



PONSSE

ANNUAL REPORT

2025

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Ponsse's sustainability report is included in the Board of Directors' report.

Ponsse's sustainability report complies with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). The report has been prepared in accordance with the Finnish Accounting Act and the European Sustainability Reporting Standards (ESRS).

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PONSSE IN BRIEF

Ponsse Plc is a company specialising in the sale, production, maintenance and technology of forest machines. Customers, and support provided for their business, are at the core of Ponsse's operations.

The company develops and manufactures innovative harvesting solutions that support sustainable development to respond to the changing needs of the industry and customers.

Ponsse has grown from an individual forest machine entrepreneur's dream into an internationally respected family business. The 55th anniversary of the company founded by Einari Vidgrén was celebrated throughout the year with customers around the world under the theme "Logging together worldwide". The years have brought many changes, but the company's home and the heart of its operations remain in Vieremä, Finland.

Today, the name Ponsse inspires trust among our stakeholders and is recognised as a value-driven company. The company respects all Ponsse employees and this Ponsse spirit is also conveyed to our customers and partners across the world.

More than 22,000 PONSSE forest machines have been manufactured at the Vieremä factory, and the company has established itself as the world's leading manufacturer of cut-to-length forest machines. Ponsse's shares are listed on the Nasdaq Nordic List.

Einari's ambition – "We manufacture the best forest machines in the world" – is not just idle talk. It is Ponsse's promise that is built on sustainable solutions, seamless cooperation and global growth.

**WE OPERATE IN
40 COUNTRIES**



22,000
Manufactured machines

210
Service centres
around the world

12
Country organisations

77%
Share of exports

2,083
Ponsse employees
in total

58%
Ponsse employees
in Finland

42%
Ponsse employees
around the world



PONSSE IN FIGURES

FINANCIAL KEY FIGURES

Net sales

749.9

MEUR (750.4)

Operating profit

41.6

MEUR (36.8)

Result before taxes

40.0

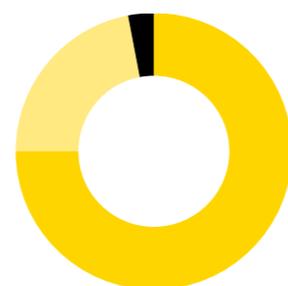
MEUR (21.5)

Equity ratio

59.5%

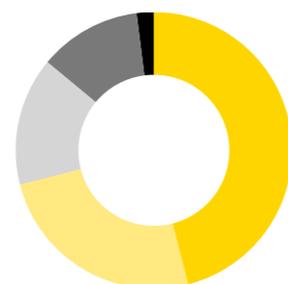
(58.7)

	2025	2024
Cash flows from operating activities MEUR	23.3	85.0
Net debt MEUR	20.5	3.3
Return on equity ROE	9.2%	3.9%
Order intake for the period MEUR	702.7	706.9
Investment in fixed assets MEUR	22.7	21.6
Investments in R&D MEUR	26.9	24.6
Order books MEUR	141.4	188.6



NET SALES BY CONTRACT TYPE

- Machine sales 75%
- Service 22%
- Systems solutions 3%



NET SALES BY SEGMENT

- Nordics and Baltics 46%
- Central and Southern Europe 25%
- North America 15%
- South America 12%
- Asia, Australia and Africa 2%

147.0
MEUR

Investments in fixed assets 2021-2025

132.4
MEUR

Investments in R&D 2021-2025

HIGHLIGHTS FROM 2025

1 Stronger dealer and maintenance network

Our maintenance network was strengthened during 2025 with the opening of new service centres in Poland, Germany, Argentina, Brazil and France. Our network also grew with contractual service partners and our own field maintenance operations in Sweden, Norway, France and the United States.

2 Construction investments to support circular economy activities

The circular economy and sustainable development were central to the design of the new service centre opened in Peyrat-le-Château, France.

The service centre is powered by a rooftop solar plant, while rainwater collected through a harvesting system is used for washing machinery and in sanitary facilities. The premises operate on renewable electricity.

3 Emissions reporting for forest machines supports meeting environmental requirements

Ponsse introduced emissions reporting as part of the Ponsse Manager Pro service package. The tool calculates and shows the carbon dioxide emissions of harvesters and forwarders on the machine, site and forest company level for a given period. Monitoring emissions helps to reduce fuel consumption, meet environmental requirements and achieve business goals. The report can also be used to identify which machines are best suitable for each logging site.

4 Awards to forest industry professionals

In 2025, the Einari Vidgrén Foundation rewarded forestry professionals for the 20th time. In addition to the main recognition, the Einari Award, prizes were presented in five categories: lifetime achievement awards, recognition awards, international promotion of the cut-to-length method (Global CTL), operator awards and student scholarships. Over the past twenty years, the Foundation has awarded grants and scholarships totalling around EUR 2.5 million.

5 95 medals of merit

Every year, Ponsse's employees are awarded medals of merit for careers of 35, 30, 25, 20 and 10 years. This year, we had the honour of presenting a medal of merit for a 40-year career. In total, 95 Ponsse employees received a medal of merit.

6 Visit of the President of the Republic of Finland

Ponsse's 55th anniversary year culminated in November with a visit by the President of the Republic of Finland, Alexander Stubb, to Vieremä. The President's visit was a significant occasion and an excellent opportunity to highlight the region's export industry and Finnish technological expertise.

7 Ponsse ranked among Finland's leading companies in the Reputation&Trust survey

In the 2025 Reputation&Trust survey conducted by Reputation and Trust Analytics, private investors rated Ponsse as the most reputable listed company. In a reputation survey conducted among all Finns, Ponsse was ranked 2nd.



To celebrate the anniversary, we published an old photo of a mixed-breed hunting dog who had been nicknamed Ponsse by the locals in Vieremä in the 1960s.

The story of the Ponsse dog continues to live on in the name of the company.

ANNIVERSARY YEAR

Logging together worldwide

Genuine interest in the customer and a strong sense of community have guided Ponsse and its employees since the establishment of the company. In line with the theme of the anniversary year, "Logging together worldwide", it was important to us to celebrate the year close to our customers.

At the anniversary events, we met thousands of people important to us: customers, stakeholders, partners and personnel. We also had the opportunity to pause for a moment to express our thanks, engage in conversation and set our sights on what lies ahead.

The anniversary year events began in February at our Vieremä factory, where we gathered to hand over the 21,000th PONSSE forest machine, marking the occasion with traditional celebrations. The machine was handed over to a customer in the United States. Later in the year, we organised nearly 40 logging demonstrations and customer events around the world.

Our country organisations also had cause for celebration. The 30-year milestone was celebrated in several countries, including France and the United States, where we started operations in 1995. In Peyrat-le-Château, France, we celebrated the inauguration of a new service centre, and through a charity event in the United States, we raised 30,000 dollars for a children's hospital.

During the year, we opened a new location in Brazil and celebrated the new locations of our dealers in Poland, Germany and Argentina.

"There is power in doing things together instead of alone," was one of the ideas of Einari Vidgrén, our founder. This idea continues to guide the operations of Ponsse and its people.



Pousse 55 years



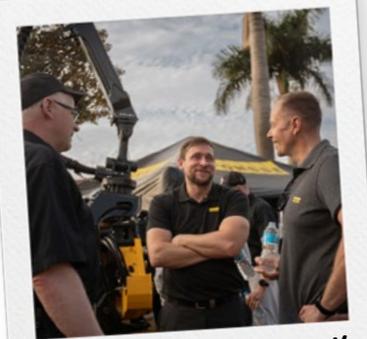
21,000th machine



Pousse North America, 30th anniversary 14 June



Estancia Grande, Concordia, Argentina 20 June



Leuçóis Paulista, Brazil 29 August



Vesilähti, Finland 18 March



Vieremä, Finland 23 March



Peyrat-le-Château, France 19 September



Temnitz, Germany 3 October



Open doors, Vieremä 8 August



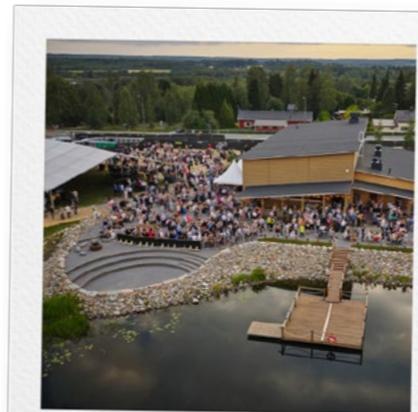
Czaruków, Poland 16 May



Gardermoen, Norway 23 May



Team Baltia



Main event, Rientola, Vieremä 9 August



Customer seminar, Chile 20 November

PONSSE VALUES

PONSSE'S PURPOSE – Why do we exist?

Sustainable solutions for the benefit of our customers and environment

We exist for our customers. This idea has not changed since Einari Vidgrén declared it as Ponsse's driving force, nor will it ever change. Our operations' deep customer orientation and genuine closeness to customers help us understand our customers' actual needs. The development of our solutions is always initiated and guided by our customers' needs. Our customers' insight enables us to develop solutions that offer true added value in everyday work within the harvesting business. Satisfied customers and sustainably managed forests give us a feeling of success. We are an important part of our customers' everyday operations, as well as a part of the solution to mitigate climate change.

MISSION – Ponsse's mission

Our customers succeed together with us

Customer closeness is a way of life for us at Ponsse. Our partnership with our customers is based on trust – we always keep our promises. Our task is to understand our customers and their business. Our customers' extensive knowledge of timber harvesting and the

industry also enables us to learn. We believe in our work and always strive to be the best at what we do. Our strong culture and values, developed over the decades – the Ponsse Spirit – form our most important competitive edge. We exist because of our customers, and our values convey the Ponsse spirit all the way to our customers. Every day, our excellent employees ensure the best possible customer experience for our customers.

VISION – Ponsse's future

The preferred partner in responsible forestry

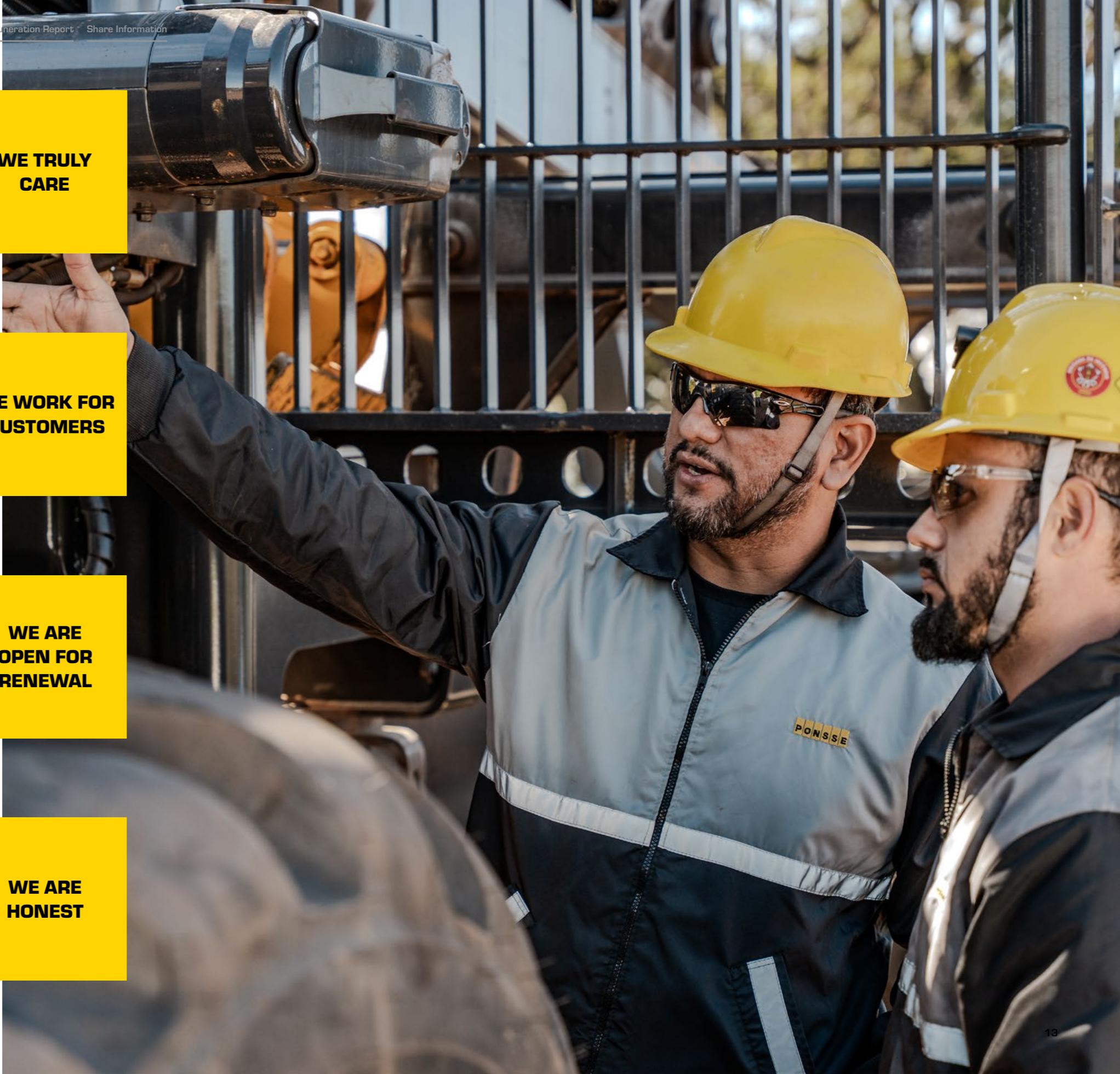
Sustainable development guides all our actions. We systematically strive for carbon neutrality in our operations and solutions. We are enthusiastic about the continuous development of Ponsse. We want to be the global leader in sustainable solutions representing the Cut-to-length method. Fast technological development, combined with the Ponsse way of working, develops our operations and produces constant results. The continuous development of our solutions and daily operations makes us the preferred partner to collaborate with. Our most important asset and a prerequisite for all development is the wellbeing of the Ponsse people throughout our Ponsse network. Ponsse is a good and safe place to work for all of us.

