PONSSE'S FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2025

October - December:
– Net sales amounted to EUR 219.5 (223.5) million
– Operating profit totalled EUR 11.4 (17.6) million, equalling 5.2 (7.9) per cent of net sales

January - December:
– Net sales amounted to EUR 749.9 (750.4) million
– Operating profit totalled EUR 41.6 (36.8) million, equalling 5.6 (4.9) per cent of net sales
– Net result was EUR 30.5 (12.5) million
– Earnings per share were EUR 1.09 (0.45)
– Order books stood at EUR 141.4 (188.6) million at the end of the period under review

– Cash flow from business operations was EUR 23.3 (85.0) million
– Equity ratio was 59.5 (58.7) per cent at the end of the period under review

– The Board of Directors´ dividend proposal is EUR 0.55 (0.50) per share.

– The company's euro-denominated operating profit in 2026 is estimated to be on a par with the operating profit 2025 (EUR 41.6 million).

PRESIDENT AND CEO JUHO NUMMELA:

The year 2025 continued to be marked by subdued economic conditions and persistent uncertainty throughout the period. The weak business cycle in the forest industry, along with disruptions in international trade, particularly the United States' unpredictable tariff policy, directly affected our customers' willingness to invest. Order flows remained at a good level early in the year but weakened as uncertainty increased following changes in tariff policy. The market situation remained challenging throughout the year. However, in the last quarter of the year, the order flow was reasonable in relation to the situation, and the order intake totalled around EUR 197.7 (213.0) million. At the end of the period, the company's order books stood at EUR 141.4 (188.6) million.

Difficulties in the key drivers of our operations – the mechanical and chemical forest industries – were clearly reflected in forest machine sales. Weaker private consumption and exceptionally low construction activity in Europe slowed demand. Our customers' investment decisions were pushed back, and the sense of caution intensified in the third and fourth quarters in particular. Demand was supported mainly by developments in Sweden, the United States and certain South American markets, as well as by a modest improvement in the Finnish market towards the end of the year. The improved market situation in Central Europe also supported order flows. In contrast, the Canadian and southern Brazilian markets suffered significantly from the disruption caused by the US tariff policy.

Ponsse's net sales for the review period amounted to EUR 749.9 (750.4) million. We ultimately succeeded in reaching a net sales level close to that of the previous year, despite the exceptionally challenging operating environment. Our maintenance services performed exceptionally well in a challenging market, providing our customers worldwide with a strong and reliable level of service. Among our businesses, Epec emerged on a clear growth path. Ponsse's factory in Vieremä performed excellently during the year, and production volumes remained at the previous year's level.

Progress was achieved in Ponsse's Full Service agreement in Brazil. Last year's provisions have been sufficient, and the agreement is due to conclude in 2026. The gradual ramp-down of the operations included in the agreement is scheduled to start at the beginning of 2026. We will continue to work for the benefit of our customer and fulfil our role in the project until the agreement ends, ensuring a smooth transition for the customer.

Our relative profitability was 5.6 (4.9) per cent. We continue to pursue determined and long-term development efforts to improve profitability. Our target remains unchanged: in a normal market environment and with the factory operating at full capacity, we are aiming for a relative profitability of around 12 per cent.

The company's cash flow was EUR 23.3 (85.0) million. In terms of working capital, the challenges were mainly related to the high level of used machine stock. Although sales developed well towards the end of the fourth quarter, this was not yet sufficient to reduce the used machine stock. The circulation of materials and supplies remained at a good level, and the service level experienced by our customers was strong. The company's solvency is good, and its financial position has remained strong.

Responsibility and sustainable development will be key success factors in our future and prerequisites for the continuity of our operations. We believe that our technologies and new business models will increasingly enable the implementation of sustainable forestry principles. Productive and environmentally sound harvesting supports forest regeneration and enables the use of renewable wood raw material for carbon-storing products that replace fossil materials.

We have a real chance to make a difference, which is why we have set two important targets for our business operations: a 25 per cent reduction in our Scope 3 emissions by 2030 and a 15 per cent annual increase measured in tons in the Reman refurbishment of spare parts. The Scope 3 emissions reduction is primarily related to improving the energy efficiency of our products, which meets our customers' need for more energy-efficient forest machines. Expanding our Reman operations is a clear step forward in our circular economy work: the increasing supply of refurbished parts reduces the use of raw materials and improves our customers' access to affordable and reliable spare parts.

In the development of our operational activities, the most significant successes in 2025 were the clear improvement in collaborative ways of working and the sharpening of our strategic focus. The prioritisation of product development and digital services proceeded as planned. The insourcing work carried out within the same units increased our own expertise and steered our work more effectively towards long-term targets while also improving the creation of customer value and our cost efficiency.

The benefits of our renewed operating model began to materialise during the year: a clearer organisational structure and consistent operating methods supported smoother cooperation. The Ponsse culture is strongly evident in our day-to-day work, and collaboration between functions developed impressively.

Investments in our service network, product development and digital solutions continued in 2025. We strengthened our service network globally by opening new service centres in Poland, Germany, Argentina, France and Brazil in cooperation with our dealers. Our network also grew with contractual service partners and our own field maintenance operations in Sweden, Norway, France and the United States.

