

NOKIA CORP
Form 20-F
March 21, 2019
Table of Contents

As filed with the Securities and Exchange Commission on March 21, 2019

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 December 31, 2018

Commission file number 1 13202

Nokia Corporation

(Exact name of Registrant as specified in its charter)

Republic of Finland
(Jurisdiction of incorporation)

Karaportti 3 FI 02610 Espoo, Finland
(Address of principal executive offices)

Esa Niinimäki, Vice President, Corporate Legal, Telephone: +358 (0) 10 44 88 000, Facsimile: +358 (0) 10 44 81 002,
Karaportti 3, 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	Name of each exchange on which registered
American Depositary Shares	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.

Edgar Filing: NOKIA CORP - Form 20-F

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: 5 635 945 159.

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 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. 17 Item 18

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

Table of Contents

Cross-reference table

to Form 20-F

Form 20 F

Item	Form 20 F Heading	Section in Document
ITEM 1	IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS	N/A
ITEM 2	OFFER STATISTICS AND EXPECTED TIMETABLE	N/A
ITEM 3	KEY INFORMATION	
3A	Selected Financial Data	General facts on Nokia—Selected financial data
3B	Capitalization and Indebtedness	N/A
3C	Reasons for the Offer and Use of Proceeds	N/A
3D	Risk Factors	Operating and financial review and prospects—Risk factors
ITEM 4	INFORMATION ON THE COMPANY	
4A	History and Development of the Company	Cover page, Overview, Introduction and use of certain terms; General facts on Nokia—Our history; Operating and financial review and prospects—Liquidity and capital resources; Operating and financial review and prospects—Significant subsequent events; Financial statements—Notes to consolidated financial statements—Note 5, Segment information; Financial statements—Notes to consolidated financial statements—Note 6, Acquisitions and disposals; Other information—Investor information
4B	Business Overview	Business overview; Operating and financial review and prospects—Principal industry trends affecting operations; Financial statements—Notes to consolidated financial statements—Note 5, Segment information; General facts on Nokia—Government regulation
4C	Organizational Structure	Business overview—We create the technology to connect the world; Financial statements—Notes to consolidated financial statements—Note 5, Segment information; Financial statements—Notes to consolidated financial statements—Note 32, Principal Group companies; Financial statements—Notes to consolidated financial statements—Note 1, Corporate information
4D	Property, Plants and Equipment	Business overview; Financial statements—Notes to consolidated financial statements—Note 2, Significant accounting policies; Financial statements—Notes to consolidated financial statements—Note 7, Discontinued operations; Financial statements—Notes to consolidated financial statements—Note 16, Property, plant and

	equipment; General facts on Nokia—Production of infrastructure equipment and products
4A UNRESOLVED STAFF COMMENTS	None
ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS	
5A Operating Results	Operating and financial review and prospects—Principal industry trends affecting operations; Financial statements—Notes to consolidated financial statements—Note 2, Significant accounting policies; Financial statements—Notes to consolidated financial statements—Note 36, Financial risk management
5B Liquidity and Capital Resources	Operating and financial review and prospects—Liquidity and capital resources; Financial statements—Notes to consolidated financial statements—Note 24, Fair value of financial instruments; Financial statements—Notes to consolidated financial statements—Note 25, Derivative financial instruments; Financial statements—Notes to consolidated financial statements—Note 30, Commitments and contingencies; Financial statements—Notes to consolidated financial statements—Note 36, Financial risk management
5C Research and Development, Patents and Licenses	Business overview—Networks business—Research and development; Business overview—Networks business— Patents and licenses; Business overview—Nokia Technologies—Research and development; Business overview—Nokia Technologies—Patents and licenses; Operating and financial review and prospects—Results of operations; Operating and financial review and prospects—Results of segments
5D Trends Information	Business overview; Operating and financial review and prospects— Principal industry trends affecting operations
5E Off-Balance Sheet Arrangements	Operating and financial review and prospects—Liquidity and capital resources—Off-Balance Sheet Arrangements; Financial statements—Notes to consolidated financial statements—Note 36, Financial risk management; Financial statements—Notes to consolidated financial statements—Note 30, Commitments and contingencies
5F Tabular Disclosure of Contractual Obligations	Financial statements—Notes to consolidated financial statements—Note 30, Commitments and contingencies
5G Safe Harbor	Forward-looking statements
ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	
6A Directors and Senior Management	Corporate governance—Corporate governance statement
6B Compensation	Corporate governance—Compensation; Financial statements—Notes to consolidated financial statements—Note 35, Related party transactions
6C Board Practices	Corporate governance—Corporate governance statement; Corporate governance—Compensation—Remuneration Governance; Financial statements—Notes to consolidated financial statements—Note 35, Related party transactions
6D Employees	Operating and financial review and prospects—Sustainability and corporate responsibility
6E Share Ownership	Corporate governance—Compensation—Remuneration Report; Corporate governance—Corporate governance statement—Share ownership of the Board of Directors and the Nokia Group Leadership Team; Financial statements—Notes to consolidated financial statements—Note 26, Share-based payment