WE TRULY CARE

WE WORK FOR CUSTOMERS

WE ARE OPEN FOR RENEWAL

WE ARE HONEST



REVIEW BY THE CHAIR OF THE BOARD AND THE PRESIDENT AND CEO

For Ponsse, 2025 was a year of strong performance and steady progress despite market uncertainty. The difficult economic environment persisted, but we managed to respond to the situation with determination and a customer-driven approach. We were able to maintain a high level of operational performance and ensure that our customers were reliably provided with the solutions they needed. This again demonstrated the strength of the Ponsse way of working: collaboration, flexibility and strong everyday execution.

The challenges facing the forest industry continued to be reflected in demand, but many markets showed clear signs of picking up. The positive developments in Sweden, the United States and South America supported our operations, and the strengthening of the Central European market provided added stability. The Finnish market also picked up towards the end of the year. Investments were made prudently yet purposefully, and our customers enjoyed a strong employment in many places. The need for reliable solutions remained throughout the year.

Reliability and quality

Through excellent performance, our maintenance services provided customers with operational reliability in a challenging environment. The expansion of the service network and the improvement of accessibility were reflected as smoother customer service.

Epec also continued to grow and strengthened its position as a technological forerunner, supporting the development of the entire Group.

Ponsse's factory in Vieremä operated smoothly and with high quality. Production stayed well on schedule and responded to market needs systematically. The

expertise and adaptability of our personnel were once again key strengths, enabling us to maintain smooth operations in a changing operating environment.

We made strong progress in our development efforts in line with our strategy. Our highly skilled people and the excellence of our daily operations lie at the core of our success. An excellent customer experience is ultimately created by the joint effort of all Ponsse employees. The role of product development and digital services continued to grow, and insourcing measures strengthened our own competence, particularly in digital services. The benefits of the renewed operating model became more visible during the year: a clearer organisational structure and consistent operating methods enhanced cooperation and supported long-term development and more efficient customer service.

Sustainability played a key role throughout the year. We invested in energy efficiency, reducing emissions and strengthening the circular economy. Expanding our Reman operations and continuously improving the environmental efficiency of our products are concrete steps towards climate-smart forestry.

Our customers are increasingly looking for solutions that support both productivity and cost-effectiveness. We are able to meet this need – while taking the requirements of sustainable development into account.

A year of innovation and community

2025 was also a year of product and service innovation. 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. In addition to the Manager Pro service package, the year also saw the launch of PONSSE Greasing System, PONSSE Fleet Monitoring, PONSSE Active Manual, PONSSE FeedControl and PONSSE Caliper 3+.

Under the leadership of our technology company Epec, we launched the Cabin Vision concept and a technological pilot environment where we will explore future cabin solutions.

The anniversary year brought a special sense of warmth and community. Ponsse's 55-year journey was celebrated across the world with our customers, partners and employees. The completion of the 21,000th Ponsse forest machine in February, as well as the visit of the President of Finland, Alexander Stubb, to Vieremä, were among the year's significant moments and a testament to Ponsse's long and distinguished history.

Ponsse is a Finnish forest machine company built on skilled people, strong values and a customer driven culture. These are the foundations on which we build our future – with long-term commitment and determination, together with our customers.

Jarmo Vidgren,
Chair of the Board of Directors

Juho Nummela,
President and CEO



“ Ponsse's strength lies in its focus on customers, strong values and commitment to its highly skilled people.”

Jarmo Vidgren,
Chairman of the Board of Directors

“ An excellent customer experience is ultimately created by the joint effort of all Ponsse employees.”

Juho Nummela,
President and CEO

PONSSE PRODUCTS

Ponsse's continuously developed products and innovative services support the efficiency and productivity of customers' operations. New digital innovations take into account not only productivity but also factors such as environmental impacts.

The development of digital solutions and features that support the operator's work plays an increasingly important role in product development. The available data must be translated into clear views and concrete instructions for the customer, enabling them to make data-driven decisions with ease. Data can provide guidance and support to steer customers' business into a more productive and sustainable direction, and to achieve optimal benefits from harvested wood.

New features designed to support the operator improve safety while also ensuring productivity and smoothly running work. Cut-to-length (CTL) forest machines can be used in different terrain conditions in various harvesting operations, ranging from energy wood harvesting and first thinning all the way to regeneration felling.

Data to support business

Ponsse develops digital solutions by listening to customers' needs. Ponsse has renewed its Manager service by introducing two service packages: the fee-based PONSSE Manager Pro, as well as the free PONSSE Manager Standard, which supports fleet management and the monitoring of harvesting progress.

Manager compiles and visualises data generated by forest machines into clear reports that better support entrepreneurs, forest machine operators and office employees in

planning, managing and monitoring operations. The Manager Pro service package's new features, Map Tools and Emissions Reporting, have been developed in collaboration with our network.

The Map Tools are a new core feature of the Manager Pro service package. The tool provides a clear map view showing the harvester's route and production by tree species, assortments and quantities. This allows forwarder operators to easily check how many stems are waiting for transport in the forest, as well as what is already in storage. The harvester operator can also mark notes and points of interest (POIs) on the system's map for the forwarder operator, such as obstacles, soft ground or other relevant observations.

Challenging conditions, such as snowfall, can cover logs very quickly. This makes it difficult to identify tree species and locate stems. With the Production Tracker in Map Tools the forwarder operator can locate the correct assortments and quantities, keeping operations smooth, efficient and on schedule. This also ensures that all valuable wood material is collected.

Manager Pro Map Tools works regardless of which manufacturer's forwarders are used on the logging site. A PONSSE harvester is required to generate the data, but any forwarder can be connected to the system, including subcontractors' forwarders.

Ponsse was the first forest machine manufacturer in the world to introduce an Emissions Report feature, which calculates and shows the atmospheric CO2 emissions of harvesters and forwarders on the machine, site and forest company level for a given period. The monitoring of emissions helps reduce fuel consumption, which effectively supports the meeting of both environmental requirements and business goals. Emissions reporting also helps to identify which machines are best suited for different logging sites.

At remote logging sites, limited mobile network coverage challenges data transmission between machines. The PONSSE Connectivity Ready feature allows a Ponsse harvester with Opti 5G information systems to connect to an external Wi-Fi network, such as a Starlink antenna. With this solution, valuable machine data is available in the PONSSE Manager service.

Ponsse introduced the PONSSE Fleet Monitoring service for the authorised maintenance network. The service provides comprehensive information to support preventive maintenance, as well as to facilitate the implementation of maintenance and the resolution of fault situations. Through the service, it is possible to monitor the location of the machine, operating hours, alarms, sensor data, and alarm and maintenance history.

Forest life cycle as a basis for product development

Thanks to its expanding product portfolio, Ponsse offers a truly 360° perspective on forestry. Future innovations will ensure that a new opportunity for growth arises after the reform harvest. This pioneering role strengthens Ponsse's role as a future trendsetter in forestry and as a responsible partner committed to long-term cooperation worldwide.



Ease, security and precision

Ponsse launched the PONSSE Greasing System in early 2025, optional equipment for lubricating the saw chain on Ponsse's H6, H7 and H8 harvester heads. The system feeds lubricant to the saw chain from grease cartridges in accordance with the dosage settings created through the Opti 5G information system.

Grease cartridges can be conveniently carried in the machine's cabin, ensuring effective lubrication throughout the entire shift. Grease cartridges replace the fixed grease tank in the harvester head, and they can be changed quickly and easily. The new system can also be retrofitted.

PONSSE OptiFeedControl enables the entire stem to be processed using a single lever instead of multiple button presses. The function improves safety, as

tree feed only works when the operator is actively moving the control lever. The OptiFeedControl function is available in all PONSSE harvesters whose information system has been updated to the latest version.

Accurate diameter measurement is key to high-quality timber and high machine productivity in all conditions. It is a critical part of the entire harvesting process and has a significant impact on the further processing of the raw material. The adaptive control measurement provided by PONSSE Caliper 3+ brings reliable accuracy to the work.

The system integrates with the Opti 5G information system and the calipers, introducing adaptive control measurement points based on the

harvester's measurement data. The intelligent system identifies the areas of the stem where the calipers can most easily take an accurate reading. The adaptive points are measured alongside the standard points, adding valuable data without significantly increasing measurement time. Log volumes continue to be calculated from the fixed points, ensuring consistent HQC data and reporting. The system also provides feedback on the quality of the cross-measuring performed by the operator.

On average, the adaptive measurement points double the number of points in the adjustment proposal, making calibration more accurate and reliable, even with small control batches. More accurate diameter control measurement leads to better diameter

adjustment, improves bucking accuracy and volume calculation, gives the operator greater confidence for work and saves time. The angle sensing that enables cross-measurement monitoring in the calipers is part of the Caliper 3+ optional equipment.

Training solutions for various needs

Ponsse provides its customers and partners with customised training solutions, consulting and operator training for the safe and efficient operation of PONSSE forest machines and the planning of operations. CTL training is provided for all harvesting professionals: even experienced forest industry professionals have access to new tools for more economical and

productive working.

A comprehensive range of simulators has been developed for the training needs of forest industry professionals. Forest machine simulators offer a modern learning environment to train how to operate harvesters, forwarders and the PONSSE Opti information system safely and economically. Using simulators, even experienced forest machine operators can improve their professional skills, and future operators can learn how to operate forest machines safely.

New machine purchases include operator training, and Ponsse's 67 trainers support both new and experienced operators in the safe and productive use of forest machines.

Cabin Vision: the cabin concept of the future

Epec, Ponsse's technology company, has introduced the Cabin Vision concept, offering a look into the forest machine cabin of the future. Technology companies CPAC Systems and Qualcomm have participated in the development of Cabin Vision.

It is not yet a product intended for launch, but a technological test environment for examining operator ergonomics, safety and intelligent systems. The first concept sketch based on Cabin Vision has been built into a Ponsse forest machine cabin, illustrating the possibilities and indicating what might be possible in the future.

PONSSE product families

HARVESTERS



Versatile and efficient PONSSE harvesters guarantee the best productivity and adapt easily to all kinds of environments. In terms of comfort, harvesters are in a league of their own. Ponsse has focused on the maintainability and usability of harvesters based on customers' wishes.

FORWARDERS



All PONSSE forwarder models have more than enough power for changing conditions and difficult terrain types. In addition to the regular hydrostatic transmission, PONSSE forwarders are equipped with CVT transmission that enables lower fuel consumption and higher tractive force.

HARVESTER HEADS



PONSSE harvester heads have been developed with their users with an eye on the harvesting efficiency ratio. Innovative design, continuous R&D and decades of experience have made our harvester heads the quality leaders on the market. The product range includes an optimal harvester head from energy wood harvesting and even for the most demanding sites.

INFORMATION SYSTEMS



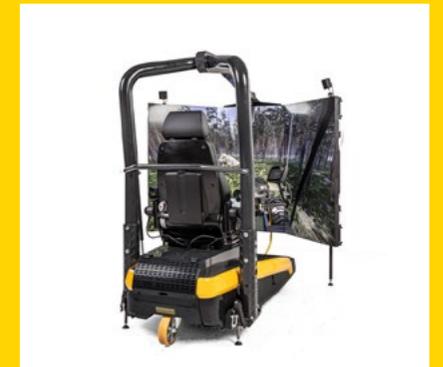
Ponsse's Opti information systems are user-friendly and continuously evolving. They are designed to meet the needs of contractors, operators and forest companies. Easy-to-use programs enhance the control, adjustment and calibration of the machine.

CUSTOMISED SOLUTIONS



Ponsse's customised solutions are designed to increase work productivity, safety and comfort while taking the environment into account. The wide range of solutions developed with customers responds to different needs, considering the requirements of different markets.

SIMULATORS



A simulator helps current and future operators learn the key stages of forest machine operation and gain a feel for using the machine. It provides a safe and effective environment to develop skills, improve performance and support wellbeing at work.

PONSSE SERVICE

SUPPORTING OUR CUSTOMERS

Ponsse's maintenance network expanded during 2025 through the opening of new service centres and an expanded contract maintenance network. PONSSE service reaches our customers even better than before, both physically and digitally. Through continuous development, we are improving customer service and the efficiency of the maintenance network.

Even the world's best forest machines need maintenance in order to operate efficiently and productively throughout the life cycle of the machine. Maintenance services are a significant part of Ponsse's business operations. Globally, 210 service centres and more than 2,000 maintenance professionals, including 320 spare parts salespeople and more than 920 mechanics, ensure that we keep our promise of manufacturing reliable and durable forest machines. In addition to maintenance services, our customers are served by 67 operator trainers, who provide guidance on the safe and efficient use of forest machines and train both new and experienced operators.

The service centres are in central locations considering our customers' operations and logistics. Service close to customers reduce the time required for forest machine maintenance and provide our customers with even better opportunities to develop the profitability of their operations.

The maintenance network was strengthened during 2025 with the opening of new service centres in Poland, Germany, Argentina, Brazil and France. Our network also grew with contractual service partners and our own field maintenance operations in Sweden, Norway, France and the United States.

We have brought our spare parts service closer to customers through a range of delivery solutions. The availability

of spare parts is not tied to the opening hours of our service centres, and parts are also available in the evenings and at weekends. In Finland, the PONSSE Express freight service delivers spare parts ordered by 10 pm on weekdays to the nearest service centre, to a delivery container located at the customer's site or to addresses situated along the delivery route by the following morning. In Sweden and Norway, a Dropbox service is available, allowing customers to collect the parts they need at an agreed location at a time that suits them.

The PONSSE Active Care maintenance agreement portfolio has grown in recent years. The work carried out regularly and professionally by the authorised maintenance network impresses a growing number of customers each year.

The Maintenance Call service, introduced for service agreement customers in Finland in 2024 and rolled out in 2025, further improved the predictability of maintenance needs. PONSSE Maintenance Call predicts and boosts forest machine maintenance by transferring data on machine hours automatically to the nearest service centre. Customers are contacted 200 hours before scheduled maintenance to set a maintenance date and agree the measures required in advance. The service improves the usability of the machine and reduces additional maintenance visits.



Spare parts service close to customer

In Finland, the PONSSE Express freight service delivers spare parts on weekdays for next-morning arrival at the nearest service centre, a delivery container located at the customer's site or addresses situated along the delivery route.

With maintenance agreements, maintenance schedules can be predicted better, and customers and Ponsse's maintenance network can plan their daily activities. Better work planning improves efficiency and enables improvements in occupational safety and health. Regular maintenance ensures reliable machine performance and optimal usability. With Active Care maintenance agreements, Ponsse's maintenance services have access to machines' maintenance history, making it possible to better respond to customer needs.

