulting in an end-of-quarter net cash balance of EUR 3 788 million. Total cash decreased by EUR 625 million sequentially to EUR 6 166 million. Free cash flow was positive EUR 629 million in Q1 2026.

Segment Details

Network Infrastructure

EUR million	Q1'26	Q1'25	YoY change	Constant currency and portfolio YoY change
Net sales	**1 829**	1 639	12%	6%
Optical Networks	**821**	525	56%	20%
IP Networks	**626**	646	(3)%	3%
Fixed Networks	**383**	468	(18)%	(13)%
Gross profit	**794**	687	16%	
Gross margin %	**43.4%**	41.9%	150bps	
Operating profit	**123**	115	7%	
Operating margin %	**6.7%**	7.0%	(30)bps	
Net sales by region				
Americas	**902**	707	28%	15%
APAC	**297**	318	(7)%	(6)%
EMEA	**630**	614	3%	(1)%

Network Infrastructure **net sales** increased 12% on a reported basis and 6% on a constant currency and portfolio basis. The difference between reported and constant currency and portfolio basis growth is related to the acquisition of Infinera (+13% impact), partially offset by foreign exchange fluctuations (-7% impact).

Optical Networks net sales grew 20% on a constant currency and portfolio basis. Demand for our optical networks products continues to grow primarily driven by AI & Cloud. The growth in net sales reflected strength in the Americas. Optical Networks continued to see significant order intake growth from AI & Cloud winning additional significant opportunities in the quarter. Considering the long-term growth opportunity in Optical Networks, as previously announced, we are investing in additional manufacturing capacity.

IP Networks net sales increased 3% on a constant currency basis with growth from AI & Cloud, which was partially offset by a decline from Telecommunication Providers. IP Networks order intake grew in all customer types. On a regional basis, we saw net sales strength in the Americas.

Fixed Networks net sales declined 13% on a constant currency basis. The decline was primarily due to a decline in sales of consumer premise fiber related products as we focus the business towards higher margin products. Sales of our operator premise fiber optical line terminals were stable year-on-year.

Gross profit improved year-on-year, primarily driven by higher net sales and the inclusion of Infinera. **Gross margin** increased mainly due to Optical Networks, benefiting from synergies of the Infinera acquisition, our vertical integration and scale benefits of the strong revenue growth.

Operating profit increased slightly year-on-year, reflecting higher gross profit, partially offset by operating expenses related to the Infinera acquisition and targeted investments to support long-term growth particularly in Optical Networks and IP Networks. **Operating margin** was approximately stable.

Mobile Infrastructure

EUR million	Q1'26	Q1'25	YoY change	Constant currency YoY change
Net sales	**2 495**	2 573	(3)%	3%
Core Software	**530**	535	(1)%	5%
Radio Networks	**1 580**	1 669	(5)%	0%
Technology Standards	**385**	369	4%	10%
Gross profit	**1 211**	1 137	7%	
Gross margin %	**48.5%**	44.2%	430bps	
Operating profit	**222**	132	68%	
Operating margin %	**8.9%**	5.1%	380bps	
Net sales by region				
Americas	**581**	724	(20)%	(13)%
APAC	**624**	674	(7)%	0%
EMEA	**1 290**	1 175	10%	13%

Mobile Infrastructure **net sales** decreased 3% on a reported basis and increased 3% on a constant currency basis.

Core Software net sales grew 5% on a constant currency basis. Growth was broad-based across customers primarily in Europe, North America and Japan.

Radio Networks net sales was stable on a constant currency basis. Growth in EMEA and Latin America was offset by a decline in North America related to a prior contract loss from December 2023.

Technology Standards delivered net sales of EUR 385 million in the quarter, growing 10% on a constant currency basis. In the quarter Nokia signed several deals in consumer electronics and multimedia that contributed catch-up net sales to the quarter.

Gross profit and **gross margin** increased mainly due to the absence of a one-time contract settlement which negatively impacted the year-ago quarter.

Operating profit and **operating margin** were higher year-on-year in Q1 2026. The operating profit increase reflected the increase in gross profit in addition to operating expenses decline from the ongoing cost savings program.

Portfolio Businesses

EUR million	Q1'26	Q1'25	YoY change	Constant currency YoY change
Net sales	**173**	176	(2)%	4%
Gross profit	**45**	39	15%	
Gross margin %	**26.0%**	22.2%	380bps	
Operating loss	**(20)**	(32)	(38)%	
Operating margin %	**(11.6)%**	(18.2)%	660bps	

Portfolio Businesses net sales declined by 2% on a reported basis, but grew by 4% on a constant currency basis. The quarter benefited from increases in net sales in both Microwave Radio and Enterprise Campus Edge, which were partially offset by a decline in Fixed Wireless Access product sales.

Gross profit increased year-on-year. **Gross margin** increased by 380bps year-on-year related to product mix.

Both **operating loss** and **operating margin** improved year-on-year, reflecting both improved gross margin and a reduction in operating expenses which was partially offset by an increase in other operating expenses.

Group Common and Other

EUR million	Q1'26	Q1'25
Operating loss	**(44)**	(32)

The increase in **Group Common and Other cost** was driven by the absence of an insurance provision release in SG&A expenses that impacted the year-ago quarter.

Net sales by region

EUR million	Q1'26	Q1'25	YoY change	Constant currency and portfolio YoY change
Americas	**1 537**	1 482	4%	3%
APAC	**963**	1 064	(9)%	(4)%
EMEA	**1 997**	1 844	8%	9%
Total	**4 497**	**4 390**	**2%**	**4%**

Net sales by customer type

EUR million	Q1'26	Q1'25	YoY change	Constant currency and portfolio YoY change
Telecommunication Providers	**3 267**	3 421	(5)%	(2)%
AI & Cloud	**350**	180	94%	49%
Mission Critical Enterprise & Defense	**498**	418	19%	19%
Technology Licensees	**385**	369	4%	10%
Other[1]	**(3)**	2		
Total	**4 497**	**4 390**	**2%**	**4%**

(1) Includes eliminations of inter-segment revenues, unallocated items and certain other items.