During the year, we launched a significant number of new products and features. We were the first in the world to introduce harvesting emissions reporting as part of the PONSSE Manager Pro service package. Emission monitoring supports the reduction of fuel consumption, compliance with environmental requirements and the selection of optimally sized equipment for logging sites. The largest product launches took place in our digital services, but new features were also introduced in forest machines and maintenance services. The year saw the launch of PONSSE Greasing System, PONSSE Manager Pro, PONSSE Fleet Monitoring, PONSSE Active Manual, PONSSE FeedControl and PONSSE Caliper 3+. Under the leadership of our technology company Epec, we also launched the Cabin Vision concept and a technological pilot environment where we will explore future cabin solutions.

In 2025, we celebrated Ponsse's 55th anniversary with a tour that began in early spring in Finland and continued to South America, the Nordic countries, the United States, Central Europe and Asia. The events attracted large numbers of customers to celebrate Ponsse with us. In February, we delivered the 21,000th Ponsse forest machine manufactured in Vieremä to a customer in the United States. The anniversary year culminated in November when the President of the Republic of Finland, Alexander Stubb, visited our factory in Vieremä.

NET SALES

Consolidated net sales for the period under review amounted to EUR 749.9 (750.4) million, which is 0.1 per cent less than in the comparison period. International business operations accounted for 77.0 (73.8) per cent of net sales.

Net sales were regionally distributed as follows: Nordic countries and the Baltics 45.9 (46.3) per cent, Central and Southern Europe 25.3 (22.9) per cent, North America 14.7 (14.5) per cent, South America 11.6 (13.8) per cent and Asia, Australia and Africa 2.5 (2.5) per cent.

PROFIT PERFORMANCE

The operating profit amounted to EUR 41.6 (36.8) million. The operating profit equalled 5.6 (4.9) per cent of net sales for the period under review. The impact of the Brazilian Full Service contract on profit after the change in provision for the period under review was EUR -2.6 million. There is a provision of EUR 6.3 million on the Group's balance sheet for a loss-making contract. In the comparison period the operating profit included, taking into account the change in provision, an expense of EUR 17.2 million related to the Brazilian Full service contract. The contract is fixed-term and will expire during the year 2026.

Consolidated return on capital employed (ROCE) stood at 10.3 (6.3) per cent.

Staff costs for the period under review totalled EUR 120.4 (110.2) million. Other operating expenses stood at EUR 85.7 (94.8) million. The cost impact of the provision of the loss-making Full Service contract of the Brazilian subsidiary is included in other operating expenses. The net total of financial income and expenses amounted to EUR -1.4 (-15.4) million. Exchange rate gains and losses due to currency rate fluctuations were recognised under financial items, having a net impact of EUR -0.4 (-11.7) million. During the period under review, EUR 0.4 million of revaluation losses on interest rate swaps were recognised in the result.

Result for the period under review totalled EUR 30.5 (12.5) million. Diluted and undiluted earnings per share (EPS) came to EUR 1.09 (0.45).

STATEMENT OF FINANCIAL POSITION AND FINANCING ACTIVITIES

At the end of the period under review, the total consolidated statements of financial position amounted to EUR 571.4 (563.1) million. Inventories stood at EUR 240.0 (219.1) million. During the period under review, EUR 9.2 (4.5) million was recognised as an expense, reducing the book value of the inventories to reflect their net realisable value. Trade receivables totalled EUR 63.5 (54.1) million, while cash and cash equivalents stood at EUR 58.1 (83.6) million. The payment arrangements for the EUR 3 million receivable arising from the sale of the share capital of Ponsse's Russian subsidiary, OOO Ponsse, are being clarified in cooperation with the authorities and financial institutions. This item is presented as a current receivable.

Group shareholders' equity stood at EUR 338.2 (327.2) million and parent company shareholders' equity (FAS) at EUR 283.6 (284.8) million. The amount of interest-bearing liabilities was EUR 78.7 (86.9) million. The company has ensured its liquidity by credit facility limits and commercial paper programs. Group's loans from financial institutions are non-collateral bank loans without financial covenants. Consolidated net liabilities totalled EUR 20.5 (3.3) million, and the debt-equity ratio (net gearing) was 6.1 (1.0) per cent. The equity ratio stood at 59.5 (58.7) per cent at the end of the period under review.

Cash flow from operating activities amounted to EUR 23.3 (85.0) million. Cash flow from investment activities came to EUR -22.5 (-21.0) million.

ORDER INTAKE AND ORDER BOOKS

Order intake for the period under review totalled EUR 702.7 (706.9) million, while period-end order books were valued at EUR 141.4 (188.6) million.

DISTRIBUTION NETWORK

With focus on sales and maintenance, the organisation is divided into five market areas: 1) Nordic countries and the Baltics; 2) Central and Southern Europe; 3) South America; 4) North America; and 5) Asia, Australia and Africa.

R&D AND CAPITAL EXPENDITURE

Group's R&D expenses during the period under review totalled EUR 26.9 (24.6) million, of which EUR 8.8 (9.6) million was capitalised.

Investments during the period under review totalled EUR 22.7 (21.6) million. In addition to capitalised R&D expenses, they consisted of investments in buildings and ordinary investments in machinery and equipment.