The maintenance agreement also provides our customers with worry-free operating hours. When a customer chooses the Active Care maintenance agreement, the machine automatically receives 10,000 hours of Frame & Crane Care coverage. It covers the frame structures, such as the front and rear frames, the middle pivot, the crane base, and the main, lifting and luffing boom frames.

The renewed, unique PONSSE Active Manual – support always within reach

Ponsse's global maintenance network is constantly evolving and aims to meet customer needs that differ across local markets. Our customers have been satisfied with the increased digital services.

The PONSSE Active Manual mobile app was renewed during 2025. This continuously updated free app makes the operator's daily work easier and faster. The app includes a wide range of always up-to-date, serial-number-specific instructional videos covering correct and safe working methods, as well as the most common maintenance procedures. The app is further developed based on customer feedback to ensure that it serves our customers optimally in their daily activities. With the update, the app is now available in 18 languages.

Maintenance service as part of sustainable development

Each day, maintenance professionals carry out various activities in which they need to address the personnel, occupational safety and the environment, including in field conditions.

Our maintenance network's systematic way of maintaining machines while taking care of the environment makes our customers' life easier and gives them peace of mind: for example, oil and other hazardous waste is always handled in accordance with requirements and good practices, and our maintenance network handles recycled materials under PONSSE Active

Care maintenance agreements.

Ponsse has investigated the environmental impact of the remanufacturing of forest machine components in a life cycle assessment. The carbon footprint of a single component decreases by a quarter when a remanufactured component is selected in place of a new one. In addition to new parts, refurbished spare parts are available for our network. Ponsse minimises material waste and offers solutions for the spare parts needs of older forest machines.

Our Reman operations are also reflected in used machine services, in which used PONSSE forest machines

are accepted for remanufacturing and resale when a new machine is purchased. To extend the life cycle of used machines, they can be upgraded with PONSSE Spare Parts Packages that bring their performance up to today's requirements.

Reman operations are provided by the PONSSE Reman & Parts Recirculation unit in Iisalmi in Finland, as well as in North and South America.

The efficient reuse of machine parts can have an impact on machine emissions during the machine life cycle. More than 97% of a PONSSE forest machine's weight constitutes recyclable or reusable material.

Quality and safety throughout the Ponsse network

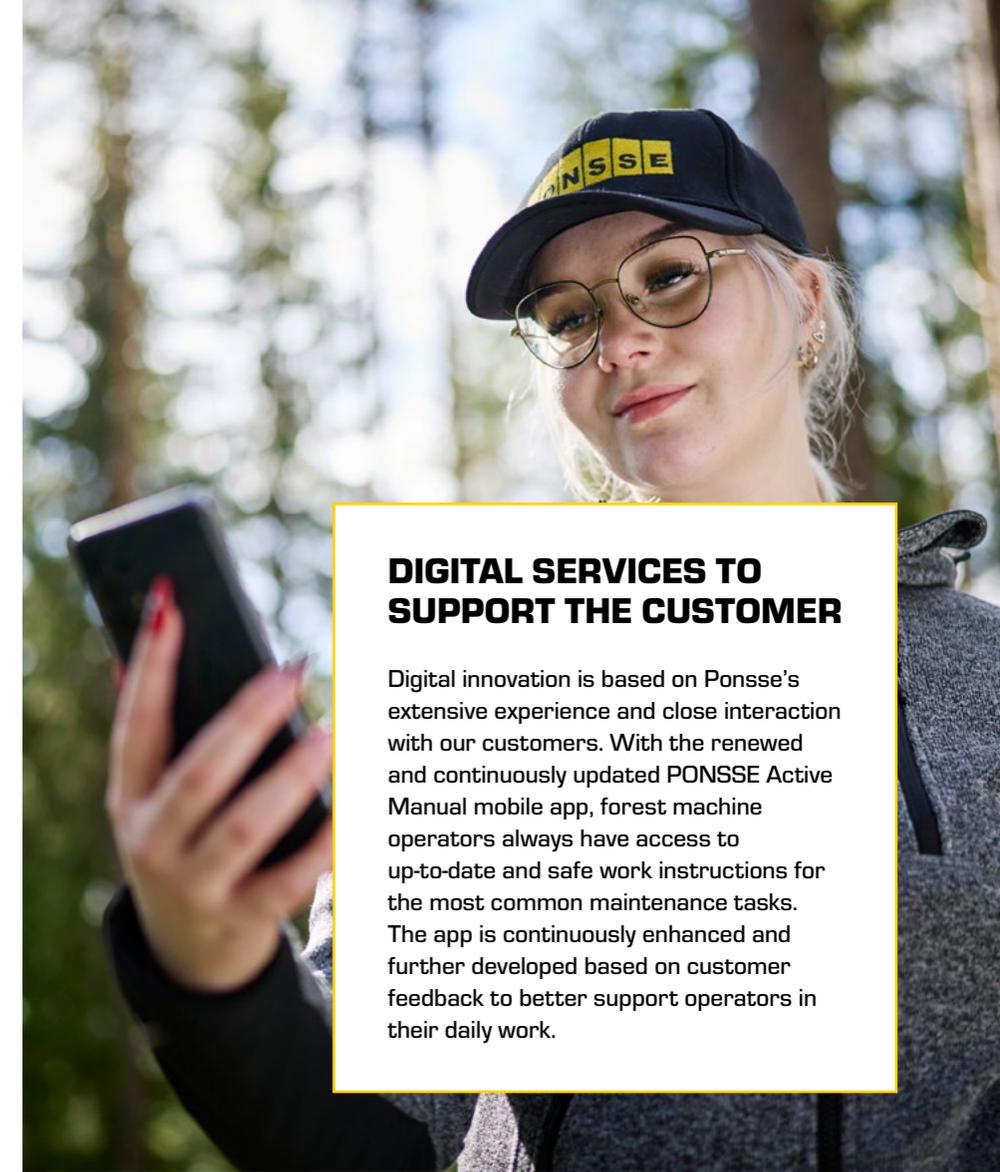
Maintaining professional skills supports safety and wellbeing at work. The operational model change implemented in 2024 has enabled a more focused and systematic approach to maintaining professional skills and developing competence.

During the year, hundreds of mechanics and spare-parts specialists were trained through both practical training and various online courses. For example, a training programme was organised for aftersales supervisors in our country organisations, focusing on customer support, the digitalisation of services, safety, quality and sustainability.

The Effective and Safe Workshop (ESW) tool has been built to develop our network and identify any development areas. With ESW audits and the ESW manual, we ensure consistent, systematic and sustainable daily practices. This enables us to provide our customers with consistent, high-quality services, regardless of where in the world they work or whether they visit a Ponsse service centre, a dealer or a contractual service partner.

More than 650 conducted ESW audits exemplify Ponsse's commitment to high quality and customer satisfaction. Key metrics include occupational safety, the environment and training, among other aspects.

We use the Delivery App for operator training for new machines. The app serves as a checklist for both the operator trainer and the machine operator, covering all the items that must be reviewed during the training. In this way, we ensure consistent and comprehensive training. In addition, a wide range of instructional videos on safe and efficient working methods is available for service technicians. We are constantly developing our video library to meet our mechanics' needs.



DIGITAL SERVICES TO SUPPORT THE CUSTOMER

Digital innovation is based on Ponsse's extensive experience and close interaction with our customers. With the renewed and continuously updated PONSSE Active Manual mobile app, forest machine operators always have access to up-to-date and safe work instructions for the most common maintenance tasks. The app is continuously enhanced and further developed based on customer feedback to better support operators in their daily work.



PONSSE simulators facilitate and speed up the provision of training. In simulator training, the machine operator can focus on learning the forest machine controls without external distractions. Simulators also enable the simultaneous training of several people. In addition to operator training, Ponsse organises targeted training for both new and experienced machine operators.

The mechanic competition motivates professional development

In early summer 2025, Ponsse organised its fifth international mechanic competition. The competition is intended for Ponsse's own mechanics, contractual service partners and dealers' mechanics.

The competition measures mechanics' skills over two days across 12 task stations. The tasks range from mechanical installation and maintenance work to troubleshooting electrical installations and hydraulics, and on to forest machine information systems. During the competition, the judges closely monitor the performance of tasks and evaluate the competitors' performance.

The evaluation covers, among other aspects, occupational safety, troubleshooting skills, working methods, and the ability to follow instructions and perform the testing and test run of the machine as part of maintenance tasks.

Each competitor receives personal feedback on their performance, as well as a written job description to enable learning. The aim of the competition is to enhance the recognition and appreciation of mechanics' work and to increase motivation for developing their professional skills. Some of those who have taken part in previous competitions now work as trainers for mechanics, for example.

SUSTAINABILITY AT PONSSSE

The preferred partner for responsible forestry

Sustainable solutions for the benefit of our customers, people and the environment

Sustainable development and responsibility are Ponsse's success factors and prerequisites for the continuity of our operations. Our ambition is to be the preferred partner for responsible forestry and the global leader in sustainable harvesting solutions.

Ponsse's sustainability work is an integral part of the company's strategy, business model and daily

decision-making. Ponsse is committed to respecting internationally recognised human rights and promoting the implementation of the UN Sustainable Development Goals through its operations.

Sustainability work is guided by the needs of key stakeholders and the company's values – we truly care; we work for customers; we are honest;

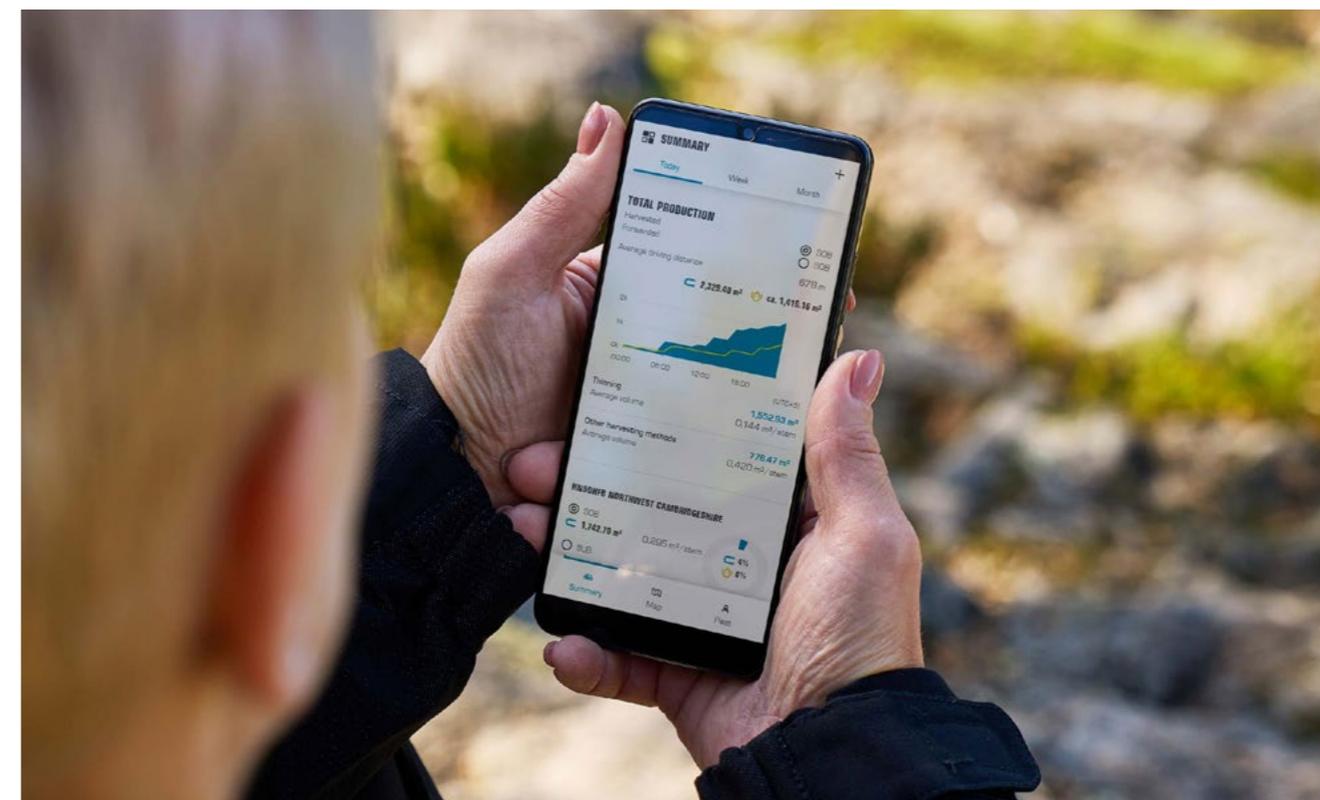
and we are open for renewal. These principles are reflected in product development and HR policy, as well as in cooperation with customers and partners.

Together with our customers and partners, we have the enthusiasm, skill, and willpower for continuous improvement.

Key results of our sustainability work

		Targets for 2030	Actual outcome 2025
PEOPLE			
	Accident frequency (LTIF)	0	6.9
SOLUTIONS			
	Increasing the recycling rate	70%	62.6 %
ACTIVITIES			
	Reducing marked-based Scope 1 and Scope 2	-42%	-6*%
	Reducing significant Scope 3 emissions	-25%	-27*%
COMMUNITIES			
	Percentage of suppliers committed to the Code of Conduct (target year 2025)	100%	98%

*) Compared with 2023 level



Climate and nature

Technology and digitalisation enable smart low-emissions harvesting

Ponsse's technology and new business models increasingly enable productive harvesting that respects the climate and the environment. We develop solutions that promote the circular economy and reduce the environmental impacts of machines.

Ponsse's climate efforts focus on improving the energy efficiency of PONSSE forest machines, reducing emissions and developing low-emission solutions. Ponsse has set a target of reducing greenhouse gas emissions from its own operations (Scope 1 and 2) by 42% and significant emissions from the value chain (Scope 3) by 25% by 2030 compared with the 2023 level. Digital services such as PONSSE Manager support customers in monitoring

emissions and optimising harvesting.