Reconciliation of reported operating profit to comparable operating profit

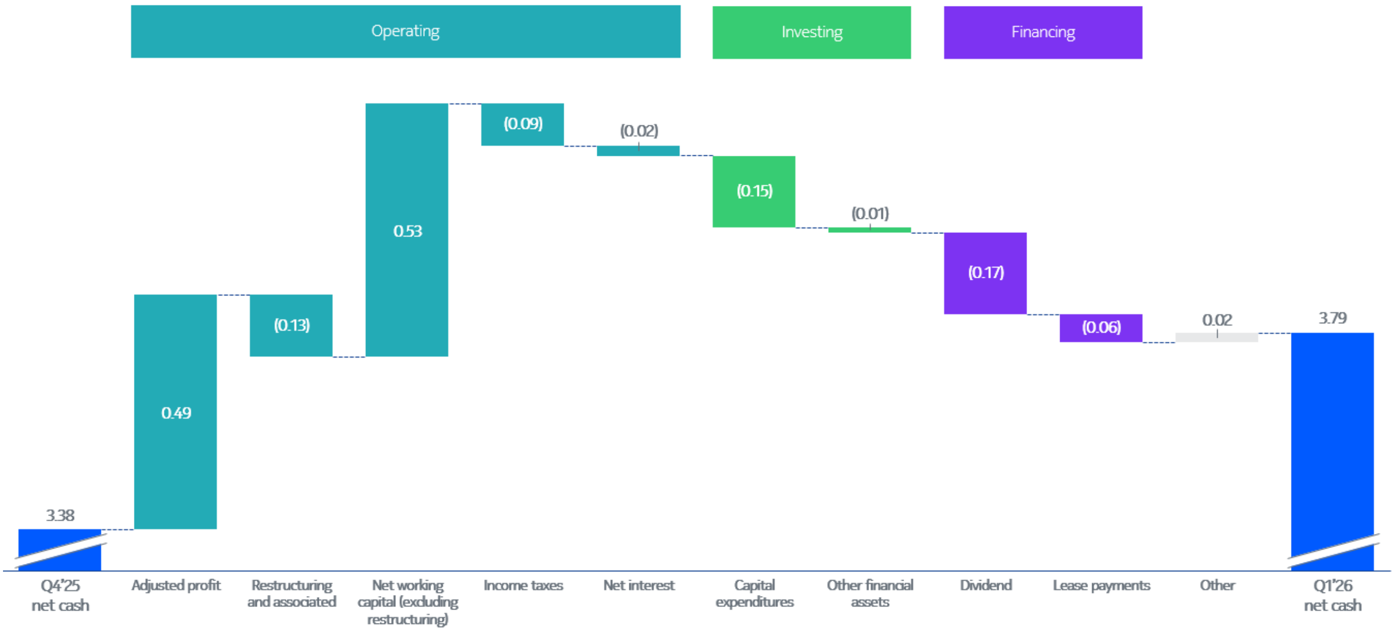
EUR million	Q1'26	Q1'25
Reported operating profit/(loss)	**62**	**(21)**
Restructuring and associated charges	**156**	64
Amortization and depreciation of acquired intangible assets and property, plant and equipment	**46**	97
Change in provisions related to past acquisitions	**12**	—
Transaction and related costs, including integration costs	**8**	23
Gain on defined benefit plan amendment	**(7)**	—
Release of acquisition-related fair value adjustments to deferred revenue and inventory	**3**	19
Impairment and write-off of assets, net of reversals	**—**	1
Comparable operating profit	**281**	**183**

The comparable operating profit that Nokia discloses is intended to provide 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.

In Q1 2026, the main adjustments related to restructuring charges which are part of the ongoing restructuring program and to amortization and depreciation of acquired intangible assets and property, plant and equipment which are primarily related to purchase price allocation of the Infinera acquisition.

Cash and cash flow in Q1 2026

EUR billion



EUR million, at end of period	Q1'26	Q4'25	QoQ change
Total cash and interest-bearing financial investments	6 166	6 791	(9)%
Net cash and interest-bearing financial investments(1)	3 788	3 378	12%

(1) Net cash and interest-bearing financial investments does not include lease liabilities. For details, please refer to the Alternative performance measures section in this report.

The cash flow descriptions below include cash flows from both continuing operations and discontinued operations.

Free cash flow

During Q1 2026, Nokia's free cash flow was positive EUR 629 million, as comparable operating profit was partially offset by capital expenditures and restructuring and associated charges.

Net cash from operating activities

Net cash from operating activities was driven by:

- Nokia's adjusted profit of EUR 494 million.
- The cash inflow related to net working capital in the quarter was approximately EUR 400 million. There was approximately EUR 130 million cash outflow related to restructuring and associated charges from the current and previous cost savings programs. The balance of EUR 530 million cash inflow can be broken down as follows:
  - The decrease in receivables was approximately EUR 220 million.
  - The increase in inventories was approximately EUR 150 million.
  - The increase in liabilities was approximately EUR 460 million mainly related to an increase in accounts payable, contract liabilities and liabilities related to incentive payments.
- An outflow related to cash taxes of approximately EUR 90 million.
- An outflow related to net interest of approximately EUR 20 million.

Net cash from investing activities

- Net cash used in investing activities was due primarily to the outflows related to capital expenditures of approximately EUR 150 million and an outflow of approximately EUR 10 million related to financial assets.

Net cash from financing activities

- Net cash used in financing activities was related primarily to dividend payments of approximately EUR 170 million and lease payments of approximately EUR 60 million.

Change in total cash and net cash

In Q1 2026, the approximately EUR 1 035 million difference between the change in total cash and net cash was primarily related to redemption of a bond and to repayment of short-term financing arrangement due to Nokia Shanghai Bell transaction.

Additional information

Significant events in 2026

Changes in leadership team

On 1 April 2026, Kristen Pressner started as Chief People Officer and member of the Group Leadership Team. Pressner has over 30 years of international experience in HR, talent management, and organizational transformation. She joined Nokia from Roche Holding Group, where she most recently served as Global Head of People & Culture for Roche Diagnostics.

Annual General Meeting

On 9 April 2026, Nokia held its Annual General Meeting (AGM) in Helsinki. The AGM approved all the proposals of the Board of Directors to the AGM. The following resolutions were among the ones made (for all resolutions made, refer to Nokia's stock exchange release on 9 April 2026):

- The financial statements were adopted, and the Board of Directors and President and CEO were discharged from liability for the financial year 2025.
- The AGM decided that no dividend is distributed by a resolution of the AGM and 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.
- Timo Ahopelto, Elizabeth Crain, Thomas Dannenfeldt, Pernille Erenbjerg, Lisa Hook, Timo Ihamuotila, Mike McNamara, Thomas Saueressig and Kai Öistämö were re-elected as members of the Board for a term ending at the close of the next AGM. In addition, the AGM resolved to elect Meredith Whittaker as a new member of the Board for the same term of office. In its assembly meeting that took place after the AGM, the Board elected Timo Ihamuotila as Chair and Thomas Saueressig as Vice Chair of the Board.

Shares

The total number of Nokia shares on 31 March 2026, equaled 5 742 239 696. On 31 March 2026, Nokia and its subsidiary companies held 149 527 617 Nokia shares, representing approximately 2.6% of the total number of Nokia shares and voting rights.

Risk Factors

Nokia and its businesses are exposed to a number of risks and uncertainties which include but are not limited to:

- Competitive intensity, which is expected to continue at a high level as some competitors seek to take share;
- Changes in customer network investments related to their ability to monetize the network or opportunities related to AI and data center growth;
- Our ability to ensure competitiveness of our product roadmaps and costs through additional R&D investments;
- Our ability to procure or manufacture certain components and the costs thereof, such as semiconductors;
- Disturbance in the global supply chain;
- Impact of inflation, increased global macro-uncertainty, major currency fluctuations, changes in tariffs and higher interest rates;
- Potential economic impact and disruption of global pandemics;
- War or other geopolitical conflicts, disruptions and potential costs thereof;
- Other macroeconomic, industry and competitive developments;
- Timing and value of new, renewed and existing patent licensing agreements with licensees;
- Results in technology licensing; costs to protect and enforce our intellectual property rights; on-going litigation with respect to licensing and regulatory landscape for patent licensing;
- The outcomes of on-going and potential disputes and litigation;
- Our ability to execute, complete, successfully integrate and realize the expected benefits from transactions;
- Timing of completions and acceptances of certain projects;
- Our product and regional mix;
- Uncertainty in forecasting income tax expenses and cash outflows, over the long-term, as they are also subject to possible changes due to business mix, the timing of patent licensing cash flow and changes in tax legislation, including potential tax reforms in various countries and OECD initiatives;
- Our ability to utilize our Finnish deferred tax assets and their recognition on our balance sheet;
- Our ability to meet our sustainability and other ESG targets, including our targets relating to greenhouse gas emissions;

as well the risk factors specified under Forward-looking statements of this report, and our 2025 annual report on Form 20-F published on 5 March 2026 under Operating and financial review and prospects-Risk factors.