ANNUAL GENERAL MEETING 2025

Annual General Meeting was held in Vieremä, Finland 8 April 2025. The AGM approved the parent company financial statements and the consolidated financial statements, and members of the Board of Directors and the President and CEO were discharged from liability for the 2024 financial year. The AGM confirmed the composition and remuneration of the board of directors, elected the auditor and approved the remuneration report and policy for the company's coverning bodies. The AGM also decided on the distribution of dividends and the payment of the staff profit bonus. In addition to the above, the AGM adopted the following resolutions.

The Annual General Meeting resolved to authorize the Board of Directors to decide on the repurchase of a maximum of 250,000 company's own shares in one or more tranches, corresponding to approximately 0.89 % of the company's total shares and votes. The shares shall be acquired through public trading, for which reason the shares are acquired otherwise than in proportion to the share ownership of the shareholders and the consideration paid for the shares shall be the market price of the company's share in public trading at Nasdaq Helsinki Ltd at the time of the acquisition. Shares may also be acquired outside public trading for a price which at most corresponds to the market price in public trading at the time of the acquisition. The Board of Directors was authorized to decide how the shares are acquired. The Board of Directors may, pursuant to the authorization, only decide on the repurchase of the company's own shares with funds from the company's unrestricted shareholders' equity. The Board of Directors decides how the shares are acquired. The company's own shares may be repurchased other than in proportion to the shares held by the shareholders (directed repurchase), if there is a weighty financial reason for the company to do so as provided for in Chapter 15, Section 6 of the Finnish Companies Act. The company's own shares may be acquired to develop the company's capital structure, to be used to finance or execute possible acquisitions or investments supporting the company's growth strategy or other arrangements related to the company's business, to be used in the company's incentive schemes or otherwise to be transferred, held, or cancelled. The decision to repurchase company's own shares shall not be made so that the shares of the company in the possession of by the company and its subsidiaries would exceed 10 % of all shares. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2026. The authorization cancels the authorization given to the Board of Directors by the Annual General Meeting on 9 April 2024.

The Annual General Meeting resolved to authorize the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. The number of shares to be issued based on the authorization may in total amount to a maximum of 250,000 shares (including shares issued based on options or special rights), corresponding to approximately 0.89 % of all the shares in the company. The Board of Directors decides on the terms and conditions of the issuance of shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares either against payment or without consideration. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive right (directed issue) for a weighty financial reason for the company, such as using the shares to develop the company's capital structure, to execute possible acquisitions or investments supporting the company's growth strategy or in other arrangements related to the company's business or to be used in the company's incentive schemes. The Board of Directors may also decide on a free share issue to the company itself. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2026. The authorization cancels the authorization given to the Board of Directors by the Annual General Meeting on 9 April 2024.

BOARD OF DIRECTORS AND THE COMPANY'S AUDITORS

Jarmo Vidgren acted as Chairman of the Board and Mammu Kaario as Vice Chairman of the Board. Members of the Board were Terhi Koipijärvi, Matti Kylävainio, Ilpo Marjamaa, Juha Vanhainen, Jukka

Vidgren (until 8 April 2025) and Juha Vidgren (starting 8 April 2025).

The Board of Directors did not establish any committees or commissions from among its members.

The Board of Directors convened ten times during the financial year. The attendance rate was 97.1 percent.

During the financial year, KPMG Oy Ab acted as the company auditor with Ari Eskelinen, Authorized Public Accountant, as the principal auditor.

PERSONNEL

The Group had an average staff of 2,083 (2,083) during the period under review and employed 2,117 (2,024) people at the end of the period.

SHARE-BASED INCENTIVE PLANS

The Board of Directors of Ponsse Plc approved two new Ponsse Group's share-based incentive plans for the Group's CEO and key employees in 2023. A stock exchange release regarding the incentive plans was published on 3 March 2023. The aim of the new plans is to align the objectives of the shareholders and plan participants for increasing the value of the company in the long-term, to retain the participants at the company and to offer them competitive reward schemes that are based on earning and accumulating the company's shares. The Board of Directors of Ponsse Plc decided on new performance periods of share-based incentive plans in April 2025 and published a stock exchange release about them on 25 April 2025.

The CEO Performance-Based Share Ownership Plan

The CEO plan consists of five performance periods, calendar years 2023, 2023-2024, 2023-2025, 2024-2026 and 2025-2027. The matching reward will be paid by the end of May 2024, 2025 and 2026. The matching shares delivered as a matching reward cannot be transferred during a restriction period that will end on 31 December 2025, 31 December 2026 and 31 December 2027. The performance-based reward will be paid by the end of May after the end of each performance period.

In year 2025, a total of 5,301 shares worth EUR 145,155 were paid for the 2024 performance period, with a cost impact of EUR 0.3 million for the company. A stock exchange release concerning these was issued on 30 June 2025.

During the performance period 2025-2027 of the CEO Performance-Based Share Ownership Plan, the rewards are based on the group's operating result, revenue, personnel satisfaction and injury frequency (LTIF). The amount of rewards to be paid based on the performance period 2025-2027 will correspond to an approximate maximum total of 50,000 Ponsse Plc shares, including also the portion to be paid in cash (gross reward). The matching shares delivered as a matching reward cannot be transferred during a restriction period that will end on 31 December 2027. The performance-based reward will be paid by the end of May 2028.

The payment of rewards under both the conditional and performance-based shareholding plans requires that the person's employment relationship continues.