Ponsse's forest machines operate directly in natural forest environments, and taking biodiversity into account is part of our responsible product development. PONSSE forest machines based on the cut-to-length method enable the efficient use of wood raw material and support a wide range of harvesting practices, from thinning to continuous cover forestry sites.

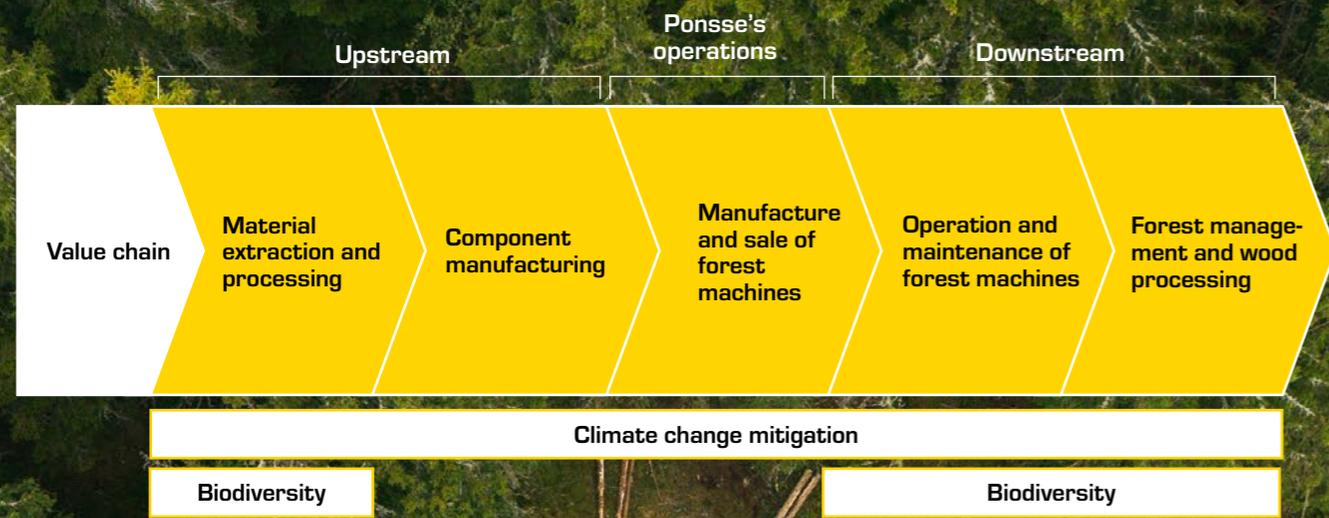
Forest machines are built for longevity, and Ponsse extends their life cycles through comprehensive maintenance services, upgrades and refurbishment. Ponsse's Reman operations enable the refurbishment and reuse of spare parts, which reduces material waste and the need for raw materials.

Results of our work in 2025

222 t
The volume of spare parts refurbished or made ready for reuse (Reman)

Forest machines can be equipped with map programs that guide the operator in identifying sensitive areas of the forest environment or in marking sites on the map.

As part of the forestry value chain, Ponsse has a real opportunity to make a difference.



People and society

Honesty, ethics and a sense of community – we value one another and are a reliable partner

For everyone at Ponsse, responsibility means a shared set of strong values that emphasise respecting people and aiming for the best possible result for the environment. Product safety, user training and the effective use of customer feedback are key elements of sustainable business operations.

Ponsse's people are the company's most important resource. Ponsse works to be an equal workplace community, where employees are valued and where

it is safe to work. Improving safety at work is a key objective, with a long-term target of zero accidents.

Ponsse's products must be safe to use throughout their life cycle, and must not endanger the safety or health of users, maintenance personnel, employees or the environment.

Good governance, ethical policies and transparent reporting lay the foundation for trust.

Results of our work in 2025

34
Employee experience (eNPS) Score

In the Reputation&Trust survey, Ponsse was the second most reputable company in Finland and, according to private investors' estimates, the most reputable company.



Board of Directors 31 December 2025

The Board was selected by the Annual General Meeting on April 8, 2025.

Selecting Board members

According to the Articles of Association, the Ponsse Plc Board consists of at least five and at most eight members. The Board members are selected by the Annual General Meeting which – according to the Articles of Association – must be held by the end of June each year. The period of office of the Board members ends at the next Annual General Meeting. The Board selects a chairperson for the period of office from among its members. During the year under review, the Board convened 10 times. The Board members actively participated in the meetings – the attendance rate was 97.1 percent.

Chairman of the Board



JARMO VIDGREN, b. 1975

Commercial College Graduate in Marketing
Ponsse Plc, Board Member since 2020
Shareholding in Ponsse Plc on 31 December 2025: 3,684,263 shares

Work experience

Ponsse Plc, Group Sales and Marketing Director and Vice President 2008–2020
Ponsse Plc, Area Director, North-European business area 2007–2008
Ponsse Plc, Sales Director, Finland 2004–2008
Ponsse Plc, Area Sales Manager 2001–2004
Ponsse AB, Warranty Handler and Area Sales Manager, used machines 1999–2001
Ponsse Plc, Warranty Handler 1997–1999

Other key positions of trust

Jamo Investment Company Oy, Chairman of the Board
KalPa Hockey Oy, Board Member
Einari Vidgrén Oy, Board Member

Deputy Chairman of the Board



MAMMU KAARIO, b. 1963

Master of Law, MBA
Board professional
Ponsse Plc, Board Member since 2010
Shareholding in Ponsse Plc on 31 December 2025: 4,500 shares
Independent of the company and major shareholders

Work experience

Partnera Oy, Managing Director 2016–2017
Korona Invest Oy, Investment Manager 2011–2016
Unicus Oy, Partner 2006–2011
Conventum Corporate Finance Oy, Director 1998–2005
Prospectus Oy, Director 1994–1998
Kansallis-Osake-Pankki, Specialist 1988–1994

Other key positions of trust

CapMan Oyj, Deputy Chairman of the Board
Epec Oy, Board Member
Gofore Oyj, Board Member
HC Åssät Pori Oy, Board Member
Lapti Group Oy, Board Member
Makai Holding Oy, Chairman of the Board
Puulo Oyj, Chairman of the Board
SAKA Finland Group Oy, Chairman of the Board
Sibelius-Akatemian tukisäätiö ry, Chairman of the Board
Taideyliopiston sijoituskomitea, Member

Board members



TERHI KOIPIJÄRVI, b. 1967

M.Sc., Forestry and Forest Products Marketing
Miltton Oy, Senior Advisor, Corporate responsibility and strategy
Ponsse Plc, Board Member since 2023
Independent of the company and major shareholders

Work experience

Metsähallitus, Director, various responsibilities: communications, strategy and sustainability 2017–2022
Stora Enso Oyj, Senior Vice President, Global Responsibility, and other leadership positions 2010–2017
Metsä Group Oyj, Senior Vice President, Environment and Corporate Responsibility, and other leadership positions 2000–2010
Suomen Metsäyhdistys, Communications Officer 1998–2000
Thomesto Oy, Thomesto Sverige AB, various chief positions 1993–1998

Other key positions of trust

FIBS ry, Chairman of the Board
Green Resources (East Africa), Board Member
Metso Oyj, Board Member



JUHA VANHAINEN, b. 1961

M.Sc., Process Technology
Ponsse Plc, Board Member since 2018
Independent of the company and major shareholders

Work experience

Apetit Oyj, President and CEO 2015–2019
Stora Enso Oyj, Country Director and Board Member 2007–2015
Stora Enso Oyj, Managerial positions 1990–2007
Kemi Oy, Engineer 1988–1990

Other key positions of trust

Metsä Board Oyj, Board Member
Metsälitto Osuuskunta, Board Member



MATTI KYLÄVAINIO, b. 1974

M.Sc. (Econ.)
Keitele Timber Oy, CEO
Ponsse Plc, Board Member since 2016
Independent of the company and major shareholders

Work experience

Keitele Timber Oy, Director of sawmill operations 2014–09/2022
Keitele Timber Oy, Sales Director 2006–2014
Keitele Timber Oy, Export Manager 1999–2006

Other key positions of trust

Keitele Group Oy, Chairman of the Board
Sahateollisuus ry, Chairman of the Board



JUHA VIDGREN, b. 1970

Master of Pedagogy
Ponsse Plc, Board Member since 2025
Shareholding in Ponsse Plc on 31 December 2025: 6,207,000 shares

Work experience

Ponsse Plc, Chairman of the Board 2010–2020
Ponsse Plc, Deputy to the CEO 2003
Ponsse Plc, Public Relations Manager 2000–2003
Ponsse Plc, Press Officer 1998–2000

Other key positions of trust

Einari Vidgrén Foundation, Chairman
Einari Vidgrén Oy, Chairman of the Board
Metsähallitus, Board Member
Vieremän Kylänraitti ry, Chairman
Vieremän Oriyhdistys ry, Chairman
Ylä-Savon Hippos ry, Chairman



ILPO MARJAMAA, b. 1961

M.Sc., Production Systems and Technologies
Ponsse Plc, Board Member since 2022
Independent of the company and major shareholders

Work experience

KONE Oyj, Director, Strategic Projects 2019–2020
KONE Oyj, Senior Vice President, Head of Modernisation business 2011–2019
KONE Oyj, Senior Vice President, Head of Escalator business 2009–2011
KONE Oyj, Senior Vice President, Head of Supply Operations 2006–2009
KONE Hissit Oyj, CEO, Finland and The Baltics 2003–2006
Kone Corporation 1999–2020, various management positions related to strategy and business development, as well as sales, production, and logistics.

Other key positions of trust

Fennosteel Oy, Board Member
Hetitec Oy, Board Member
Oyj Sisu Auto AB, Board Member

Management Team 31 December 2025



JUHO NUMMELA, b. 1977, pj.

Dr. Tech.
President and CEO
 Member of the Management Team since 2 Jan. 2005
 Joined Ponsse in 2002
Previous main positions: Ponsse Plc, Factory Director 2006–2008, Ponsse Plc, Quality and IT Director 2005–2006
Shareholding in Ponsse Plc on 31 Dec. 2025: 89,349 shares



PETRI HÄRKÖNEN, b. 1969

M.Sc. (Tech.)
CFO and Deputy to the CEO
 Member of the Management Team since 1 Oct. 2009
 Joined Ponsse in 2009
Previous main positions: Suunto Oy, Director, Operations and Quality 2007–2009
Shareholding in Ponsse Plc on 31 Dec. 2025: 7,670 shares



JUHA INBERG, b. 1973

Dr. Tech.
Chief R&D and Technology Officer
 Member of the Management Team since 1 Jan. 2009
 Joined Ponsse in 2003
Previous main positions: Ponsse Plc, R&D Engineer 2003–2006, Engineering Manager 2006–2008
Shareholding in Ponsse Plc on 31 Dec. 2025: 14,950 shares



TIINA KAUTONEN, b. 1973

Bachelor of Business (BSc)
Chief People, Safety & Culture Officer
 Member of the Management Team since 1 Jan. 2023
 Joined Ponsse in 2023
Previous main positions: KONE Corporation, different global HR leader roles 2008-2022, Nokia Plc, different Human Resources management roles 1997-2008
Shareholding in Ponsse Plc on 31 Dec. 2025: 1,576 shares



MARKO MATTILA, b. 1973

Forestry Engineer, MBA
Chief, Sales, Service & Marketing Officer
 Member of the Management Team since 1 Jun. 2020
 Joined Ponsse in 2007
Previous main positions: Ponsse Plc, Director, dealer network development 2018–2020, Ponsse Latin America Ltd., Managing Director 2016–2018, Ponsse Plc, Area Director, NA dealers, Baltics and Chile 2011–2016, Ponsse North America, Inc., Managing Director 2007–2011
Shareholding in Ponsse Plc on 31 Dec. 2025: 2,332 shares



TAPIO MERTANEN, b. 1965

Technician (technical college), MTD
Chief Service Business Officer
 Member of the Management Team since 3 May 2010
 Joined Ponsse in 1994
Previous main positions: Ponsse Plc, Distribution Development Director 2007–2010, Ponsse Plc, Service Director 2004–2007, Ponsse Plc, After Sales Manager 1997–2004, Ponsse Plc, Parts Manager 1995–1997
Shareholding in Ponsse Plc on 31 Dec. 2025: 1,200 shares



KATJA PAANANEN, b. 1971

MA
Chief Responsibility Officer
 Member of the Management Team since 16 Jan. 2023
 Joined Ponsse in 1999
Previous main positions: Ponsse Plc, Sustainability Manager 2021-2023; Ponsse Plc, Communications Manager 2009–2021; Ponsse Plc, Communications Officer 2003-2009; Ponsse Plc, Marketing and Communications assistant 1999-2003
Shareholding in Ponsse Plc on 31 Dec. 2025: 1,918 shares



MIIKA SOININEN, b. 1981

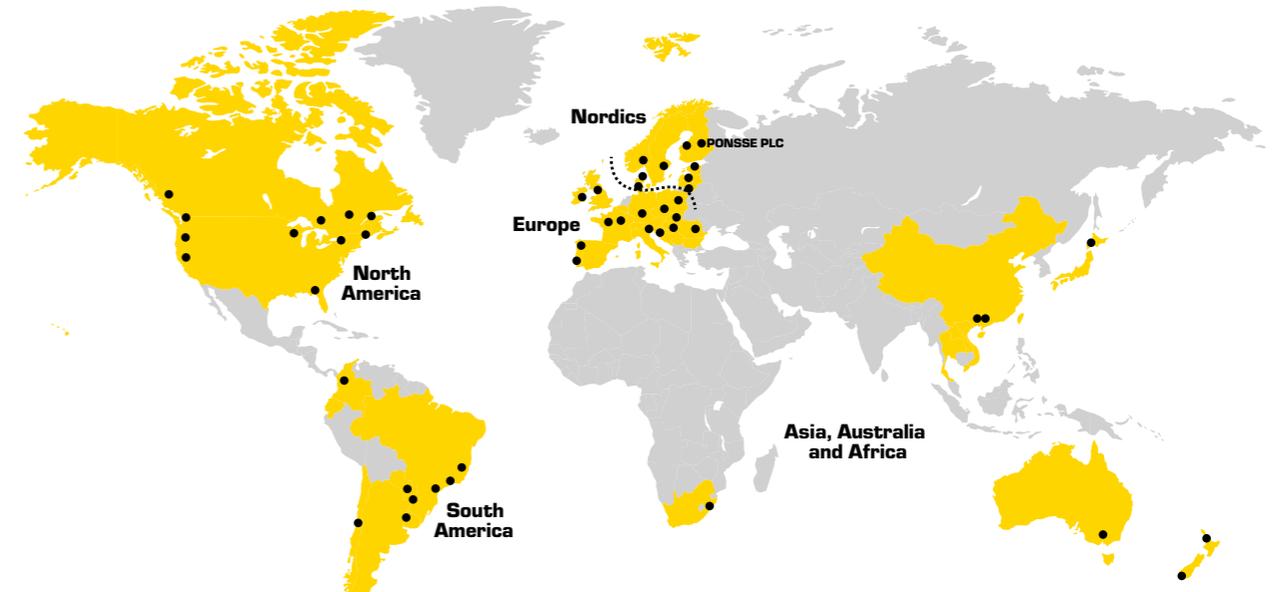
Student of Technology
Chief Digital Officer
 Member of the Management Team since 1 Dec. 2020
 Joined Ponsse in 2018
Previous main positions: Ponsse Plc, Manager, IT and Digital Services 2019–2020, Ponsse Plc, IT Manager 2018–2019, Gentinel Finland Oy, Managing Director 2017–2018
Shareholding in Ponsse Plc on 31 Dec. 2025: 1,068 shares



TOMMI VÄÄNÄNEN, b. 1973

B. Eng.
Chief Operations Officer
 Member of the Management Team since 1 Oct. 2013
 Joined Ponsse in 2013
Previous main positions: Metso Corporation, Metso Automation, Director, Analyzers Product Group 2010–2013, Director, Kajaani Operations 2006–2010
Shareholding in Ponsse Plc on 31 Dec. 2025: 8,152 shares

Ponsse distribution network



Our sales and maintenance organisation is divided into five market areas: Nordic and Baltic countries, Europe, South America, North America and Asia, Australia and Africa. The areas include Ponsse's country organisations and Ponsse's dealers and contractual service partners.