Table of Contents

Form 20 F

Item Number	Form 20 F Heading	Section in Document
ITEM 7	MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS	
7A	Major Shareholders	General facts on Nokia—Shares, —Shareholders
7B	Related Party Transactions	Financial statements—Notes to consolidated financial statements—Note 35, Related party transactions
7C	Interests of Experts and Counsel	N/A
ITEM 8	FINANCIAL INFORMATION	
8A	Consolidated Statements and Other Financial Information	Financial statements; Report of independent registered public accounting firm; Operating and financial review and prospects—Dividend; Financial statements—Notes to consolidated financial statements—Note 29, Provisions
8B	Significant Changes	Operating and financial review and prospects—Significant subsequent events
ITEM 9	THE OFFER AND LISTING	
9A	Offer and Listing Details	General facts on Nokia—Shares, —Shareholders, Other information—Investor information—Stock exchanges
9B	Plan of Distribution	N/A
9C	Markets	General facts on Nokia—Shares, —Shareholders; Financial statements—Notes to consolidated financial statements—Note 1, Corporate information; Investor information; Other information—Investor information—Stock exchanges
9D	Selling Shareholders	N/A
9E	Dilution	N/A
9F	Expenses of the Issue	N/A
ITEM 10	ADDITIONAL INFORMATION	
10A	Share capital	N/A
10B	Memorandum and Articles of Association	General facts on Nokia—Memorandum and Articles of Association; Other information—Exhibits
10C	Material Contracts	General facts on Nokia—Our history; Other information—Exhibits
10D	Exchange Controls	General facts on Nokia—Controls and procedures—Exchange controls
10E	Taxation	General facts on Nokia—Taxation
10F	Dividends and Paying Agents	N/A
10G	Statement by Experts	N/A
10H	Documents on Display	Other information—Investor information—Documents on display
10I	Subsidiary Information	N/A
ITEM 11	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	Operating and financial review and prospects—Principal industry trends affecting operations; Financial statements—Notes to consolidated financial statements—Note 36, Financial risk management, —Note 22, Other comprehensive income

ITEM 12	DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES	
12A	Debt Securities	N/A
12B	Warrants and Rights	N/A
12C	Other Securities	N/A
12D	American Depositary Shares	General facts on Nokia—American Depositary Shares; Introduction and use of certain terms
ITEM 13	DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES	None
ITEM 14	MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS	None
ITEM 15	CONTROLS AND PROCEDURES	Corporate governance—Regulatory framework—Risk management, internal control and internal audit functions at Nokia; General facts on Nokia—Controls and procedures
ITEM 16A	AUDIT COMMITTEE FINANCIAL EXPERT	Corporate governance—Corporate governance statement—Members of the Board of Directors—Committees of the Board of Directors
16B	CODE OF ETHICS	Corporate governance—Corporate governance statement—Members of the Board of Directors—Further information; Operating and financial review and prospects—Sustainability and corporate responsibility
16C	PRINCIPAL ACCOUNTANT FEES AND SERVICES	Corporate governance—Corporate governance statement—Auditor fees and services, Corporate governance—Corporate governance statement—Audit Committee pre-approval policies and procedures
16D	EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES	None
16E	PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS	Corporate Governance—Compensation
16F	CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT	None
16G	CORPORATE GOVERNANCE	Corporate governance—Corporate governance statement—Regulatory framework
16H	MINE SAFETY DISCLOSURE	None
ITEM 17	FINANCIAL STATEMENTS	N/A
ITEM 18	FINANCIAL STATEMENTS	Financial Statements
ITEM 19	EXHIBITS	Other information—Exhibits

Table of Contents

Forward-looking statements

Certain statements contained in this Annual Report constitute "forward-looking statements". Forward-looking statements provide Nokia's current expectations of future events 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", "should", "is to", "will", "strive", "may" 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 including the four pillars of Lead, Expand, Build and Create, market expansion, growth management, and future industry trends and megatrends and our plans to address them, including Future X;

B)future performance of our businesses and any expected future distributions and dividends;

C)expectations and targets regarding financial performance, results, operating expenses, 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 changes in our organizational and operational structure;

E)market developments in our current and future markets and their seasonality and cyclicity, including for communication service providers, as well as general economic conditions and future regulatory developments;

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, including our short term and longer term expectations around the deployment of 5G and our ability to capitalize on such deployment as well as use our global installed base as the platform for success in 5G, and the overall readiness of the 5G ecosystem;