Key Employee Performance-Based Matching Share Plan

The key employees' plan consists of three performance periods, each lasting for three calendar years: 2023–2025, 2024–2026 and 2025–2027. The prerequisite for participating in the performance period and receiving the reward is that the key employee participating in the plan acquires shares in the company at the beginning of the performance period. Ponsse delivers matching shares for the performance period in a 2:1 ratio: the key employee receives one (1) additional share for every two (2) shares they have acquired. The conditional reward will be paid in 2023, 2024 and 2025 after the acquisition of the investment shares and confirmation of the reward, as soon as practically possible. Shares received as conditional rewards may not be transferred during the restriction periods ending on 31 December 2025, 31 December 2026 and 31 December 2027. The performance-based reward will be paid by the end of May following the end of each performance period. The portion of the maximum reward to be paid to a participant is determined based on the achievement of the targets set for the earning criteria in relation to the investment made by the participant. The target group includes key employees, including the members of the Group Management Team, with the exception of the CEO.

The rewards for the 2023–2025 performance period of the key employees' matching share plan are based on the Group's operating result, net sales and employee satisfaction. The accident frequency rate has been added to the terms of the 2024–2026 and 2025–2027 performance periods. The rewards to be paid for the 2025–2027 performance period are estimated to correspond to no more than 60,000 Ponsse Plc shares (net reward). In addition, the company will pay the taxes and statutory social security contributions incurred by the participants in connection with the payment of the rewards. During the period under review, the costs related to the 2023–2025, 2024–2026 and 2025–2027 performance periods of the share based incentive plans amounted to a total of EUR 0.7 million.

For the performance periods that started in 2023, 2024 and 2025, the total cost impact of the share-based incentive plans for the CEO and key employees is estimated to be around EUR 4.9 million for 2023–2027.

SHARE PERFORMANCE

The company's registered share capital consists of 28,000,000 shares. The trading volume of Ponsse Plc shares for 1 January – 31 December 2025 totalled 879,785, accounting for 3.14 per cent of the total number of shares. Share turnover amounted to EUR 22.9 million, with the period's lowest and highest share prices amounting to EUR 19.55 and EUR 32.00, respectively.

At the end of the period, shares closed at EUR 25.90, and market capitalisation totalled EUR 725.2 million.

At the end of the period under review, the company held 5,046 treasury shares.

SUSTAINABILITY

Ponsse has determined key sustainability targets, the implementation of which is promoted by means of annual function-specific targets and measures as part of the company's strategy process. Ponsse works to improve its people's well-being, create innovative sustainable solutions that respect nature, develop its operations without burdening nature, and be a reliable partner that values community.

In 2025, Ponsse's market-based Scope 1 & 2 greenhouse gas emissions were 6% (256 tCO2e) lower than in the 2023 baseline year. However, compared with 2024, emissions increased by 5% despite the measures taken to reduce them. During the reporting year, emission reduction measures were advanced by increasing the use of renewable energy and renewable fuels, as well as by electrifying vehicles. However, the result turned negative due to the increased fuel use of Ponsse's US operations and changes related to calculation principles and emission factors.

During the reporting year, Ponsse set a reduction target for emissions from the value chain, which will have an impact on the energy efficiency of PONSSE forest machines and their use in particular. The target is to reduce significant Scope 3 emissions by 25% (353,840 tCO_2e) from the 2023 baseline by 2030. In 2025, the company's significant Scope 3 emissions decreased by 9% (98,384 tCO2e) compared with the previous year, being 27% (378,968 tCO2e) lower than in the 2023 base year. The result exceeds the linear emission reduction target. However, the trend does not reflect a significant structural or operational improvement in emission efficiency and is mainly based on a reduction in business volumes.

In 2025, Ponsse prepared a transition plan for climate change mitigation for the first time. Renewable energy and nuclear power accounted for 92% of the electricity and heat used in the reporting year, and the recycling rate of waste increased to 62.6% (57.9). In the Carbon Disclosure Project's Climate Change assessment, Ponsse was rated at level B (C).

The company set a target for increasing its Reman refurbishment operations by 15% annually, measured in tonnes. Achieving this target would reduce the use of raw materials and improve the availability of affordable and reliable refurbishment parts.

Ponsse's journey towards zero accidents progressed significantly, and the lost time injury frequency (LTIF) decreased to 6.9 (11.5). Ponsse introduced a new safety reporting system that enables better safety management and transparency in safety work. The chemical management system for managing chemical risks was also renewed. The results of the eNPS survey, which measures employee satisfaction, improved from the previous year to a level of 34 (28).

The PONSSE Manager service was launched in the reporting year. Its emissions reporting feature calculates the greenhouse gas emissions from forest machine fuel use by machine, logging site and customer. The Manager Pro map tool shows the volume of timber harvested, the assortments produced and the locations where the timber has been harvested for collection by the forwarder. This facilitates operator work planning and optimises local harvesting logistics.

In 2025, product innovations supporting the safety and ergonomics of operator work were also introduced to the market. OptiFeedControl for the harvester head enables the felling and processing of wood with one lever so that the tree feed only works when the control lever is actively being used. The PONSSE Armrest and eArmrest prevent the risk of neck and shoulder injuries, as well as strain. The Active Cabin suspension system for the updated PONSSE Wisent and Elk forwarders further improves the operator's working conditions by reducing strain, vibration and impacts, thereby enhancing productivity.