Forward-looking statements

Certain statements herein that are not historical facts are forward-looking statements. These forward-looking statements reflect Nokia's current expectations and views of future developments and include statements regarding: A) expectations, plans, benefits or outlook related to our strategies, projects, programs, product launches, growth management, licenses, sustainability and other ESG targets, operational key performance indicators and decisions on market exits; B) expectations, plans or benefits related to future performance of our businesses (including the expected impact, timing and duration of potential global pandemics, geopolitical conflicts and the general or regional macroeconomic conditions on our businesses, our supply chain, the timing of market changes or turning points in demand and our customers' businesses) and any future dividends and other distributions of profit; C) expectations and targets regarding financial performance and results of operations, including market share, prices, net sales, income, margins, cash flows, cost savings, the timing of receivables, operating expenses, provisions, impairments, tariffs, taxes, currency exchange rates, hedging, investment funds, inflation, product cost reductions, competitiveness, value creation, revenue generation in any specific region, and licensing income and payments; D) our ability to execute, expectations, plans or benefits related to transactions, investments and changes in organizational structure and operating model; E) impact on revenue with respect to litigation/ renewal discussions; and F) any statements preceded by or including "anticipate", “continue”, “believe”, “envisage”, “expect”, “aim”, “will”, “target”, “may”, “would”, “could“, "see", “plan”, “ensure” or similar expressions. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause our actual results to differ materially from such statements. These statements are based on management’s best assumptions and beliefs in light of the information currently available to them. These forward-looking 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. Factors, including risks and uncertainties that could cause these differences, include those risks and uncertainties identified in the Risk Factors above.

Financial statement information

Consolidated income statement (condensed)

		Reported		Comparable	
EUR million	**Note**	**Q1'26**	**Q1'25**	**Q1'26**	**Q1'25**
Net sales	2, 3	**4 497**	**4 390**	**4 500**	**4 390**
Cost of sales		(2 509)	(2 566)	(2 452)	(2 533)
Gross profit	2	**1 988**	**1 824**	**2 048**	**1 857**
Research and development expenses		(1 239)	(1 145)	(1 154)	(1 115)
Selling, general and administrative expenses		(664)	(723)	(604)	(582)
Other operating income and expenses		(22)	23	(10)	23
Operating profit/(loss)	2	**62**	**(21)**	**281**	**183**
Share of results of associates and joint ventures		—	1	—	1
Financial income and expenses		118	(16)	126	33
Profit/(loss) before tax		**180**	**(36)**	**407**	**217**
Income tax expense	5	(93)	(23)	(112)	(64)
Profit/(loss) for the period		**87**	**(60)**	**295**	**153**
Attributable to:					
Equity holders of the parent		86	(59)	294	154
Non-controlling interests		1	—	1	—
Earnings per share attributable to equity holders of the parent					
Basic earnings per share, EUR		**0.02**	**(0.01)**	**0.05**	**0.03**
Average number of shares ('000 shares)		5 589 599	5 379 665	5 589 599	5 379 665
Diluted earnings per share, EUR		**0.02**	**(0.01)**	**0.05**	**0.03**
Average number of shares ('000 shares)		5 722 728	5 379 665	5 722 728	5 486 582

The above condensed consolidated income statement should be read in conjunction with accompanying notes.

Consolidated statement of comprehensive income (condensed)

	Reported	
EUR million	**Q1'26**	**Q1'25**
Profit/(loss) for the period	**87**	**(60)**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	59	85
Income tax related to items that will not be reclassified to profit or loss	(12)	(24)
Total of items that will not be reclassified to profit or loss	**47**	**61**
Items that may be reclassified to profit or loss		
Translation differences	236	(533)
Net investment hedges	(17)	42
Cash flow and other hedges	(28)	33
Financial assets at fair value through other comprehensive income	6	6
Other changes, net	—	(2)
Income tax related to items that may be reclassified subsequently to profit or loss	6	(18)
Total of items that may be reclassified to profit or loss	**203**	**(472)**
Other comprehensive income/(loss), net of tax	**250**	**(411)**
Total comprehensive income/(loss) for the period	**337**	**(471)**
Attributable to:		
Equity holders of the parent	335	(469)
Non-controlling interests	2	(2)

The above condensed consolidated statement of comprehensive income should be read in conjunction with accompanying notes.

Consolidated statement of financial position (condensed)

EUR million	Note	31 March 2026	31 March 2025	31 December 2025
ASSETS				
Goodwill		6 093	6 417	5 996
Other intangible assets		1 375	1 717	1 399
Property, plant and equipment		1 627	1 563	1 570
Right-of-use assets		871	790	920
Investments in associated companies and joint ventures		181	116	180
Non-current interest-bearing financial investments	6	336	440	368
Other non-current financial assets	6	1 195	1 157	1 072
Defined benefit pension assets	4	6 602	6 865	6 380
Deferred tax assets	5	3 662	3 555	3 643
Other non-current receivables		331	313	277
Total non-current assets		**22 273**	**22 933**	**21 805**
Inventories		2 381	2 579	2 209
Trade receivables	6	4 562	4 677	4 975
Contract assets		833	698	805
Current income tax assets		273	251	256
Other current receivables		842	901	784
Current interest-bearing financial investments	6	879	1 174	961
Other current financial assets	6	293	505	340
Cash and cash equivalents	6	4 951	5 543	5 462
Total current assets		**15 013**	**16 328**	**15 792**
Total assets		**37 286**	**39 261**	**37 597**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital		246	246	246
Share premium		857	837	870
Treasury shares		(352)	(1 020)	(352)
Translation differences		(1 051)	(235)	(1 272)
Fair value and other reserves		3 983	4 056	3 955
Reserve for invested unrestricted equity		15 723	15 115	15 663
Retained earnings		1 775	1 731	1 857
Total shareholders' equity		**21 181**	**20 730**	**20 967**
Non-controlling interests		92	89	91
Total equity		**21 273**	**20 819**	**21 058**
Long-term interest-bearing liabilities	6, 7	2 338	2 287	2 329
Long-term lease liabilities		752	688	797
Defined benefit pension and post-employment liabilities	4	1 943	2 051	1 947
Deferred tax liabilities		410	600	392
Contract liabilities		270	196	286
Other non-current liabilities		141	110	147
Provisions	8	576	514	637
Total non-current liabilities		**6 430**	**6 446**	**6 535**
Short-term interest-bearing liabilities	6, 7	40	1 882	1 084
Short-term lease liabilities		195	208	203
Other financial liabilities	6	293	965	316
Contract liabilities		1 732	1 591	1 562
Current income tax liabilities		356	213	344
Trade payables	6	3 154	3 035	2 978
Other current liabilities	6	2 954	3 220	2 738
Provisions	8	858	882	779
Total current liabilities		**9 583**	**11 997**	**10 004**
Total liabilities		**16 013**	**18 443**	**16 539**
Total shareholders' equity and liabilities		**37 286**	**39 261**	**37 597**
Shareholders' equity per share, EUR		3.79	3.85	3.76
Number of shares ('000 shares, excluding treasury shares)		5 592 712	5 380 831	5 582 534

The above condensed consolidated statement of financial position should be read in conjunction with accompanying notes.