Our country organisations' and Ponsse dealers' contact details can be found at ponsse.com/contacts

This regional structure ensures that our network remains strongly focused on maintenance, sales and the local customer experience while also strengthening Ponsse's long-term competitiveness and profitability.

Ponsse supports its entire network and is determined to develop its operations to achieve a better customer and employee experience. As part of this work, we are harmonising our ways of working and improving cost efficiency globally.

At the core of everything is the customer: our goal is to deliver even better customer service and provide an even better customer experience, along with seamless collaboration across the Ponsse network.

BOARD OF DIRECTORS' REPORT

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BOARD OF DIRECTORS' REPORT

General

Ponsse Group recorded net sales amounting to EUR 749.9 million (in 2024, EUR 750.4 million) and an operating result of EUR 41.6 (36.8) million for the financial year. Result before taxes was EUR 40.0 (21.5) million. Earnings per share were EUR 1.09 (0.45).

Net sales

Consolidated net sales for the financial year 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 Europe 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.

(1,000 EUR)	1-12/25	1-12/24	1-12/23
Net sales from continuing operations	749,874	750,427	821,800
Net sales from discontinued operations	0	0	3,576
Net sales total	749,874	750,427	825,376

Profit performance

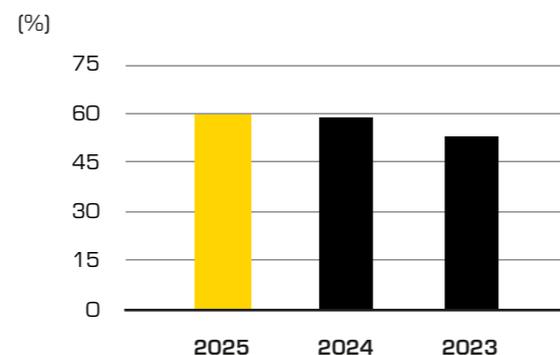
The operating profit amounted to EUR 41.6 (36.8) million. The operating profit equalled 5.6 (4.9) per cent of net sales for the financial year.

(1,000 EUR)	1-12/25	1-12/24	1-12/23
Operating profit from continuing operations	41,632	36,755	47,153
Operating profit from discontinued operations	0	0	1,247
Operating profit total	41,632	36,755	48,400

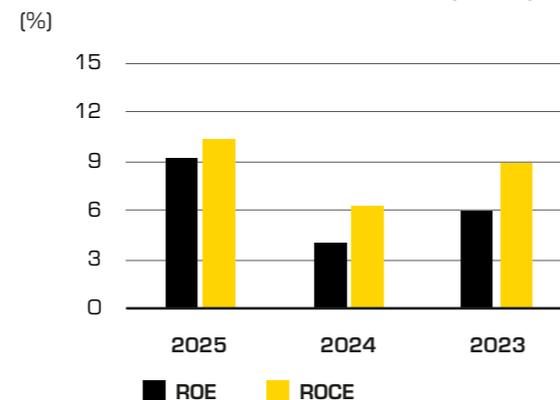
Consolidated return on capital employed (ROCE) stood at 10.3 (6.3) per cent.

Staff costs for the financial year totalled EUR 120.4 (110.2) million. Other operating expenses stood at EUR 85.7 (94.8)

EQUITY RATIO



RETURN ON EQUITY (ROE) & RETURN ON CAPITAL EMPLOYED (ROCE)



million. The impact of the Brazilian Full Service contract on profit after the change in provision for the financial year was EUR -2.6 million and it is included in other operating expenses. There is a provision of EUR 6.3 million in the Group's balance sheet for a loss-making contract. In the comparison period the impact of the Brazilian Full Service contract on profit, taking into account the change in provision, was EUR -17.2 million. The contract is fixed-term and will expire during the year 2026.

Exchange rate gains and losses due to currency rate fluctuations were recognised under financial items, having a net impact of EUR -0.4 (-1.7) million. During the financial year, EUR 0.4 million of revaluation losses on interest rate swaps were recognised in the result. The parent company's

receivables from subsidiaries stood at EUR 111.0 (116.8) million net. Receivables from subsidiaries mainly consist of trade receivables. Result for the financial year 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 financial year, 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 financial year, 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. The 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 financial year.

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 financial year totalled EUR 702.7 (706.9) million, while financial year-end order books were valued at EUR 141.4 (188.6) million.

Distribution network

With a 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

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

Investments during the financial year 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.

Ponsse's key intangible assets include professional and skilled employees, modern production and a flexible supply chain, partnerships with key suppliers and stakeholders, and a strong corporate reputation. These resources enable Ponsse's competitive advantage and long-term growth strategy. Ponsse's value creation model is described in full on pages 52-53.

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 governing 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 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) in one or more tranches, 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 per cent.

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

Management

The following persons were members of the Management Team: Juho Nummela, President and CEO, acting as the chairman; Petri Härkönen, CFO and Deputy to the CEO; Juha Inberg, Chief R&D and Technology Officer; Tiina Kautonen, Chief People, Safety & Culture Officer; Marko Mattila, Chief Sales, Service and Marketing Officer; Tapio Mertanen, Chief Service Business Officer; Katja Paananen, Chief Responsibility Officer; Miika Soininen, Chief Digital Officer and Tommi Väänänen, Chief Operations Officer. The company management has a regular management liability insurance.

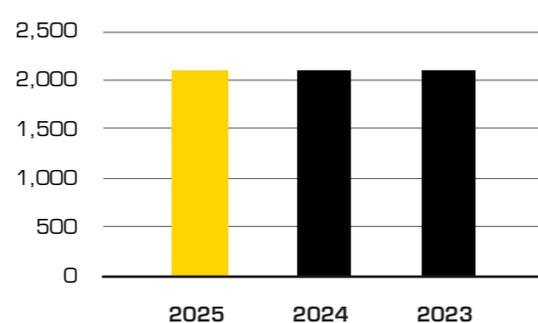
Personnel

The Group had an average staff of 2,083 (2,083) during the financial year and employed 2,117 (2,024) people at financial year-end. The total amount of wages and remunerations for the financial period was EUR 120.4 million (EUR 110.2 million).

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.

AVERAGE NUMBER OF EMPLOYEES



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 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.

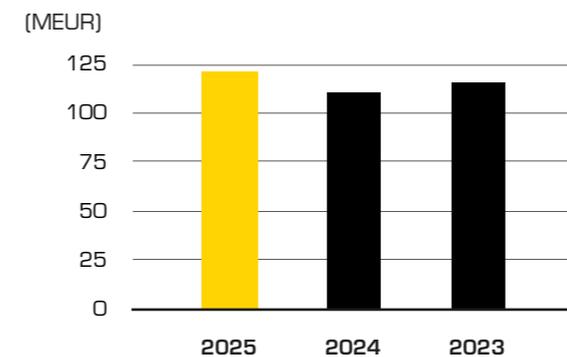
During the performance period 2025-2027 of the CEO Performance-Based Share Ownership Plan, the rewards are based on the Group's operating result, revenue, employee experience and lost time injury frequency (LTIF). The amount of rewards to be paid based on the performance period 2025-2027 will correspond 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

TOTAL SALARIES AND REMUNERATION

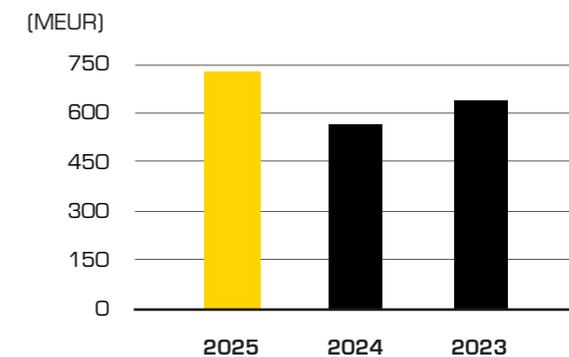


performance period. Ponsse delivers matching shares for the performance period in a 2:1 ratio: the key employee receives one (1) additional share for every two (2) shares they have acquired. The conditional reward will be paid in 2023, 2024 and 2025 after the acquisition of the investment shares and 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 experience. The lost time injury 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. In the financial year, 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.

MARKET CAPITALISATION



Related party loans

The company has granted loans to its subsidiaries in the total amount of EUR 12.1 million in accordance with the normal terms and conditions of Group financing. The interest rates on the loans are based on a fixed rate determined internally within the Group, taking market terms into account.

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 financial year, shares closed at EUR 25.90, and market capitalisation totalled EUR 725.2 million.

At the end of the financial year, the company held 5,046 treasury shares.

Governance

In its decision-making and administration, the company observes the Finnish Limited Liability Companies Act, other regulations governing publicly listed companies and the company's Articles of Association. The company's Board of Directors has adopted governance principles that comply with the Finnish Corporate Governance Code approved by the Board of the Securities Market Association. The purpose of the code is to ensure that the company is professionally managed and that its business principles and practices are of a high ethical and professional standard.

The governance principles are available on Ponsse's website in the Investors section.

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 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, the 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.

Relevant events after the end of the financial year

There are no other known events after the end of the financial year that would require either adjustments to the information presented for the financial year or disclosure of additional information.

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.

Financial indicators

	IFRS 2025	IFRS 2024	IFRS 2023
Extent of operations			
Net sales, (1,000 EUR)	749,874	750,427	821,800
Change, %	-0.1	-8.7	8.8
R&D expenditure, total (1,000 EUR)	26,879	24,578	29,466
of which capitalised (1,000 EUR)	8,769	9,603	11,888
as % of net sales	3.6	3.3	3.6
Gross capital expenditure (1,000 EUR),	22,677	21,591	35,892
as % of net sales	3.0	2.9	4.4
Average number of employees	2,083	2,083	2,106
Net sales/employee (1,000 EUR)	360	360	390
Order stock, EUR million	141.4	188.6	232.1
Profitability			
Operating profit (1,000 EUR)	41,632	36,755	47,153
as % of net sales	5.6	4.9	5.7
Profit before taxes, (1,000 EUR)	39,994	21,470	42,949
as % of net sales	5.3	2.9	5.2
Profit for the period (1,000 EUR)	30,490	12,506	30,026
as % of net sales	4.1	1.7	3.7
Return on equity, % (ROE)	9.2	3.9	5.9*
Return on capital employed, % (ROCE)	10.3	6.3	8.9*
Financing and financial position			
Current ratio	2.5	2.4	2.0*
Equity ratio, %	59.5	58.7	53.3*
Net gearing, %	6.1	1.0	14.1*
Interest-bearing liabilities (1,000 EUR)	78,698	86,931	119,453*
Non-interest-bearing liabilities (1,000 EUR)	154,483	148,942	164,759*

The Group has applied ESMA's (the European Securities and Markets Authority) Guidelines on Alternative Performance Measures, which entered into effect on 3 July 2016.

In addition to the consolidated financial statements produced in compliance with IFRS, Ponsse Plc is presenting alternative performance measures to describe the financial development of its business operations and to provide a comparable overall view of the company's profitability, solvency and liquidity, as well as to provide additional information for analysing its result and capital structure.

The alternative performance measures should not be reviewed separately or in lieu of the figures presented in the audited IFRS-compliant financial statements.

The alternative performance measures have not been audited.

*The performance measures related to profitability, financing, and financial position in 2023 take into account discontinued operations.