KPI	Target year	Outcome in 2025	Outcome in 2024	Change, %	Outcome H1/2025
Reducing market-based Scope 1 and Scope 2 emissions by 42% (-1,850 tCO_2e)	2030	-6% (-256 tCO2e)*	-10% (-451 tCO2e)*	n/a	-

Reducing significant Scope 3 emissions by 25%	2030	-27% (-378,968 tCO2e)*	-20% (-280,584 tCO2e)*	n/a	-
15% annual increase in the production of circular-economy-based spare parts, t	2030	222	218	2%	-
Increasing the recycling rate to 70%	2030	62.6%	57.9%	n/a	-
Lost time injury frequency (LTIF) 0	2030	6.9	11.5	-40%	7.4
Employee engagement (eNPS) > 40 (on a scale from -100 to 100)	2026	34	28	21%	32
Voluntary employee turnover < 7%	2026	8.9 %	8.3%	n/a	9.8%

* Scope 1, 2 & 3 results compared with base year 2023

RISK MANAGEMENT

Our risk management is based on the company's values and strategic and financial goals. The purpose of risk management is to support the company's strategic objectives and to secure its financial development and the continuity of its business. Ponsse's management conducts an annual risk assessment that includes the sustainability risks and opportunities impacting the company's business. Within them, aspects related to climate change, biodiversity, and resource efficiency together with digitalisation and technological development are emphasised.

The purpose of risk management is to identify, assess, and monitor business-related risks that may impact the realisation of the company's strategic and financial objectives or the continuity of business. This information is used to decide what measures will be required to prevent risks and respond to current risks.

Risk management is part of the company's daily business and has been incorporated into its management system. Risk management is directed by the risk management policy approved by the Board of Directors.

A risk is any event that may prevent the company from achieving its objectives or threatens the continuity of business. A risk may also be a positive event, in which case the risk is treated as an opportunity. Each risk is assessed on the basis of its impact and probability. The company's risk management methods include the avoidance, mitigation, and transfer of risk. Risks may also be managed by controlling and minimising their impacts.

SHORT-TERM RISK MANAGEMENT

The most significant risks in the near future are related to the geopolitical situation in the world, the slow economic growth and the uncertainty of financial markets and interest rates. Geopolitical tensions may be reflected in trade policy as special tariffs and protectionism, which increases uncertainty in export markets. In addition, financial market disruptions, sanctions and growing cybersecurity threats increase the risks in the operating environment. The volatile global economy and potentially rising financial costs can also weaken the demand for forest machines, especially in emerging markets with large exchange rate fluctuations.

In a challenging market situation, Ponsse's strong financial position is a key strength. The company has taken the necessary measures to ensure continuity and regularly assesses the financial situation. The objective of financial risk management is to maintain sufficient liquidity and manage interest rate and currency risks. The company's financial position and liquidity have remained strong as a result of credit limits agreed with several financial institutions. Interest rate risks are reduced by using credits and interest rate swaps tied to different reference rates, and exchange rate fluctuations are partly managed by derivative contracts.

The parent company actively monitors the development of the Group's internal and external accounts receivables and the related impairment risks. Long-term service agreements also include operational risks, which are managed through continuous follow-ups and proactive measures.

In export markets, changes in tax and customs legislation may complicate trade and reduce profitability. In addition, global supply chain disruptions can affect forest machine manufacturing schedules and increase risks to the supply chain and working capital management.

Ponsse has continued to actively develop cybersecurity and is taking systematic steps towards an operating model that meets the requirements of ISO 27001. The company's capabilities to detect and combat abnormal network traffic have been improved and digital services are regularly tested for cyber attacks in cooperation with expert partners. Ponsse monitors the progress of EU data security legislation and implements the required practices as part of its continuous development.

ACCOUNTING POLICIES REQUIRING CONSIDERATION BY MANAGEMENT AND CRUCIAL FACTORS OF UNCERTAINTY ASSOCIATED WITH ESTIMATES

Estimates and assumptions regarding the future have to be made during the preparation of the financial statements, and the outcome may differ from the estimates and assumptions. Group management utilizes their best judgement when making decisions regarding accounting policies and their adoption. Estimates made when compiling the financial statements are based on the management's best views on the closing date of the reporting period. The estimates are based on previous experience and assumptions about the future that are deemed the most likely on the date of the financial statements.

Trade receivables

On the date of the financial statements, the Group recognizes a credit loss on receivables for which no payment will probably be received according to its best judgement. The general model specified in IFRS 9 is applied when recognizing provision for expected credit losses.

Inventories

On the date of the financial statements, the Group recognizes impairment losses according to its best judgement. The assessment takes into account the age structure of the inventory, demand and the likely selling price.

Change in guarantee provision

The guarantee provision is based on realized guarantee expenses and on failure history recorded in the previous years. In addition, company may prepare provision for possible individual warranty obligations, if needed.

Change in other provisions
The group has recognized a provision in the item of other provisions based on an agreement entered into by Ponsse Latin America Ltda, as the fulfilment of the contractual obligations is estimated to generate expenses that exceed the expected economic benefits obtained from the agreement. The provision has been measured based on the best possible estimate of the expenses arising from the fulfilment of the obligations on the closing date.