Consolidated statement of cash flows (condensed)

EUR million	Q1'26	Q1'25
Cash flow from operating activities		
Profit/(loss) for the period	87	(60)
Adjustments	407	428
Depreciation and amortization	209	264
Restructuring charges	140	56
Financial income and expenses	(118)	(16)
Income tax expense	93	23
Other	83	101
Cash flows from operations before changes in net working capital	494	368
Change in net working capital	401	608
Decrease in receivables	219	621
Increase in inventories	(151)	(29)
Increase in non-interest-bearing liabilities	333	16
Cash flows from operations	895	976
Interest received	31	74
Interest paid	(53)	(69)
Income taxes paid, net	(90)	(91)
Net cash flows from operating activities	**783**	**890**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(154)	(169)
Proceeds from sale of property, plant and equipment and intangible assets	—	5
Acquisition of businesses, net of cash acquired	—	(986)
Purchase of interest-bearing financial investments	(76)	(69)
Proceeds from interest-bearing financial investments	191	550
Purchase of other financial assets	(24)	(13)
Proceeds from other financial assets	13	37
Other	1	12
Net cash flows used in investing activities	**(49)**	**(633)**
Cash flow from financing activities		
Payments relating to issuance of shares	(9)	—
Acquisition of treasury shares	—	(546)
Proceeds from long-term borrowings	—	1
Repayment of long-term borrowings	(625)	(500)
Repayment of short-term borrowings	(413)	(2)
Payment of principal portion of lease liabilities	(55)	(54)
Dividends paid	(168)	(161)
Net cash flows used in financing activities	**(1 270)**	**(1 262)**
Translation differences	25	(75)
Net decrease in cash and cash equivalents	**(511)**	**(1 080)**
Cash and cash equivalents at beginning of period	5 462	6 623
Cash and cash equivalents at end of period	4 951	5 543

The above condensed consolidated statement of cash flows should be read in conjunction with accompanying notes.

Consolidated statement of changes in shareholders' equity (condensed)

EUR million	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 2025	**246**	**734**	**(431)**	**263**	**3 963**	**13 926**	**1 956**	**20 657**	**90**	**20 747**
Loss for the period							(59)	(59)		(59)
Other comprehensive loss				(498)	93		(5)	(410)	(2)	(412)
Total comprehensive loss	**—**	**—**	**—**	**(498)**	**93**	**—**	**(64)**	**(469)**	**(2)**	**(471)**
Share-based payments		70						70		70
Settlement of share-based payments		(28)				16		(12)		(12)
Acquisition of treasury shares[1]			(589)			589		—		—
Acquisition through business combinations		61				584		645	2	647
Dividends							(161)	(161)		(161)
Total transactions with owners	**—**	**103**	**(589)**	**—**	**—**	**1 189**	**(161)**	**542**	**2**	**544**
31 March 2025	**246**	**837**	**(1 020)**	**(235)**	**4 056**	**15 115**	**1 731**	**20 730**	**89**	**20 819**
1 January 2026	**246**	**870**	**(352)**	**(1 272)**	**3 955**	**15 663**	**1 857**	**20 967**	**91**	**21 058**
Profit for the period							86	86	1	87
Other comprehensive income				221	28		(1)	248	1	249
Total comprehensive income	**—**	**—**	**—**	**221**	**28**	**—**	**86**	**335**	**2**	**337**
Share-based payments		79						79		79
Settlement of share-based payments		(92)				59		(33)		(33)
Dividends							(168)	(168)		(168)
Total transactions with owners	**—**	**(13)**	**—**	**—**	**—**	**60**	**(168)**	**(121)**	**(1)**	**(122)**
31 March 2026	**246**	**857**	**(352)**	**(1 051)**	**3 983**	**15 723**	**1 775**	**21 181**	**92**	**21 273**

(1) In November 2024, Nokia announced a new share buyback program to offset the dilutive effect of the acquisition of Infinera Corporation. Share purchases commenced on 25 November 2024 and the program was completed on 2 April 2025 when Nokia had acquired 150 000 000 shares representing the maximum number of shares that could be repurchased under the program for an aggregate amount of EUR 703 million. The repurchased shares were canceled on 23 April 2025. Repurchases were funded using funds in the reserve for invested unrestricted equity and the repurchases reduced the total unrestricted equity.

The above condensed consolidated statement of changes in shareholders' equity should be read in conjunction with accompanying notes.

Notes to Financial statements

1. GENERAL INFORMATION

This unaudited and condensed consolidated financial statement information of Nokia has been prepared in accordance with IAS 34, Interim Financial Reporting, and it should be read in conjunction with the annual consolidated financial statements for 2025 prepared in accordance with IFRS® Accounting Standards as published by the IASB and as adopted by the EU. The same accounting policies, methods of computation and applications of judgment are followed in this financial statement information as was followed in the annual consolidated financial statements for 2025.

Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented and may vary from previously published financial information. This financial report was authorized for issue by the Board of Directors on 23 April 2026.

Nokia's net sales and operating profit are subject to seasonal fluctuation being generally highest in the fourth quarter and lowest in the first quarter of the year. This is mainly due to the seasonality in the spending cycles of telecommunication providers.

Comparable measures

Nokia presents in these condensed consolidated financial statements financial information on both a reported and comparable basis. Comparable measures exclude intangible asset amortization and other purchase price fair value adjustments, goodwill impairments, restructuring related charges 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.

As comparable 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. For further details on alternative performance measures used by Nokia and reconciliations to the closest IFRS-defined measures, refer to the Alternative performance measures section accompanying this consolidated financial statement information.

Foreign exchange rates

Nokia’s net sales are derived from various countries and invoiced in various currencies. To mitigate the impact of changes in exchange rates on our results, we hedge operative forecasted net foreign exchange exposures, typically within a 12-month horizon, and apply hedge accounting in the majority of cases.

The below table shows the exposure to different currencies for net sales and total costs.

	Q1'26		**Q1'25**		**Q4'25**	
	Net sales	**Total costs**	**Net sales**	**Total costs**	**Net sales**	**Total costs**
EUR	~25%	~30%	~25%	~30%	~25%	~25%
USD	~55%	~45%	~55%	~45%	~60%	~50%
Other	~20%	~25%	~20%	~25%	~15%	~25%
Total	100%	100%	100%	100%	100%	100%

End of Q1'26 balance sheet rate 1 EUR = 1.15 USD, end of Q1'25 balance sheet rate 1 EUR = 1.08 USD and end of Q4'25 balance sheet rate 1 EUR = 1.18 USD

New and amended standards and interpretations

New standards and amendments to existing standards that became effective on 1 January 2026, did not have a material impact on Nokia's consolidated financial statements. New standards and amendments to existing standards issued by the IASB that are not yet effective are not expected to have a material impact on Nokia's consolidated financial statements when adopted, except for IFRS 18 Presentation and Disclosure in Financial Statements which was published in April 2024.

IFRS 18 sets out the requirements for presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. Nokia will apply IFRS 18 from its mandatory effective date of 1 January 2027. 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. For potential impacts identified, refer to Note 1.4. New and amended standards and interpretations in Nokia's annual consolidated financial statements for 2025.

2. SEGMENT INFORMATION

Nokia has three operating and reportable segments for financial reporting purposes: (1) Network Infrastructure, (2) Mobile Infrastructure and (3) Portfolio Businesses. Additionally, Nokia presents segment-level information for Group Common and Other and provides net sales information for the following business units within the Network Infrastructure segment: (i) IP Networks, (ii) Optical Networks and (iii) Fixed Networks, and the following business units within the Mobile Infrastructure segment: (i) Core Software, (ii) Radio Networks and (iii) Technology Standards.