Per-share data¹

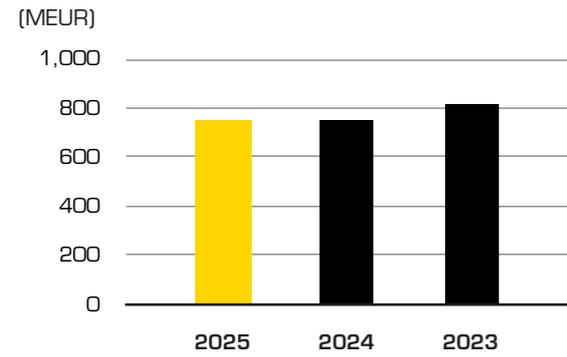
	IFRS 2025	IFRS 2024	IFRS 2023
Earnings per share (EPS), EUR, continuing operations	1.09	0.45	1.07
Earnings per share (EPS), EUR, discontinued operations	-	-	-0.40
Earnings per share (EPS), EUR (including discontinued operations)	1.09	0.45	0.67
Equity per share, EUR (including discontinued operations)	12.08	11.69	11.49
Nominal dividend per share, EUR	0.55 ¹	0.50	0.55
Dividend per share adjusted for share issues EUR	0.55 ¹	0.50	0.55
Dividend per earnings, % (including discontinued operations)	50.5 ¹	111.1	82.1
Effective dividend yield, %	2.1 ¹	2.5	2.4
Price/earnings ratio (P/E) (including discontinued operations)	23.8	44.7	33.7
Share performance			
Lowest trading price	19.55	19.70	21.75
Highest trading price	32.00	27.10	35.00
Closing price	25.90	20.10	22.60
Average price	26.00	22.82	26.72
Market capitalisation, EUR million	725.2	562.8	632.8
Dividends paid, EUR million	15.4 ¹	14.0	15.4
Shares traded	879,785	855,116	788,385
Shares traded, %	3.1	3.1	2.8
Weighted average number of shares during			
the period, adjusted for share issues	28,000,000	28,000,000	28,000,000
Number of shares on the closing date,			
adjusted for share issues	28,000,000	28,000,000	28,000,000

¹ The company's Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.55 per share is paid for 2025.

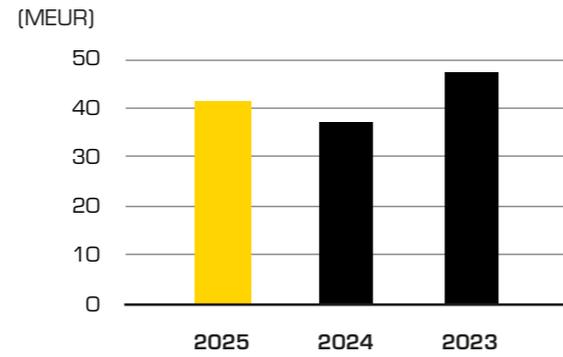
Formulae for financial indicators

1. Return on equity, % (ROE) (including discontinued operations)	=	$\frac{\text{Net profit for the period}}{\text{Shareholders' equity} + \text{minority interest (average during the year)}} \times 100$
2. Return on capital employed, % (ROCE) (including discontinued operations)	=	$\frac{\text{Profit before taxes} + \text{financial expenses}}{\text{Shareholders' equity} + \text{financial liabilities (average during the year)}} \times 100$
3. Equity ratio, % (including discontinued operations)	=	$\frac{\text{Shareholders' equity} + \text{minority interest}}{\text{Balance sheet total} - \text{advance payments received}} \times 100$
4. Net gearing, % (including discontinued operations)	=	$\frac{\text{Financial liabilities} - \text{cash and cash equivalents}}{\text{Shareholders' equity}} \times 100$
5. Average number of personnel during the financial year	=	Average of the number of personnel at the end of each month from continuing operations. The calculation has been adjusted for part-time employees.
6. Earnings per share (EPS), continuing operations	=	$\frac{\text{Net profit from continuing operations for the period} - \text{minority interest}}{\text{Average number of shares during the accounting period, adjusted for share issues}}$
7. Earnings per share (EPS), discontinued operations	=	$\frac{\text{Net profit from discontinued operations for the period} - \text{minority interest}}{\text{Average number of shares during the accounting period, adjusted for share issues}}$
8. Earnings per share (EPS), including discontinued operations	=	$\frac{\text{Net profit for the period} - \text{minority interest}}{\text{Average number of shares during the accounting period, adjusted for share issues}}$
9. Equity per share (including discontinued operations)	=	$\frac{\text{Shareholders' equity}}{\text{Number of shares at closing of the accounts, adjusted for share issues}}$
10. Dividend per share, adjusted for share issues (including discontinued operations)	=	$\frac{\text{Dividend per share}}{\text{Adjustment factors for share issues after financial period}}$
11. Dividend per earnings, % (including discontinued operations)	=	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
12. Effective dividend yield, %	=	$\frac{\text{Dividend per share, adjusted for share issues}}{\text{Last trading price for the period, adjusted for share issues}} \times 100$
13. Price/earnings ratio (P/E) (including discontinued operations)	=	$\frac{\text{Last trading price for the period, adjusted for share issues}}{\text{Earnings per share}}$
14. Market capitalisation	=	Number of shares at end of the financial year multiplied by the closing price on the last trading day of the financial year adjusted for share issues.
15. Shares traded, %	=	$\frac{\text{Shares traded during the financial period}}{\text{Average number of shares during the period}} \times 100$

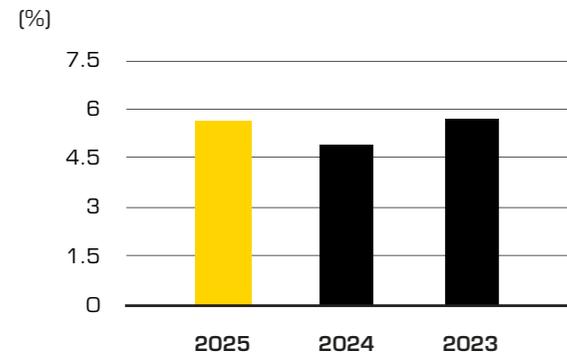
NET SALES



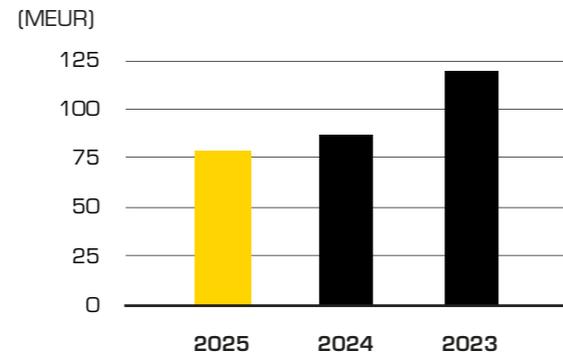
OPERATING PROFIT



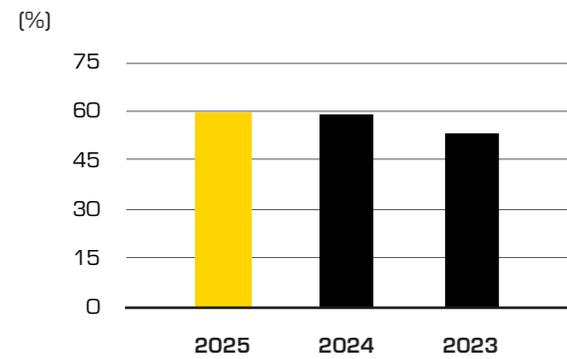
OPERATING PROFIT, OF NET SALES



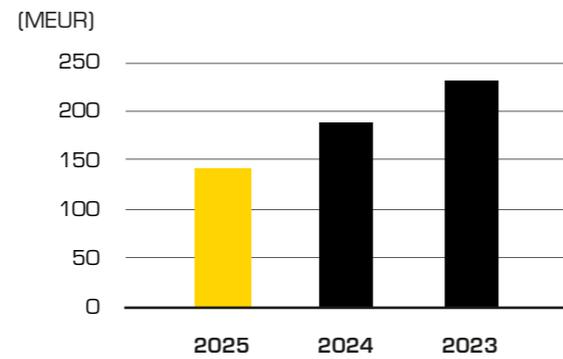
INTEREST-BEARING LIABILITIES



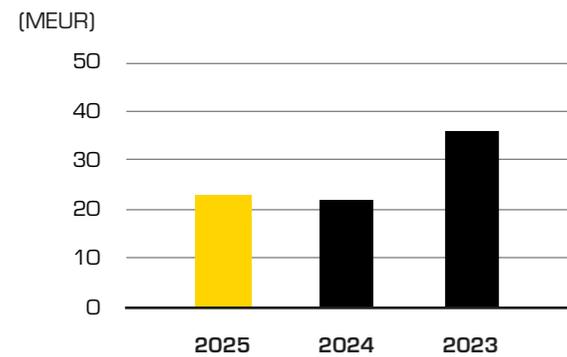
EQUITY RATIO



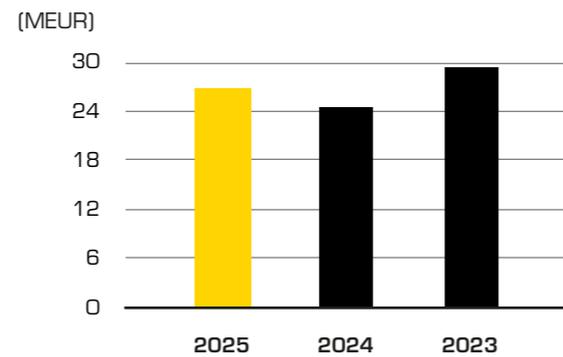
ORDER BOOKS



GROSS CAPITAL EXPENDITURE



R&D EXPENDITURE



SUSTAINABILITY REPORT

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GENERAL INFORMATION

Summary of material impacts, opportunities and risks

E1 – Climate change	
Positive impacts	<ul style="list-style-type: none"> Efficient harvesting planning is supported by solutions and services that can reduce in-service emissions from forest machines. Improving the efficiency of forest machines, regardless of the energy source.
Negative impacts	<ul style="list-style-type: none"> Ponsse's own and value chain emissions, most notably during the operations of forest machines, arising from fuel consumption. Harvesting affects forest carbon sinks before the next generation of trees grows.
Financial opportunities	<ul style="list-style-type: none"> Continuous development of new technologies, improvement of resource efficiency and development of operations. Demand for new innovations, such as products enabling fire extinguishing and zero-emission harvesting. Digital services and data collection developed to enhance the efficiency of harvesting.
Financial risks	<ul style="list-style-type: none"> Climate change mitigation and the transition to low-carbon operations cause significant demands and needs for reform in product and technology solutions.
E4 – Biodiversity and ecosystems	
Positive impacts	<ul style="list-style-type: none"> PONSSE forest machines based on the cut-to-length method are suited to different forest management practices, enabling wood raw material to be used as efficiently as possible with minimal waste. PONSSE forest machines can be equipped with map software that helps operators detect sensitive forest nature areas or mark specific sites on the map.
Negative impacts	<ul style="list-style-type: none"> The use of forest machines has impacts on nature, such as trails, soil compaction and erosion.
Financial opportunities	<ul style="list-style-type: none"> The CTL harvesting method creates a competitive advantage. Developing innovative products and services that promote sustainable forest management and protect the natural environment, such as solutions for verifying the sustainability and biodiversity of wood raw material.
E5 – Resource use and circular economy	
Positive impacts	<ul style="list-style-type: none"> Reducing the consumption of resources and materials by providing refurbished and reused spare parts. The life cycle of a forest machine is extended through comprehensive maintenance services.
Negative impacts	<ul style="list-style-type: none"> Materials and natural resources are consumed in the manufacture of machines.
Financial opportunities	<ul style="list-style-type: none"> Making use of and developing the circular economy in business operations creates new markets and resource efficiency. Product design in line with the circular economy, such as reduced resource use and a modular product structure.

S1 – Own workforce	
Positive impacts	<ul style="list-style-type: none"> Equal treatment and respect for diversity and human rights promote employees' wellbeing at work and working capacity. Employee training, job rotation, work culture and good supervisory and leadership work have a positive impact on employees' working capacity and wellbeing at work. Promoting mental and physical safety in the workplace community improves working conditions and wellbeing at work.
Financial opportunities	<ul style="list-style-type: none"> A strong employer brand and the availability and commitment of skilled personnel improve Ponsse's employer image and performance. Good team spirit, value-based operations and good occupational safety results improve employees' efficiency and Ponsse's performance.
S4 – Consumers and end-users	
Positive impacts	<ul style="list-style-type: none"> The occupational safety and work efficiency of forest machine operators can be affected by, for example, improving work ergonomics, access routes and service platforms around the machine. Improving the safe and responsible use of forest machines through product and operational training and safety communication.
Financial opportunities	<ul style="list-style-type: none"> Ponsse has developed product solutions and operator assistance solutions that are suitable for a wide range of users, and that support the responsible work of operators, improving the demand for products and services. New sustainable innovations create value for society and new business opportunities for Ponsse.
Financial risks	<ul style="list-style-type: none"> Changes in consumer behaviour can cause fluctuations in demand and affect the price level of products.
G1 – Business conduct	
Positive impacts	<ul style="list-style-type: none"> Ponsse's Code of Conduct and other guidelines supporting ethical business practices. The opportunity to report misconduct supports responsible business conduct and reduces risks. Ponsse's sustainability work and suppliers' sustainability commitments strengthen an ethical corporate culture and trust in the supply chain. Ponsse creates regional wellbeing and promotes local vitality and employment. Taking sustainability into account as part of the company's strategy and risk management work.
Financial opportunities	<ul style="list-style-type: none"> Ponsse's activities as a responsible corporate citizen strengthen the company's reputation and create a competitive advantage. A significant proportion of Ponsse's subcontractors and supply chain are local operators, which creates flexibility and efficiency in business operations and improves delivery reliability. Close and long-term cooperation with the supplier network ensures product quality, operational flexibility and competitive price levels.

ESRS 2 – Disclosure requirement	Relevant ESRS section
IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	ESRS E1 Climate change (standard, paragraphs 20–21) <ul style="list-style-type: none"> Heading: Assessment and identification of material impacts, risks and opportunities ESRS E4 Biodiversity and ecosystems (standard, paragraphs 17–19) Heading: Assessing and identifying material impacts, risks and opportunities Heading: Sites in the vicinity of biodiversity-sensitive areas ESRS E5 Resource use and circular economy (standard, paragraph 11) Heading: Assessment and identification of material impacts, risks and opportunities ESRS G1 Business conduct (standard, paragraph 6) Heading: Assessing and identifying material impacts, risks and opportunities

Business sustainability

Strategy

Ponsse aims to be a world leader in sustainable harvesting solutions representing the cut-to-length method, and the preferred partner in sustainable forestry in all its market areas. Customer orientation and close collaboration with customers guide product and service solutions that create added value in day-to-day harvesting operations.

Ponsse's innovations and solutions are developed based on not only customers' needs, but also the opportunities offered by new technologies. An open culture of innovation, experimentation and networking accelerate the introduction of new solutions to the market.

New innovations and operating methods derive their direction and opportunities from sustainable development, which supports the company's social and financial success. Ponsse aims for carbon neutrality in both its operating activities and the solutions it offers. At Ponsse, the carbon neutrality target means that the company strives for zero emissions in terms of PONSSE products and operations in its business operations and product development.