Capitalisation of R&D expenditure
On the date of the financial statements, the Group assesses whether the new product is technically feasible, whether it can be commercially utilized and whether future economic benefits will be received from the product, which makes it possible to capitalize development expenditure arising from the design of new or advanced products on the balance sheet as intangible assets.

Deferred taxes
Preparing the consolidated financial statements requires the Group to estimate its income taxes separately for each subsidiary. The estimates take into account the tax position and the effect of temporary differences due to different tax and accounting practices, such as allocation of income and provisions for expenses. Deferred tax assets and liabilities are recognized as the result of the differences. The possibilities of utilizing a deferred tax asset are estimated and adjusted to the extent that the possibility of utilization is unlikely.

Goodwill
The Group carries out annual impairment testing of goodwill and unfinished intangible assets, and evidence of impairment is evaluated as presented above in the accounting policies. Recoverable amounts from cash-generating units are determined as calculations based on value in use. The preparation of these calculations requires the use of estimates

LEGAL MATTERS

A number of legal proceedings and claims related to product liability are pending against Ponsse in Canada and France. In Brazil, a settlement process is under way with the tax authorities concerning the tax treatment of intra-group trade payables written down in previous years. Ponsse received a favourable first-instance decision in the matter, which the tax authorities have appealed, and have submitted a related claim. A liability of EUR 4.8 million has been recognised in connection with the case. According to the assessment of the company’s management, the outcome of these legal processes and claims is not expected to have a material impact on Ponsse’s financial position, taking into account the entries made, the insurance cover and the arguments presented.

OUTLOOK FOR THE FUTURE

The company’s euro-denominated operating profit in 2026 is estimated to be on par with the operating profit in 2025 (EUR 41.6 million).

Economic uncertainty is expected to continue and affect the demand for both forest industry end products and forest machines. Trade tensions, the geopolitical situation and fluctuations in the financial markets create a challenging operating environment in which financial discipline and correct investment sizing are central.

The production workload at the beginning of the year is lower than usual due to a low order backlog.

This is reflected in profitability in the first half of the year. The outlook will be revised according to the development of the order intake as the year progresses.

We invest in customer relationships and high-quality service, and we will continue to enhance our operations with uniform and cost-effective practices in accordance with our new operating model. Investments are made deliberately: we develop new products and digital services and strengthen our sales and after-sales service network according to the needs of the business. Other investments are assessed on a case-by-case basis. We closely monitor the development of costs and react as required by the market situation.

The gradual ramp-down of the functions under the Brazilian Full Service agreement started at the beginning of 2026 as planned. We will continue to support the customer throughout the project and ensure a smooth transition until the end of the contract.

EVENTS AFTER THE PERIOD

There are no other known events after the end of the reporting period that would require either adjustments to the information presented for the period under review or disclosure of additional information.

In February 2026, we delivered the 22,000th Ponsse forest machine manufactured in Vieremä to a customer in the Ireland.

ANNUAL GENERAL MEETING 2026

Ponsse Plc’s Annual General Meeting will be held on 8 April 2026, starting at 11:00 a.m. at a place and in a way that are to be announced.

BOARD OF DIRECTORS’ PROPOSAL FOR THE DISPOSAL OF PROFIT

The parent company Ponsse Plc had 247,041,678.72 euros of distributable funds on 31 December 2025.

The company’s Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.55 per share shall be paid for the year 2025. The company’s Board of Directors proposes to the Annual General Meeting that a profit bonus of at most EUR 100 per person per working month shall be paid for 2025 to the personnel employed by the Group.

PONSSE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	1-12/25	1-12/24
NET SALES	749,874	750,427
Increase (+)/decrease (-) in inventories of finished goods and work in progress	16,190	-4,782
Other operating income	7,591	7,689
Raw materials and services	-490,804	-475,554
Expenditure on employment-related benefits	-120,355	-110,199
Depreciation and amortisation	-35,200	-36,033
Other operating expenses	-85,664	-94,793
OPERATING PROFIT	41,632	36,755
Share of results of associated companies	-282	135
Financial income and expenses	-1,356	-15,420
RESULT BEFORE TAXES	39,994	21,470
Income taxes	-9,504	-8,964
NET RESULT FOR THE PERIOD	30,490	12,506
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT		
Translation differences related to foreign units	-6,183	7,792
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	24,307	20,298
Diluted and undiluted earnings per share	1.09	0.45

	10-12/25	10-12/24
NET SALES	219,466	223,500
Increase (+)/decrease (-) in inventories of finished goods and work in progress	-7,274	-17,072
Other operating income	1,245	3,165
Raw materials and services	-137,529	-132,834
Expenditure on employment-related benefits	-31,219	-28,586
Depreciation and amortisation	-8,830	-9,356
Other operating expenses	-24,436	-21,202
OPERATING PROFIT	11,423	17,615
Share of results of associated companies	-73	-29
Financial income and expenses	-492	-4,302
RESULT BEFORE TAXES	10,858	13,284
Income taxes	-4,096	-1,100
NET RESULT FOR THE PERIOD	6,762	12,184
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT		
Translation differences related to foreign units	742	4,620
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	7,504	16,804
Diluted and undiluted earnings per share	0.24	0.44

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)