Accounting policies of the segments are the same as those for the group, except that items affecting comparability are not allocated to the segments. For more information on comparable measures and items affecting comparability, refer to Note 1. General information, and to the Alternative Performance Measures section accompanying this consolidated financial statement information. Inter-segment revenues and transfers are accounted for as if the revenues were to third parties, that is, at current market prices.

Change in reporting structure

Nokia adopted its new operational and reporting structure on 1 January 2026 to better align its business to customer needs and accelerate innovation as the AI supercycle increases demand for advanced connectivity. Previously Nokia had four operating and reportable segments for financial reporting purposes: (1) Network Infrastructure, (2) Mobile Networks, (3) Cloud and Network Services, and (4) Nokia Technologies.

The new operational and reporting structure recognizes the following two primary operating segments:

- Network Infrastructure is 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.
- 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.

In addition, Nokia has 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)

Comparative segment information for 2025 has been recast according to the new structure.

Segment descriptions

Network Infrastructure

The Network Infrastructure segment serves AI & Cloud customers, telecommunication providers and mission critical enterprises globally. The segment consists of three business units: (i) Optical Network which provides optical transport networks for metro, regional, long-haul and data center interconnect applications, (ii) IP Networks which provides IP routing and data center switching; (iii) Fixed Networks, which provides the equipment for home broadband networks. The segment is positioned to capitalize on the rapid, global AI and data center build-out while continuing to innovate for its telecommunications customer base.

Mobile Infrastructure

Mobile Infrastructure segment serves telecommunications providers, mission critical enterprises and defense customers along with licensing Nokia's patent portfolio to a range of industries reliant on Nokia's technology. The segment is positioned for core and radio-network technology and services leadership to lead the industry towards AI-native networks and 6G. The segment consists of three businesses: (i) Core Software, which includes cloud-native mobile core software and AI-driven operations, analytics and security software and related services ii) Radio Networks, which includes radio access products across all 3GPP technology generations, related network management and services. iii) Technology Standards which shapes global connectivity standards through research and innovation, manages Nokia's industry-leading patent portfolio, and monetizes Nokia's patents through licensing.

Portfolio Businesses

Portfolio Businesses include a set of units that are not considered core to the company's long-term strategy. These units operate across different areas of the portfolio and include Fixed Wireless Access CPE, Site Implementation and Outside Plant, Enterprise Campus Edge, and Microwave Radio. These businesses continue to serve their respective customers and markets, while the company evaluates strategic options for their future development and ownership.

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.

Q1'26

EUR million	Net sales	Cost of sales	Research and development expenses	Selling, general and administrative expenses	Other operating income and expenses	Operating profit/(loss)
Network Infrastructure[1]	**1 829**	(1 036)	(396)	(267)	(6)	**123**
Mobile Infrastructure[2]	**2 495**	(1 284)	(707)	(282)	—	**222**
Portfolio Businesses	**173**	(129)	(35)	(26)	(3)	**(20)**
Total segments	**4 497**	**(2 449)**	**(1 138)**	**(575)**	**(9)**	**325**
Group Common and Other	**3**	(4)	(15)	(28)	—	**(44)**
Total comparable	**4 500**	**(2 452)**	**(1 154)**	**(604)**	**(10)**	**281**
Restructuring and associated charges	**—**	(56)	(62)	(38)	—	**(156)**
Amortization and depreciation of acquired intangible assets and property, plant and equipment	**—**	(1)	(25)	(20)	—	**(46)**
Change in provisions related to past acquisitions	**—**	—	—	—	(12)	**(12)**
Transaction and related costs, including integration costs	**—**	(2)	(2)	(3)	—	**(8)**
Gain on defined benefit plan amendment	**—**	2	3	1	—	**7**
Release of acquisition-related fair value adjustments to deferred revenue	**(3)**	—	—	—	—	**(3)**
Total reported[3]	**4 497**	**(2 509)**	**(1 239)**	**(664)**	**(22)**	**62**

(1) Includes Optical Networks net sales of EUR 821 million, IP Networks net sales of EUR 626 million and Fixed Networks net sales of EUR 383 million.
(2) Includes Core Software net sales of EUR 530 million, Radio Networks net sales of EUR 1 580 million and Technology Standards net sales of EUR 385 million.
(3) Total reported operating profit includes depreciation and amortization of EUR 209 million of which EUR 51 million relates to Network Infrastructure, EUR 104 million to Mobile Infrastructure and EUR 6 million to Portfolio Businesses.

Q1'25

EUR million	Net sales	Cost of sales	Research and development expenses	Selling, general and administrative expenses	Other operating income and expenses	Operating profit/(loss)
Network Infrastructure[1]	**1 639**	(952)	(343)	(227)	(1)	**115**
Mobile Infrastructure[2]	**2 573**	(1 436)	(720)	(309)	24	**132**
Portfolio Businesses	**176**	(137)	(35)	(36)	—	**(32)**
Total segments	**4 388**	**(2 525)**	**(1 098)**	**(572)**	**23**	**215**
Group Common and Other	**3**	(8)	(16)	(10)	—	**(32)**
Total comparable	**4 390**	**(2 533)**	**(1 115)**	**(582)**	**23**	**183**
Amortization and depreciation of acquired intangible assets and property, plant and equipment	**—**	(1)	(6)	(90)	—	**(97)**
Restructuring and associated charges	**—**	(13)	(23)	(28)	—	**(64)**
Transaction and related costs, including integration costs	**—**	—	(1)	(22)	—	**(23)**
Release of acquisition-related fair value adjustments to inventory	**—**	(19)	—	—	—	**(19)**
Impairment and write-off of assets, net of reversals	**—**	—	—	(1)	—	**(1)**
Total reported[3]	**4 390**	**(2 566)**	**(1 145)**	**(723)**	**23**	**(21)**

(1) Includes Optical Networks net sales of EUR 525 million, IP Networks net sales of EUR 646 million and Fixed Networks net sales of EUR 468 million.
(2) Includes Core Software net sales of EUR 535 million, Radio Networks net sales of EUR 1 669 million and Technology Standards net sales of EUR 369 million. Total Mobile Infrastructure net sales includes EUR 1 million net sales to other segments.
(3) Total reported operating profit includes depreciation and amortization of EUR 264 million of which EUR 48 million relates to Network infrastructure, EUR 111 million to Mobile Infrastructure and EUR 6 million to Portfolio Businesses.

Reconciliation of segments' operating profit to Group profit before tax

EUR million	Q1'26	Q1'25
Total segments' operating profit	**325**	**215**
Group Common and Other's operating loss	(44)	(32)
Comparable operating profit	**281**	**183**
Other unallocated items	(219)	(205)
Share of results of associated companies and joint ventures	—	1
Financial income and expenses	118	(16)
Reported profit/(loss) before tax	**180**	**(36)**

3. NET SALES

Nokia provides net sales information disaggregated by region as it considers its geographic regions to primarily depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. In addition, Nokia discloses net sales by its customer type.

Each operating segment consists of customers that operate in all regions. No segment has a specific revenue concentration in any region.

Group net sales by region

EUR million	Q1'26	Q1'25
Americas	1 537	1 482
APAC	963	1 064
EMEA	1 997	1 844
Total	**4 497**	**4 390**

Segment net sales by region

EUR million	Q1'26	Q1'25
Network Infrastructure	**1 829**	**1 639**
Americas	902	707
APAC	297	318
EMEA	630	614
Mobile Infrastructure	**2 495**	**2 573**
Americas	581	724
APAC	624	674
EMEA	1 290	1 175
Portfolio Businesses	**173**	**176**
Group Common and Other[1]	**(1)**	**3**
Total	**4 497**	**4 390**

(1) Includes eliminations of inter-segment revenues and unallocated items.