The implementation of the strategy requires Ponsse to identify the sustainability needs of customers and forestry. The company has assessed that one of the key challenges affecting its sustainability strategy is technological development. Climate change mitigation and the shift towards low-carbon operations require advances in product and technology solutions, as the use of forest machines accounts for most of the company's carbon footprint. In addition, managing the emissions and material data of purchased products requires more detailed information and collaboration across the value chain. Ponsse systematically advances its sustainability programme and engages its personnel and stakeholders in achieving shared sustainability targets.

The focus areas of Ponsse's sustainability work are linked to business development, employee wellbeing, innovation and cooperation with customers. Targets are defined in the strategy process using the annually reviewed double materiality assessment, which evaluates both the company's impacts on the environment and the significance of sustainability factors for the business.

Sustainability priorities

Key long-time targets include promoting people's wellbeing, innovating sustainable solutions that respect nature, developing operations with the natural environment in mind and being a reliable partner that values community. The key focuses of the company's sustainability work are integrated into its strategy and the function-specific programmes that support the strategy.

In line with its target of promoting people's wellbeing, Ponsse wants to be an equal and inclusive workplace community where it is safe to work. This means that Ponsse employees value one another and take care of one another, their customers and their network. PONSSE forest machines, which are safe and ergonomic for their users, are key drivers of product development.

In line with its target for products and services, Ponsse works to innovate sustainable solutions that respect nature. Ponsse's product and service solutions must enable sustainable forestry. Ponsse bears responsibility for the machine life cycle and extends it through excellent maintenance services. The aim is to develop solutions that promote the circular economy and reduce the environmental impact of the machine.

Ponsse develops its operations taking the natural environment into account. Ponsse continuously seeks to better know and identify the environmental impacts of its operations and to act systematically to improve them. In its operations, the company seeks carbon neutrality and material efficiency.

In line with its community-related target, Ponsse's fourth focus area for sustainability work is to be a reliable partner that values community is an asset. Honesty, ethics, and communality are at the core of the Ponsse spirit. Good corporate governance and the Code of Conduct steer the company to treat people equally, conduct sustainable business and engage in confidential cooperation. Community work is important to Ponsse in all its areas of operation.

Business model

Ponsse Plc specialises in the sale, production, maintenance and technology of cut-to-length method forest machines, and is driven by a genuine interest in its customers and their business operations. Ponsse develops and manufactures sustainable and innovative harvesting solutions based on customer needs. Throughout its history, the value-driven family business established by forest machine entrepreneur Einari Vidgren has focused on cut-to-length forest machines. The product range covers all forest machine sizes, from first thinning to regenerative logging, and all harvesting conditions, from soft terrains to steep slopes.

Ponsse is a globally leading forest machine manufacturer. The estimate is based on customs statistics and registration data. All PONSSE forest machines and their key components have been manufactured in the company's domicile in Vieremä since its foundation in 1970. The company's customers include logging companies and forest companies that own forest machines, and its market segments in accordance with its global business model are the Nordic and Baltic countries, Central and Southern Europe, South America and North America, as well

as Asia, Australia and Africa. The company sells its products in 37 different countries, and its service network consists of 12 country organisations and 30 dealers around the world. Exports account for around 75% of the company's business operations annually. The number of personnel by geographical area is reported in the metrics table under *S1 – Own workforce*.

The functionality and safety of PONSSE forest machines is ensured by Ponsse's maintenance business. The company's international maintenance service network includes more than 2,200 maintenance service experts and 210 maintenance service centres. The efficient and comprehensive service offering close to customers shortens the maintenance times of forest machines and enables more productive operating hours for forest machines.

Information system solutions for PONSSE forest machines enable the maximum use of the value of timber from the forest and accurate reporting. Information system solutions are also used for operator assistance functions, which enable the operator to focus on high quality and safe work. In addition, the data from the machines is used to guide the economical operation of the machine and to manage maintenance and machine transfers. The company has a product development department specialising in the software design of forest machine information systems. Ponsse's information system equipment is manufactured by Epec Oy, a subsidiary owned by Ponsse, which is a system supplier specialising in advanced electronics and software for heavy-duty equipment and utility vehicles, electrical transmission systems, and assistive and autonomous systems. Epec's headquarters and production are located in Seinäjoki, Finland.

Ponsse was listed on the stock exchange in 1995, and its shares are listed on Nasdaq Helsinki Ltd.

Value chain

Ponsse's upstream value chain consists of the extraction and processing of materials and the manufacture of components. Own operations consist of the manufacture, sales and marketing of forest machines, as well as maintenance. The downstream value chain includes the use of forest machines, as well as forest management and wood processing.

The key operators in Ponsse's upstream value chain include suppliers and subcontractors who manufacture products for PONSSE forest machines using raw materials and other resources. They are also responsible for delivering parts and materials to Ponsse's factory and logistics center in Vieremä in accordance with Ponsse's production and order schedules. The key operators in Ponsse's downstream value chain include customers and users of PONSSE forest machines. The company's customers are mainly harvesting companies

and forestry companies that own forest machines, to which Ponsse sells and markets harvesting technology based on the cut-to-length method, and supports customers' business operations with services and training that support PONSSE forest machines.

The role of customers is important throughout Ponsse's value chain, as customers are also closely involved in the development of the company's products and services. The company also engages in continuous dialogue with other operators in the forestry sector to ensure that its products broadly meet the needs of the industry. Ponsse actively collaborates in technology development with educational institutions, companies and research institutes. Ponsse's value chain and its key functions are described in the figure on page 54.

BASIS FOR PREPARATION

Ponsse's Sustainability Report has been prepared in accordance with the requirements of the Accounting Act and the sustainability reporting standards (*European Sustainability Reporting Standards, ESRS*). The preparation complies with the regulations in force on 31 December 2025.

The Sustainability Report has been prepared at the level of the Ponsse Group as a whole, and the scope of consolidation is the same as in the financial statements. If only a certain part of the Group has been taken into account in one of the topics of the Sustainability Report, this is clearly indicated. The sustainability information has been reported for the period 1 January to 31 December 2025.

In preparing the Sustainability Report, the whole of Ponsse's value chain has been taken into account. The value chain covers the upstream and downstream value chain, in addition to Ponsse's own operations. For a more detailed description of the value chain, see pages 51-54.

The Sustainability Report and the reporting on material sustainability topics are based on Ponsse's double materiality assessment, which has identified and prioritised the most important financial, social and environmental sustainability topics that have the greatest impact and strategic value in the company's business operations in the short and long term. For a more detailed description of the double materiality assessment, see pages 61-63. The basis for preparation for the material sustainability topics is described in the section concerning each reported sustainability topic.

Ponsse has no reportable information related to specific circumstances under ESRS BP2 other than its adjusted Scope 2 emissions, which are presented in section "*E1 – Climate Change*". To ensure comparability and transparency, the company has retrospectively adjusted the location-based Scope 2 emissions data reported for 2023-2024, as an error was detected in the figures for previous reporting periods. If any calculation principles for other standard-specific disclosures are further specified in the 2025 reporting, they are presented under *Calculation principles for targets and metrics* for each respective standard.

The Sustainability Report data has been assured in accordance with the ISA 3000 standard by an external assurance provider, KPMG Oy Ab. The assurance statement is presented on page 179. The data for the 2023 base year presented in the Sustainability Report has not been assured by a sustainability auditor.

HOW PONSSE CREATES VALUE

Resources

Expertise

- Global network: 2,200 employees, 12 country organisations, 30 dealers, 210 maintenance service centres
- Employees' extensive experience and capability to produce high-quality expert services and innovations
- A strong value-based corporate culture and a global operating model
- Customer-oriented sales, maintenance and product development
- Excellence in day-to-day work
- IP and patents

Production and supply chain

- Manufacture of PONSSE forest machines in Vieremä, Finland
- State-of-the-art production and a flexible supply chain
- Technology company Epec in Seinäjoki, Finland

Natural resources

- Largest raw material groups: steel, steel and iron casting and rubber
- Fuel is used for vehicles and product testing
- Water is only used for washing forest machines

Cooperation

- Cooperation with customers in product and service development
- Long-term technology and supplier partnerships
- Sustainable financing solutions
- Continuous cooperation with operators in the forest industry
- Cooperation with educational institutions and training programmes
- Open and trust-based stakeholder relationships

Financial capital

- Stable long-term growth and performance history
- Strong family ownership: 63% of shares
- Focus on the growing cut-to-length market
- Growing service offering and customer base in maintenance services

Corporate reputation and brand

- Market position as one of the world's largest manufacturers of cut-to-length forest machines

Business model

Ponsse Plc specialises in the sale, production, maintenance and technology of cut-to-length method forest machines, and is driven by a genuine interest in its customers and their business operations. Ponsse develops and manufactures sustainable and innovative harvesting solutions based on customers' needs.

Vision

We are the preferred partner in sustainable forestry

Values

We truly care; We work for customers;
We are honest; We are open for renewal

Distribution of net sales

- Machine sales 75%
- Maintenance services 22%
- Systems solutions 3%

Cut-to-length method (CTL)



1. A PONSSE harvester fells the stem and processes it into assortments.



2. A PONSSE forwarder transports each assortment to its pile on the roadside.



3. A logging truck transports the assortments to their relevant processing plants.



4. Further processing at a sawmill or a plywood, pulp or bioproduct mill, for example.

Operating segments

Nordic and Baltic countries, Central and Southern Europe, South America, North America and Asia, Australia and Africa.

Results

Product and service solutions

- Products and services that enable sustainable forestry
- Maintenance services to ensure forest machine productivity and long life cycle
- Operator assistance systems and data use
- Epec information system solutions for heavy-duty machines and utility vehicles
- Training services supporting the economical and productive use of forest machines

Personnel

- Employee experience 34 eNPS
- Lost time injury frequency 6.9 LTIF
- Quality of managerial work 3.35 (on a scale from 1 to 4)
- New Code of Conduct and training

Workers in the value chain

- 97% of suppliers committed to the Code of Conduct

Financial performance

- Stable share price and dividend
- Stabilised proportion of investments in net sales
- Taxes paid EUR 10.2 million, salaries and wages EUR 120.4 million, payments to suppliers and subcontractors EUR 362.2 million

Waste and water

- 62.6% of waste recycled. The largest waste fractions are wood and hazardous waste.
- Most of the wastewater is discharged into the municipal wastewater network

Climate

- Electricity and heat used in own operations: 92.0% renewable energy and nuclear power
- Use of products is the most significant source of GHG emissions

Biodiversity and ecosystems

- Minimising the environmental impacts of harvesting through innovations

Impacts and solutions

Climate

- Electric PONSSE EV1 forwarder concept
- Testing fossil-free steel
- Developing the energy efficiency of forest machines and exploring alternative energy sources
- Developing remote diagnostics for maintenance services
- Scope 1 & 2 GHG emissions -6% since 2023, introduction of biogas in production
- Scope 3 GHG emissions -27% since 2023

Biodiversity and ecosystems

- Forest machines based on the cut-to-length method and suitable for different harvesting methods
- Positioning technologies such as a precision positioning solution and a thinning efficiency identification concept
- Data- and map-based stand design
- Minimising trails and erosion through technical solutions
- Training on the cut-to-length method and environmental impacts

Resource use and circular economy

- Refurbished and reused spare parts [Reman business]
- Maintenance services and refurbishment of used machines to extend product life cycle
- Material efficiency and research on alternative materials
- Packaging design and circulated packaging
- Optimising the recovery of wood raw material using the cut-to-length method

Own workforce

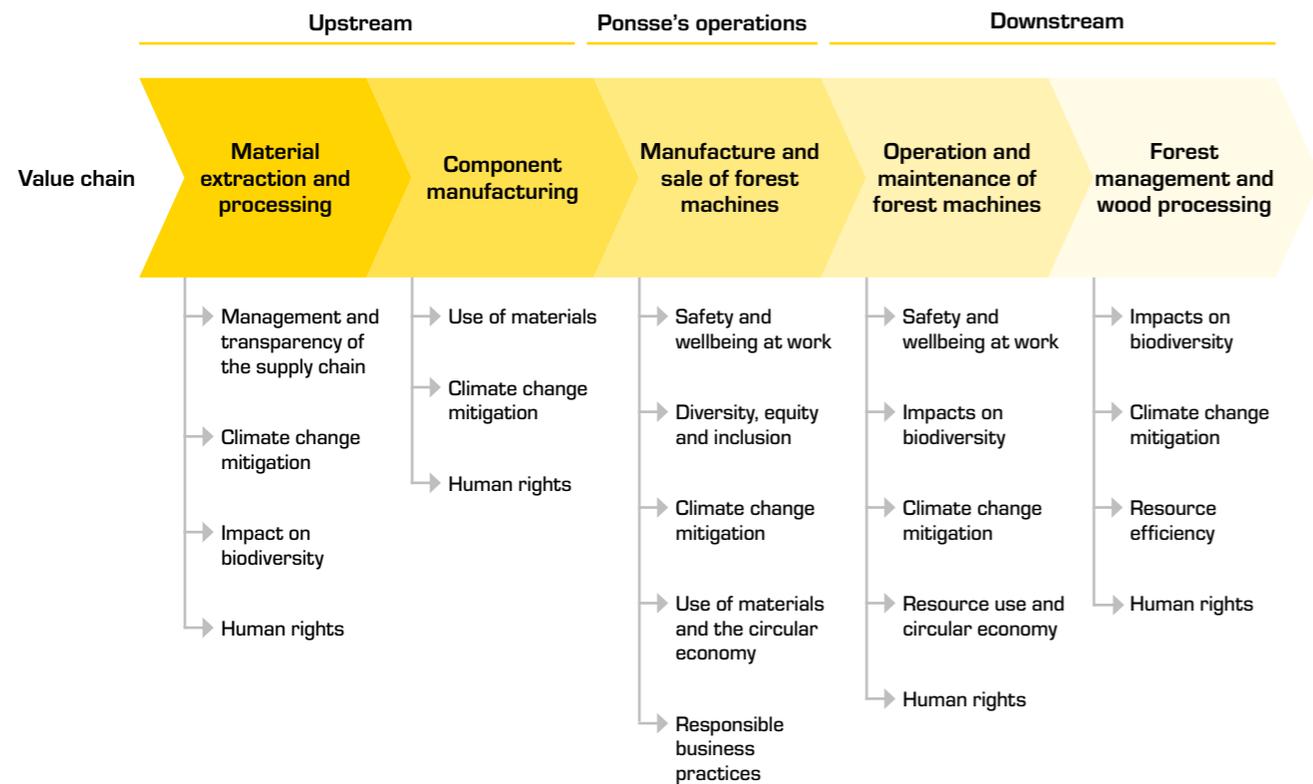
- Physically and psychologically safe working environment
- Equal treatment and equal opportunities
- Training and career opportunities

Consumers and end users

- Harvesting solutions that meet customers' needs
- Safe and ergonomic forest machines
- Functionalities that reduce cognitive load on the operator

Business conduct

- Commitment to ethical ways of working
- Finland's 2nd most reputable company in the Reputation&Trust survey; 1st place in the assessment by private investors
- Strengthening regional wellbeing
- Sustainability as part of strategy and risk management
- Local procurement: 67.4% of purchases in Finland



Sustainability management at Ponsse

Ponsse's shareholders, Board of Directors and management are committed to promoting sustainability. Ponsse's administrative, management and supervisory bodies consist of the company's Board of Directors, CEO and Management Team. The company's Board of Directors is its highest governing body responsible for sustainability. The Board is provided with regular updates on the company's sustainability work and opportunities related to corporate responsibility, and approves relevant key policies and guidelines. The Board of Directors confirms the information contained in the Sustainability Report as part of the Board of Directors' Report.