	31 Dec 25	31 Dec 24
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	42,917	48,177
Goodwill	6,627	6,535
Property, plant and equipment	112,475	116,183
Financial assets	377	378
Investments in associated companies	639	1,007
Non-current receivables	328	297
Deferred tax assets	9,178	8,759
TOTAL NON-CURRENT ASSETS	172,541	181,336
CURRENT ASSETS		
Inventories	240,019	219,123
Trade receivables	63,472	54,107
Income tax receivables	8,519	1,042
Other current receivables	28,674	23,868
Cash and cash equivalents	58,149	83,590
TOTAL CURRENT ASSETS	398,833	381,730
TOTAL ASSETS	571,374	563,066
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	7,000	7,000
Other reserves	4,462	3,824
Translation differences	17,311	23,494
Treasury shares	-135	-47
Retained earnings	309,555	292,922
EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS	338,193	327,193
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	61,221	63,914
Deferred tax liabilities	969	1,167
Other non-current liabilities	5,232	5,147
TOTAL NON-CURRENT LIABILITIES	67,422	70,228
CURRENT LIABILITIES		
Interest-bearing liabilities	17,477	23,017
Provisions	12,552	19,238
Tax liabilities for the period	633	1,569
Trade creditors and other current liabilities	135,097	121,821
TOTAL CURRENT LIABILITIES	165,759	165,645
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	571,374	563,066

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)

	1-12/25	1-12/24
CASH FLOWS FROM OPERATING ACTIVITIES		
Net result for the period	30,490	12,506
Adjustments:		
Financial income and expenses	1,356	15,420
Change in provisions	-6,817	6,746
Share of the result of associated companies	282	-135
Depreciation and amortisation	35,200	36,033
Income taxes	9,504	8,964
Other adjustments	2,429	-1,749
Cash flow before changes in working capital	72,444	77,785
Change in working capital:		
Change in trade receivables and other receivables	-15,385	16,945
Change in inventories	-26,549	22,741
Change in trade creditors and other liabilities	15,026	-17,181
Interest received	1,214	1,705
Interest paid	-2,052	-4,922
Other financial items	-2,731	-3,292
Income taxes paid	-18,691	-8,780
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	23,276	85,001
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-22,678	-21,591
Proceeds from sale of tangible and intangible assets	199	562
NET CASH FLOWS USED IN INVESTMENT ACTIVITIES (B)	-22,479	-21,029
CASH FLOWS FROM FINANCING ACTIVITIES		
Withdrawal of current loans	40,000	35,000
Repayment of current loans	-48,107	-68,745
Lease repayments	-5,213	-5,712
Dividends paid	-13,990	-15,400
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	-27,310	-54,857
Change in cash and cash equivalents (A+B+C)	-26,513	9,115
Cash and cash equivalents on 1 Jan	83,590	74,002
Impact of exchange rate changes	1,072	473
Cash and cash equivalents on 31 Dec	58,149	83,590

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000)

A = Share capital
B = Other reserves
C = Translation differences
D = Treasury shares
E = Retained earnings
F = Total shareholders' equity

	EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS					
	A	B	C	D	E	F
SHAREHOLDERS' EQUITY 1 JAN 2025	7,000	3,824	23,494	-47	292,922	327,193
Comprehensive result:						
Net result for the period					30,490	30,490
Other items included in total comprehensive result:						
Translation differences			-6,183			-6,183
Total comprehensive result for the period			-6,183		30,490	24,307
Direct entries to retained earnings					133	133
Transactions with shareholders						
Share Plan		638				638
Dividend distribution					-13,990	-13,990
Treasury shares, change*				-88		-88
Transactions with shareholders in total		638		-88	-13,990	-13,440
SHAREHOLDERS' EQUITY 31 DEC 2025	7,000	4,462	17,311	-135	309,555	338,193
SHAREHOLDERS' EQUITY 1 JAN 2024	7,000	3,460	15,702	-463	296,101	321,799
Comprehensive result:						
Net result for the period					12,506	12,506
Other items included in total comprehensive result:						
Translation differences			7,792			7,792
Total comprehensive result for the period			7,792		12,506	20,298
Direct entries to retained earnings						
Transactions with shareholders						
Share Plan		364				364
Dividend distribution					-15,400	-15,400
Treasury shares, change*				416	-285	132
Transactions with shareholders in total		364		416	-15,685	-14,904
SHAREHOLDERS' EQUITY 31 DEC 2024	7,000	3,824	23,494	-47	292,922	327,193

*) Treasury shares procured for incentive schemes

NOTES TO THE RELEASE FOR THE ANNUAL FINANCIAL STATEMENTS

The stock exchange release for the financial statements has been prepared in accordance with the recognition and valuation principles of IFRS and the requirements of IAS 34 have been followed in its preparation. The financial statements have been prepared applying the same accounting principles as for the annual financial statements dated 31 December 2024, except for the IAS/IFRS standard and interpretation modifications that came into effect on 1 January 2025. These interpretation and standard modifications haven't had a material impact on the financial statements.

The figures presented in the stock release have not been audited.

The figures presented in the stock release have been rounded and may therefore differ from those given in the official financial statements.

This communication includes future-oriented statements that are based on the assumptions currently made by the company's management and its current decisions and plans. Although the management believes that the future expectations are well founded, there is no certainty that these expectations will prove to be correct. This is why the results may significantly deviate from the assumptions included in the future-oriented statements as a result of, among other things, changes in the economy, markets, competitive conditions, legislation or currency exchange rates.