Net sales by customer type

EUR million	Q1'26	Q1'25
Telecommunication Providers	3 267	3 421
AI & Cloud	350	180
Mission Critical Enterprise & Defense	498	418
Technology Licensees	385	369
Other[1]	(3)	2
Total	**4 497**	**4 390**

(1) Includes eliminations of inter-segment revenues, unallocated items and certain other items.

4. PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

Nokia operates several post-employment plans in various countries including both defined contribution and defined benefit plans. Defined benefit plans include pension plans and other post-employment benefit plans, providing retirement healthcare benefits and life insurance coverage. Nokia remeasured 93% of its defined benefit obligations and 97% of the plan assets at 31 March 2026. Nokia's pension and other post-employment plans in the United States have been remeasured using updated valuations from an external actuary, and the main pension plans outside of the United States have been remeasured based on updated asset valuations and changes in the discount rates during the reporting period. The impact of not remeasuring other pension and post-employment obligations is considered not material. At 31 March 2026, the weighted average discount rates used in remeasurement of the most significant plans were as follows (comparatives at 31 December 2025): US Pension 5.2% (5.0%), US OPEB 5.2% (5.0%), Germany 4.0% (3.9%) and UK 6.2% (5.7%).

The funded status of Nokia's defined benefit plans (before the effect of the asset ceiling) increased from 133%, or EUR 4 522 million, at 31 December 2025 to 135% or EUR 4 748 million, at 31 March 2026. During the quarter (comparatives during the quarter ending 31 December 2025) the global defined benefit plan asset portfolio was invested approximately 51% (51%) in insurance contracts, 38% (39%) fixed income and cash, 6% (6%) in equities and 5% (4%) in other asset classes, mainly private equity and real estate.

Changes in pension and post-employment net asset/(liability)

	31 March 2026			31 March 2025			31 December 2025		
EUR million	**Pensions[1]**	**US OPEB**	**Total**	**Pensions[1]**	**US OPEB**	**Total**	**Pensions[1]**	**US OPEB**	**Total**
Net asset/(liability) recognized 1 January	**5 061**	**(628)**	**4 433**	**5 541**	**(692)**	**4 849**	**5 541**	**(692)**	**4 849**
Recognized in income statement	28	(8)	20	31	(9)	22	70	(34)	36
Recognized in other comprehensive income	50	9	59	101	(16)	85	(12)	(12)	(24)
Contributions and benefits paid	57	—	57	54	—	54	124	3	127
Exchange differences and other movements[2]	106	(16)	90	(221)	25	(196)	(662)	107	(555)
Net asset/(liability) recognized at the end of the period	**5 302**	**(643)**	**4 659**	**5 506**	**(692)**	**4 814**	**5 061**	**(628)**	**4 433**

(1) Includes pensions, retirement indemnities and other post-employment plans.
(2) Includes Section 420 transfers, medicare subsidies and other transfers.

Funded status

EUR million	**31 March 2026**	**31 December 2025**	**30 September 2025**	**30 June 2025**	**31 March 2025**
Defined benefit obligation	(13 610)	(13 793)	(14 179)	(14 239)	(15 208)
Fair value of plan assets	18 358	18 315	18 519	18 524	20 106
Funded status	**4 748**	**4 522**	**4 340**	**4 285**	**4 898**
Effect of asset ceiling	(89)	(89)	(86)	(85)	(84)
Net asset recognized at the end of the period	**4 659**	**4 433**	**4 254**	**4 200**	**4 814**

5. DEFERRED TAXES

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. At 31 March 2026, Nokia has recognized deferred tax assets of EUR 3.7 billion (EUR 3.6 billion at 31 December 2025).

In addition, at 31 March 2026, Nokia has unrecognized deferred tax assets of approximately EUR 5 billion (EUR 5 billion at 31 December 2025), the majority of which relate to France (approximately EUR 4 billion). 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.

Nokia continually evaluates the probability of utilizing its deferred tax assets and considers both positive and negative evidence in its assessment.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value are categorized based on the availability of observable inputs used to measure their fair value. The 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. At the end of each reporting period, Nokia categorizes its financial assets and liabilities to the appropriate level of fair value hierarchy. Items for continuing operations carried at fair value in the following table are measured at fair value on a recurring basis. For more information about the valuation methods and principles, refer to Note 5.2. Financial assets and liabilities, and Note 5.3. Derivative assets and liabilities in the annual consolidated financial statements for 2025.

	Carrying amounts						Fair value
31 March 2026	**Amortized cost**	**Fair value through profit or loss**			**Fair value through other comprehensive income(1)**		
EUR million		**Level 1**	**Level 2**	**Level 3**	**Level 2**	**Total**	**Total**
Non-current interest-bearing financial investments	336	—	—	—	—	336	340
Venture funds and similar equity investments	—	29	—	952	—	981	981
Other non-current financial assets	96	—	82	—	36	214	214
Other current financial assets	203	—	—	—	21	224	224
Derivative assets	—	—	87	—	—	87	87
Trade receivables	—	—	—	—	4 562	4 562	4 562
Current interest-bearing financial investments	343	—	536	—	—	879	879
Cash and cash equivalents	4 382	—	569	—	—	4 951	4 951
Total financial assets	**5 360**	**29**	**1 274**	**952**	**4 619**	**12 234**	**12 238**
Long-term interest-bearing liabilities	2 338	—	—	—	—	2 338	2 400
Other long-term financial liabilities	17	—	—	38	—	55	55
Short-term interest-bearing liabilities	40	—	—	—	—	40	40
Other short-term financial liabilities	72	—	—	6	—	78	78
Derivative liabilities	—	—	226	—	—	226	226
Discounts without performance obligations	288	—	—	—	—	288	288
Trade payables	3 154	—	—	—	—	3 154	3 154
Total financial liabilities	**5 909**	**—**	**226**	**44**	**—**	**6 179**	**6 241**

	Carrying amounts						Fair value
31 December 2025	**Amortized cost**	**Fair value through profit or loss**			**Fair value through other comprehensive income(1)**		
EUR million		**Level 1**	**Level 2**	**Level 3**	**Level 2**	**Total**	**Total**
Non-current interest-bearing financial investments	368	—	—	—	—	368	377
Venture funds and similar equity investments	—	—	—	857	—	857	857
Other non-current financial assets	96	—	82	—	37	215	215
Other current financial assets	231	—	—	—	17	248	248
Derivative assets	—	—	127	—	—	127	127
Trade receivables	—	—	—	—	4 975	4 975	4 975
Current interest-bearing financial investments	323	—	638	—	—	961	962
Cash and cash equivalents	4 647	—	815	—	—	5 462	5 462
Total financial assets	**5 665**	**—**	**1 662**	**857**	**5 029**	**13 213**	**13 223**
Long-term interest-bearing liabilities	2 329	—	—	—	—	2 329	2 401
Other long-term financial liabilities	28	—	—	31	—	59	59
Short-term interest-bearing liabilities	1 084	—	—	—	—	1 084	1 083
Other short-term financial liabilities	46	—	—	6	—	52	52
Derivative liabilities	—	—	266	—	—	266	266
Discounts without performance obligations	294	—	—	—	—	294	294
Trade payables	2 978	—	—	—	—	2 978	2 978
Total financial liabilities	**6 759**	**—**	**266**	**37**	**—**	**7 062**	**7 133**

(1) No financial instruments measured at fair value through other comprehensive income are categorized in fair value hierarchy level 1 or level 3.