1. SEGMENT INFORMATION (EUR 1,000)

The operating segments are based on a geographical division of market areas, and they are defined based on the reporting used by the Group's top operational decision-maker. As a result of the new operating model, the Group has changed its segmentation and the change in reporting structure has affected Ponsse's financial reporting from the second quarter of 2024 onwards.

OPERATING SEGMENTS

1-12/2025	Nordic countries and the Baltics	Central and Southern Europe	North America	South America	Asia, Australia and Africa	Total
Net sales of the segment	492,211	194,685	113,232	87,687	19,002	906,816
Revenues between segments	-147,768	-4,803	-2,930	-990	-451	-156,942
NET SALES FROM EXTERNAL CUSTOMERS	344,443	189,882	110,301	86,697	18,551	749,874
Operating result of the segment	8,443	18,319	7,191	6,893	840	41,686
Unallocated items						-53
OPERATING RESULT	8,443	18,319	7,191	6,893	840	41,632
DEPRECIATION AND AMORTISATION	28,956	1,249	1,176	3,725	95	35,200
EXPENDITURE ON EMPLOYMENT-RELATED BENEFITS	90,150	7,019	8,044	14,648	495	120,355

1-12/2024	Nordic countries and the Baltics	Central and Southern Europe	North America	South America	Asia, Australia and Africa	Total

Net sales of the segment	485,515	175,683	112,157	103,902	19,206	896,463
Revenues between segments	-138,044	-4,130	-3,103	-520	-239	-146,036
NET SALES FROM EXTERNAL CUSTOMERS	347,470	171,552	109,054	103,382	18,968	750,427
Operating result of the segment	14,823	19,827	7,370	-6,191	970	36,798
Unallocated items						-43
OPERATING RESULT	14,823	19,827	7,370	-6,191	970	36,755
DEPRECIATION AND AMORTISATION	29,641	1,025	1,108	4,105	154	36,033
EXPENDITURE ON EMPLOYMENT-RELATED BENEFITS	80,231	6,018	7,136	16,101	712	110,199

	31 Dec 25	31 Dec 24
2. LEASING COMMITMENTS (EUR 1,000)	1,941	1,977

3. CONTINGENT LIABILITIES (EUR 1,000)	31 Dec 25	31 Dec 24
Guarantees given on behalf of others	274	2
Responsibility of checking the VAT deductions made on real property investments	7,760	8,419
Other commitments	237	193
TOTAL	8,272	8,615

4. PROVISIONS (EUR 1,000)	Guarantee provision	Other provisions	Total
1 January 2025	5,620	13,618	19,238
Provisions added	1,548	2,735	4,282
Provisions cancelled	-1,042	-9,997	-11,039
Exchange rate difference	0	71	71
31 December 2025	6,125	6,427	12,552

The Group has recognized a provision in the item of other provisions based on a Full Service contract entered into by the Brazilian subsidiary as the fulfilment of the contractual obligations is estimated to generate expenses that exceed the expected economic benefits obtained from the agreement. The provision has been measured based on the best possible estimate of the expenses arising from the fulfilment of the obligations on the closing date.

KEY FIGURES AND RATIOS	31 Dec 25	31 Dec 24
R&D expenditure, MEUR	26.9	24.6
Capital expenditure, MEUR	22.7	21.6
as % of net sales	3.0	2.9
Average number of employees	2,083	2,083
Order books, MEUR	141.4	188.6
Equity ratio, %	59.5	58.7
Diluted and undiluted earnings per share (EUR)	1.09	0.45
Equity per share (EUR)	12.08	11.69
Order intake, MEUR	702.7	706.9

FORMULAE FOR FINANCIAL INDICATORS

Return on capital employed, %:
Result before taxes + financial expenses

Shareholder´s equity + interest-bearing financial liabilities (average during the year) * 100

Average number of employees:
Average of the number of personnel at the end of each month. The calculation has been adjusted for part-time employees.

Net gearing, %:
Interest-bearing financial liabilities – cash and cash equivalents
----
Shareholders' equity * 100

Equity ratio, %:
Shareholders' equity + Non-controlling interests

Balance sheet total - advance payments received * 100

Earnings per share:
Net result for the period - Non-controlling interests

Average number of shares during the accounting period, adjusted for share issues

Equity per share:
Shareholders' equity

Number of shares on the balance sheet date, adjusted for share issues

Order intake:
Net sales for the period + Change in order books during the period

Vieremä, 17 February 2026

PONSSE PLC

Juho Nummela
President and CEO

FURTHER INFORMATION
Juho Nummela, President and CEO, tel. +358 400 495 690
Petri Härkönen, CFO, tel. +358 50 409 8362

DISTRIBUTION
Nasdaq Helsinki Oy
Principal media
www.ponsse.com

Ponsse Plc is a company specialising in the sales, manufacture, servicing and technology of cut-to-length method forest machines and is driven by genuine interest in its customers and their business. Ponsse develops and manufactures sustainable and innovative harvesting solutions based on customers' needs.

The company was established by forest machine entrepreneur Einari Vidgren in 1970, and it has been a leader in timber harvesting solutions based on the cut-to-length method ever since. Ponsse is headquartered in Vieremä, Finland. The company's shares are quoted on the Nasdaq Nordic list.