Lease liabilities are not included in the fair value of financial instruments.

Level 3 Financial assets include a large number of investments in unlisted equities and unlisted venture funds, including investments managed by NGP Capital specializing in growth-stage investing. The fair value of level 3 investments is determined using one or more valuation techniques with unobservable inputs, 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.

Changes in level 3 financial assets and liabilities measured at fair value:

EUR million	Financial Assets	Financial Liabilities
1 January 2026	**857**	**(37)**
Net gains/(losses) in income statement	114	(7)
Additions	24	—
Deductions	(11)	—
Transfer out of level 3	(32)	—
31 March 2026	**952**	**(44)**

The gains and losses from financial assets and liabilities categorized in level 3 are included in financial income and expenses. A net gain of EUR 107 million related to level 3 financial instruments held at 31 March 2026 was included in the profit and loss during 2026 (net loss of EUR 70 million related to level 3 financial instruments held at 31 December 2025 during 2025).

7. INTEREST-BEARING LIABILITIES

					Carrying amount (EUR million)		
Issuer/borrower	**Instrument**	**Currency**	**Nominal (million)**	**Final maturity**	**31 March 2026**	**31 March 2025**	**31 December 2025**
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	—	626	630
Infinera Corporation	2.50% Convertible Senior Notes	USD	200	3/2027	—	217	—
Nokia Corporation	4.375% Senior Notes	USD	500	6/2027	427	449	418
Nokia of America Corporation	6.50% Senior Notes	USD	74	1/2028	64	69	63
Nokia Corporation	3.125% Senior Notes	EUR	500	5/2028	486	491	490
Infinera Corporation	3.75% Convertible Senior Notes	USD	474	8/2028	—	565	—
Nokia of America Corporation	6.45% Senior Notes	USD	206	3/2029	180	191	176
Nokia Corporation	4.375% Sustainability-linked Senior Notes(1)	EUR	500	8/2031	497	512	503
Nokia Corporation	NIB R&D Loan(2)	EUR	250	10/2032	250	100	250
Nokia Corporation	6.625% Senior Notes	USD	500	5/2039	424	462	417
Nokia Corporation and various subsidiaries	Other liabilities(3)				50	112	466
Total					**2 378**	**4 169**	**3 413**

(1) 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 tCO2 e) 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.
(2) The loan from the Nordic Investment Bank (NIB) is repayable in two installments in 2031 and 2032.
(3) At 31 December 2025, other liabilities 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 was fully repaid in January 2026.

Nokia has a committed Revolving Credit Facility with nominal value of EUR 1 500 million maturing in June 2030 (with two one-year extension options). Nokia voluntarily canceled the EUR 500 million RCF in March 2026. Nokia also has a committed loan facility of EUR 435 million with the European Investment Bank (EIB) with an availability period ending in December 2027. On 13 April 2026, Nokia signed a new committed loan facility agreement of EUR 435 million with the European Investment Bank (EIB) with an availability period ending in April 2028. The EIB facilities have not yet been disbursed and will have an average maturity of approximately seven years after disbursements.

For information about Nokia's uncommitted funding programs, refer to Note 5.4. Financial risk management in the annual consolidated financial statements for 2025. All borrowings and credit facilities are senior unsecured and have no financial covenants.

8. PROVISIONS

EUR million	Restructuring	Litigation and Environmental	Warranty	Material liability	Other[1]	Total
At 1 January 2026	**371**	**289**	**377**	**88**	**291**	**1 416**
Charged to income statement						
Additions	140	15	37	25	2	219
Reversals	—	(5)	(22)	(11)	(29)	(67)
Total charged/(credited) to income statement	140	10	15	14	(27)	152
Utilized during period[2]	(91)	(9)	(30)	(13)	(3)	(146)
Translation differences and other	—	2	(1)	(1)	11	11
At 31 March 2026	**420**	**292**	**361**	**88**	**272**	**1 433**
Non-current	**100**	**143**	**116**	**—**	**217**	**576**
Current	**319**	**149**	**246**	**88**	**54**	**858**

(1) Other provisions include provisions for various obligations such as project losses, indirect tax provisions, divestment-related provisions, certain employee-related provisions other than restructuring provisions and asset retirement obligations.

(2) The utilization of restructuring provision includes items transferred to accrued expenses. EUR 61 million remained in accrued expenses at 31 March 2026.

9. COMMITMENTS, CONTINGENCIES AND LEGAL PROCEEDINGS

EUR million	31 March 2026	31 March 2025	31 December 2025
Contingent liabilities on behalf of group companies			
Guarantees issued by financial institutions			
Commercial guarantees	943	944	943
Non-commercial guarantees	462	511	431
Corporate guarantees			
Commercial guarantees	281	260	275
Non-commercial guarantees	37	31	37
Financing commitments			
Customer finance commitments	4	9	7
Investment commitments	214	284	221

The amounts in the table above represent the maximum principal amount of commitments and contingencies, and these amounts do not reflect management's expected outcomes.

Alternative performance measures

Certain financial measures presented in this interim report are not measures of financial performance, financial position or cash flows defined in IFRS, and therefore 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. These financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS.

This section provides summarized information on the performance measures included in this interim report as well as reconciliations of the performance measures to the amounts presented in the financial statements.

Performance measure	Definition	Purpose
Comparable measures	Comparable measures 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.	We believe that our comparable results provide 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.
Constant currency net sales growth / Net sales growth adjusted for currency fluctuations	When net sales growth is reported on a constant currency basis / adjusted for currency fluctuations, the exchange rates used to translate amounts in local currencies to euro, our reporting currency, are the average actual periodic exchange rates for the comparative financial period. Therefore, the constant currency net sales growth / net sales growth adjusted for currency fluctuations exclude the effects of changes in exchange rates during the current period compared to euro.	We provide additional information on net sales growth on a constant currency basis / adjusted for currency fluctuations in order to better reflect the underlying business performance.
Constant currency and portfolio net sales growth	When net sales growth is reported on a constant currency and portfolio basis, net sales in local currencies are translated to euro using the average exchange rates for the comparative financial period. Additionally, certain specific acquisitions or disposals are treated as if they had occurred at the beginning of the comparative financial period. As a result, constant currency and portfolio net sales growth excludes the effects of changes in exchange rates during the current period and is adjusted for the impact of portfolio changes by including net sales from certain specific acquisitions and excluding net sales from certain specific divestitures from the beginning of the comparative period.	We provide additional information on net sales growth on a constant currency and portfolio basis 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.
Total cash and interest-bearing financial investments ("Total cash")	Total cash and interest-bearing financial investments consist of cash and cash equivalents and current interest-bearing financial investments and non-current interest-bearing financial investments.	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.
Net cash and interest-bearing financial investments ("Net cash")	Net cash and interest-bearing financial investments equals total cash and interest-bearing financial investments less long-term and short-term interest-bearing liabilities. Lease liabilities are not included in interest-bearing liabilities.	Net cash and interest-bearing financial investments is used to indicate Nokia's liquidity position after cash required to settle the interest-bearing liabilities.
Free cash flow	Net cash flows from operating activities less purchases of property, plant and equipment and intangible assets (capital expenditures), net of investment grants received.	Free cash flow is the cash that Nokia generates after investments in property, plant and equipment and intangible assets, net of investment grants received, 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.
Capital expenditure	Purchases of property, plant and equipment and intangible assets (excluding assets acquired under business combinations).	Capital expenditure is used to describe investments in profit-generating activities in the future.
Recurring/One-time measures	Recurring measures, such as recurring net sales, are based on revenues that are likely to continue in the future. Recurring measures exclude e.g. the impact of catch-up net sales relating to prior periods. One-time measures, such as one-time net sales, reflect the revenues that are not likely to continue in the future.	Recurring/one-time measures are used to improve comparability between financial periods.
Adjusted profit/(loss)	Adjusted profit/(loss) equals the cash from operations before changes in net working capital subtotal in the consolidated statement of cash flows.	Adjusted profit/(loss) is used to provide a structured presentation when describing the cash flows.
Restructuring and associated charges, liabilities and cash outflows	Charges, liabilities and cash outflows related to activities that either meet the strict definition of restructuring under IFRS or are closely associated with such activities.	Restructuring and associated charges, liabilities and cash outflows are used to measure the progress of our integration and transformation activities.

Comparable to reported reconciliation

Q1'26 EUR million	Net sales	Cost of sales	Research and development expenses	Selling, general and administrative expenses	Other operating income and expenses	Operating profit	Financial income and expenses	Income tax expense	Profit for the period
Comparable	**4 500**	**(2 452)**	**(1 154)**	**(604)**	**(10)**	**281**	**126**	**(112)**	**295**
Restructuring and associated charges	—	(56)	(62)	(38)	—	**(156)**	—	31	**(125)**
Amortization and depreciation of acquired intangible assets and property, plant and equipment	—	(1)	(25)	(20)	—	**(46)**	—	13	**(33)**
Change in provisions related to past acquisitions	—	—	—	—	(12)	**(12)**	—	3	**(9)**
Transaction and related costs, including integration costs	—	(2)	(2)	(3)	—	**(8)**	—	2	**(6)**
Gain on defined benefit plan amendment	—	2	3	1	—	**7**	—	(2)	**5**
Release of acquisition-related fair value adjustments to deferred revenue	(3)	—	—	—	—	**(3)**	—	1	**(2)**
Settlements and resolutions of legal disputes	—	—	—	—	—	**—**	(8)	(29)	**(37)**
Disposal of businesses	—	—	—	—	—	**—**	(1)	—	**(1)**
Items affecting comparability	(3)	(57)	(85)	(60)	(12)	**(219)**	(8)	19	**(208)**
Reported	**4 497**	**(2 509)**	**(1 239)**	**(664)**	**(22)**	**62**	**118**	**(93)**	**87**

Q1'25 EUR million	Net sales	Cost of sales	Research and development expenses	Selling, general and administrative expenses	Other operating income and expenses	Operating profit/ (loss)	Financial income and expenses	Income tax expense	Profit/ (loss) for the period
Comparable	**4 390**	**(2 533)**	**(1 115)**	**(582)**	**23**	**183**	**33**	**(64)**	**153**
Amortization and depreciation of acquired intangible assets and property, plant and equipment	—	(1)	(6)	(90)	—	**(97)**	—	23	**(74)**
Restructuring and associated charges	—	(13)	(23)	(28)	—	**(64)**	—	13	**(51)**
Transaction and related costs, including integration costs	—	—	(1)	(22)	—	**(23)**	—	—	**(23)**
Release of acquisition-related fair value adjustments to inventory	—	(19)	—	—	—	**(19)**	—	5	**(15)**
Impairment and write-off of assets, net of reversals	—	—	—	(1)	—	**(1)**	—	—	**(1)**
Change in fair value of Infinera convertible notes	—	—	—	—	—	**—**	(29)	—	**(29)**
Fair value changes of current equity investments	—	—	—	—	—	**—**	(13)	—	**(13)**
Change in financial liability to acquire NSB non-controlling interest	—	—	—	—	—	**—**	(7)	—	**(7)**
Items affecting comparability	—	(33)	(30)	(141)	—	**(204)**	(49)	41	**(213)**
Reported	**4 390**	**(2 566)**	**(1 145)**	**(723)**	**23**	**(21)**	**(16)**	**(23)**	**(60)**

Reconciliation of constant currency and portfolio net sales growth to reported net sales growth

Below tables show the reconciliation between constant currency and portfolio net sales growth and reported net sales growth. Portfolio changes comprise the acquisition of Infinera which was completed in Q1'25.

Net sales growth by segment

	Q1'26 year-on-year change			
	Constant currency and portfolio change	**Foreign exchange impact**	**Portfolio changes**	**YoY change**
Nokia Group	4%	(6)%	4%	2%
Network Infrastructure	6%	(7)%	13%	12%
Optical Networks	20%	(8)%	44%	56%
IP Networks	3%	(6)%	—	(3)%
Fixed Networks	(13)%	(5)%	—	(18)%
Mobile Infrastructure	3%	(6)%	—	(3)%
Core Software	5%	(6)%	—	(1)%
Radio Networks	0%	(5)%	—	(5)%
Technology Standards	10%	(6)%	—	4%
Portfolio Businesses	4%	(6)%	—	(2)%

Group net sales growth by region

	Q1'26 year-on-year change			
	Constant currency and portfolio change	**Foreign exchange impact**	**Portfolio changes**	**YoY change**
Americas	3%	(9)%	10%	4%
APAC	(4)%	(7)%	2%	(9)%
EMEA	9%	(3)%	2%	8%

Primary operating segments' net sales growth by region

	Q1'26 year-on-year change			
	Constant currency and portfolio change	**Foreign exchange impact**	**Portfolio changes**	**YoY change**
Network Infrastructure				
Americas	15%	(9)%	22%	28%
APAC	(6)%	(7)%	6%	(7)%
EMEA	(1)%	(2)%	6%	3%
Mobile Infrastructure				
Americas	(13)%	(7)%	—	(20)%
APAC	0%	(7)%	—	(7)%
EMEA	13%	(3)%	—	10%

Net sales growth by customer type

	Q1'26 year-on-year change			
	Constant currency and portfolio change	**Foreign exchange impact**	**Portfolio changes**	**YoY change**
Telecommunication Providers	(2)%	(6)%	3%	(5)%
AI & Cloud	49%	(11)%	56%	94%
Mission Critical Enterprise & Defense	19%	(5)%	5%	19%
Technology Licensees	10%	(6)%	—	4%

Net cash and interest-bearing financial investments

EUR million	31 March 2026	31 December 2025	30 September 2025	30 June 2025	31 March 2025
Non-current interest-bearing financial investments	336	368	390	418	440
Current interest-bearing financial investments	879	961	773	755	1 174
Cash and cash equivalents	4 951	5 462	4 892	4 797	5 543
Total cash and interest-bearing financial investments	6 166	6 791	6 055	5 970	7 157
Long-term interest-bearing liabilities(1)	2 338	2 329	2 343	2 342	2 287
Short-term interest-bearing liabilities(1)	40	1 084	711	749	1 882
Total interest-bearing liabilities	2 378	3 413	3 054	3 091	4 169
Net cash and interest-bearing financial investments	**3 788**	**3 378**	**3 001**	**2 879**	**2 988**

(1) Lease liabilities are not included in interest-bearing liabilities.

Free cash flow

EUR million	Q1'26	Q1'25
Net cash flows from operating activities	783	890
Purchase of property, plant and equipment and intangible assets	(154)	(169)
Free cash flow	**629**	**721**

This financial report was approved by the Board of Directors on 23 April 2026.

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- Nokia plans to publish its second quarter and half year 2026 results on 23 July 2026.
- Nokia plans to publish its third quarter and January-September 2026 results on 22 October 2026.