The Board deals with sustainability matters in an integrated manner as part of other processes and business reviews, and assesses the company's sustainability strategy and key sustainability work priorities. As a separate theme, the Board also discusses the target set in the company's business strategy to work towards carbon-neutral product solutions and operations and make related investments, for example. Ponsse's Board of Directors has had an expert in strategic corporate responsibility since spring 2023. Responsibility is an integral part of Ponsse's business strategy.

Board composition and diversity

The members of Ponsse's Board of Directors are required to have sufficiently diverse expertise and the ability to carry out their tasks effectively. Key factors include that their education and experience supplement those of other members. When considering the number of members, there is a focus on Ponsse's operational goals and the resulting requirements: the number of members must be relative to the company's size, line of business, market position and development stage. In addition, the shareholders' opinions must be addressed.

Diversity in the Board of Directors promotes an open culture of discussion and the ability to adopt an open approach to innovative ideas. Diversity is supported by the consideration of the age and gender distribution, educational backgrounds, as well as work and international experience. It benefits the company as a whole that individuals whose skills, backgrounds and views differ are appointed as members of the Board. This ensures the development of business operations and sustainability work, as well as good corporate governance.

In 2025, both genders were represented on Ponsse's Board of Directors, and two of the seven members of the Board were women (29%). In addition to forest and industry expertise, the

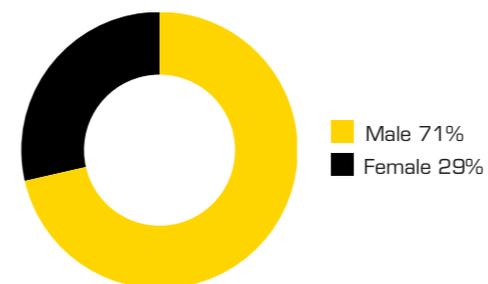
Board member	Gender	Member of the Board since	Training and position	Independent of the company	Independent of the company's significant shareholders
Jarmo Vidgren	male	2020	Commercial College Graduate in Marketing Chairman of Ponsse Plc's Board	No	No
Mammu Kaario	female	2010	Master of Law with court training, MBA Board professional Deputy Chairman of Ponsse Plc's Board	Yes	Yes
Terhi Koipijärvi	female	2023	M.Sc., Forestry and Forest Products Marketing Miltton Finland, Senior Advisor, Corporate responsibility and strategy Ponsse Plc, Board Member	Yes	Yes
Matti Kylävainio	male	2016	M.Sc. (Econ.) Keitele Timber Oy, Chief Executive Officer Ponsse Plc, Board Member	Yes	Yes
Ilpo Marjamaa	male	2022	M.Sc., Production Systems and Technologies Ponsse Plc, Board Member	Yes	Yes
Juha Vanhainen	male	2018	M.Sc., Process Technology Ponsse Plc, Board Member	Yes	Yes
Juha Vidgren	male	2025	Master of Pedagogy Ponsse Plc, Board Member	No	No

Sustainability expertise of the Board members

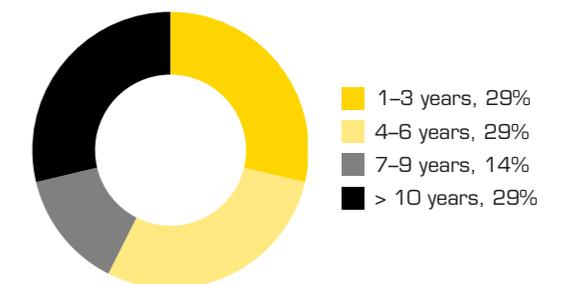
Sustainability topic	ESRS standard	Level of expertise
Sustainable forestry	ESRS2, E1, E4, E5	5/7
Climate change	E1	4/7
Biodiversity and ecosystems	E4	2/7
Resource use and circular economy	E5	3/7
Human rights, diversity and sustainable working life	S1	4/7
Customer and end-user knowledge	S4	5/7
Social responsibility and stakeholder cooperation	S3, S4	5/7
Business ethics and good governance	G1	7/7
Ethical procurement and supply chain management	G1	3/7

The sustainability expertise of the Board members is based on their self-assessment of sustainability competencies.

GENDER DISTRIBUTION IN THE BOARD OF DIRECTORS



YEARS SERVED ON THE BOARD



Board members' educational and professional backgrounds covered finance, legal affairs, technology, international operations, strategy, sustainability, and sales and marketing.

According to recommendation 10 of the Corporate Governance Code, the majority of Board members must be independent of the company. Of the Board composition elected by the 2025 Annual General Meeting, all members were independent of the company except for Jarmo Vidgren

and Juha Vidgren, who served as consultants to the company during 2025. Five of the seven Board members are also independent of the company's significant shareholders (71%).

There are no separate committees in the company's Board of Directors, but the Board of Directors jointly deals with and is responsible for all matters to be decided on. The presentations of the Board of Directors and the Group Management Team can be found on the company's website.

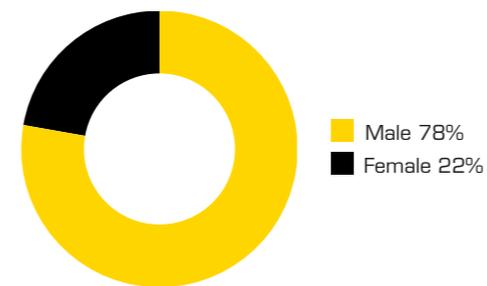
Management Team member	Gender	Member of the Management Board since	Training and position
Juho Nummela	male	2005	Dr. Tech. President and CEO
Petri Härkönen	male	2009	M.Sc. (Tech.) CFO and Deputy to the CEO
Juha Inberg	male	2009	Dr. Tech. Chief R&D and Technology Officer
Tiina Kautonen	female	2023	Bachelor of Business (BSc) Chief People, Safety & Culture Officer
Marko Mattila	male	2020	Forestry Engineer, MBA Chief, Sales, Service & Marketing Officer
Tapio Mertanen	male	2010	Technician (technical college), MTD Chief Service Business Officer
Katja Paananen	female	2023	MA Chief Responsibility Officer
Miika Soininen	male	2020	Student of Technology Chief Digital Officer
Tommi Väänänen	male	2013	B. Eng. Chief Operations Officer

Sustainability expertise of the Management Team members

Sustainability topic	ESRS standard	Level of expertise
Sustainable forestry	ESRS2, E1, E4, E5	5/9 ●●●●●○○○○
Climate change	E1	2/9 ●●○○○○○○○○
Biodiversity and ecosystems	E4	2/9 ●●○○○○○○○○
Resource use and circular economy	E5	4/9 ●●●●○○○○○○
Human rights, diversity and sustainable working life	S1	4/9 ●●●●○○○○○○
Customer and end-user knowledge	S4	6/9 ●●●●●●○○○○
Social responsibility and stakeholder cooperation	S3, S4	5/9 ●●●●●○○○○○
Business ethics and good governance	G1	7/9 ●●●●●●●○○○
Ethical procurement and supply chain management	G1	7/9 ●●●●●●●○○○

The sustainability expertise of the Management Team members is based on their self-assessment of sustainability competencies.

MANAGEMENT TEAM GENDER DISTRIBUTION



Management Team composition and diversity

The Group's President and CEO is responsible for ensuring that corporate responsibility is included in the company's strategy and risk management processes. The Group's Management Team is in charge of function-specific sustainability goals, their monitoring and achievement, and the identification of operational risks and opportunities associated with sustainability. The Group Management Team has a Chief Responsibility Officer, who regularly reports on the progress of sustainability work at the weekly and monthly meetings of the Management Team. The progress of the targets related to the strategy is monitored in separate management reviews.

Ponsse's environmental steering group, which consists of members of the Group Management Team and the company's environmental experts, meets quarterly to review measures related to the promotion, implementation and monitoring of environmental targets.

The company has a cooperation management team, where employees are represented by shop stewards from different personnel groups. More information about the cooperation management team is provided on page 94.

Sustainability-related internal control and risk management

Ponsse's risk management and internal control processes follow the principles of the COSO framework. The Company's internal control and risk management processes related to sustainability reporting provide sufficient assurance on the reliability of reporting and ensure compliance with the applicable laws and regulations. The primary responsibility for determining the operating principles and organising control rests with the company's Board of Directors.

Ponsse's internal control involves strategic and realistic operational and financial planning, as well as continuous

assessment and responses to deviations. Internal control is an integral part of the company's operating activities, including all operating methods that ensure the efficiency, cost-effectiveness and overall effectiveness of operations. Based on the Group's risk assessment, the Board annually determines the focus areas of audit activities in cooperation with Internal Audit. Internal auditors report to the Board of Directors on the audit results twice a year and cooperate regularly with the CEO and other senior management on the basis of the findings and recommendations of the audit work. In terms of sustainability reporting, internal control is based on sustainability risk identification and analysis and the related control measures.

At Ponsse, risk management means management system procedures that identify and assess uncertainties related to Ponsse Group's operations, prepare for risks and seize opportunities. The objective of the risk management process is to support the achievement of the targets determined in the company's strategy and to secure the company's financial performance, sustainable development and business continuity.

Ponsse's risk management aims for a comprehensive and practical approach. The focus of risk management is on prevention, where material risks are identified and assessed, and their materialisation is prevented. Decisions on measures are made based on probabilities and impacts. The primary means of risk management include risk avoidance, mitigation, transfer and controlled acceptance. The risk management process also includes the continuous assessment and monitoring of risks.

The company's management identifies and assesses the key business risks that are presented to the company's Board of Directors as part of the annual strategy process. The internal audit, financial audit and sustainability reporting audit functions also assess their observations comprehensively and may bring identified risks to the attention of the Board or other management when actions are required.

Sustainability risks are identified in function-specific risk assessments and as part of the Group's strategy process. The company's material sustainability risks are reviewed annually in the double materiality assessment and in the climate risk assessment. In addition to these, the company carried out a separate human rights impact assessment in 2023. The company will promote the integration of key sustainability risks into the overall assessment of business risks. As part of the company's annual strategy process, the Board of Directors reviews and approves the double materiality assessment, which forms the basis for Ponsse's sustainability reporting and guides the company's operations, as well as the sustainability weightings of resources.

Ponsse's assessments cover risks related to own workforce, the environment, consumers and end-users, as well as business operations. Ponsse has not identified material sustainability reporting risks related to data completeness, integrity, accuracy of estimation results, data availability or timing. In 2025, the company implemented an ESG reporting system that supports the availability, completeness and integrity of sustainability data, as well as sustainability management.

Integration of sustainability-related performance in incentive schemes

The remuneration of Ponsse's governing bodies is based on the remuneration policy. The purpose of Ponsse's remuneration policy is to align the objectives of shareholders, the Board of Directors, the CEO and the personnel in order to increase shareholder value in the long term. In preparing the remuneration policy, the Board of Directors has taken into account the views of the shareholders and the company's needs to attract, engage and motivate the senior management to implement Ponsse's business strategy.

Remuneration at Ponsse is based on the following key principles:

- The interests of shareholders, the Board of Directors, the CEO and employees are aligned
- Remuneration is based on performance and transparency
- Remuneration attracts and commits employees to the company
- Remuneration is linked to sustainability as part of the company's strategy

The purpose of remuneration is to encourage the achievement of the strategic targets confirmed by the Board of Directors both in the short term (short-term incentives) and in the long term (long-term incentives).

The remuneration of the members of the Board of Directors is determined by the Annual General Meeting. The remuneration of the members of the Board of Directors consists of the Board of Directors' fees, which may be fixed monthly or annual fees, meeting fees and other fees determined by the Annual General Meeting. The remuneration of the Board of Directors is not tied to the company's performance or sustainability targets.

The terms and conditions of the CEO's employment are determined by the company's Board of Directors. As a rule, the same principles and practices of remuneration are applied to the remuneration of the CEO as to the remuneration of the Management Team and other Ponsse employees, although the remuneration of the CEO differs quantitatively because of the demanding responsibilities associated with the task. The CEO's

remuneration consists of a fixed basic salary, fringe benefits and other financial benefits, variable remuneration, such as a short-term performance bonus and a long-term incentive scheme, as well as supplementary pension arrangements.

In 2025, the short-term performance bonus targets for the CEO and the Management Team were based on indicators related to the following aspects: working capital % (weighting 20%), cash flow from operating activities, EUR (30%) (total weighting of working capital efficiency: 50%), the company's profitability, EBIT % (30%), employee experience, eNPS (10%) and lost time injury frequency, LTIF (10%). The annual performance bonus cannot exceed 50% of the salary paid in the previous year.

In 2025, the company's Board of Directors decided on a performance-based shareholding plan for the CEO for 2025–2027. The shareholding plan takes into account social sustainability targets, which include employee experience (eNPS, 10%) and lost time injury frequency (LTIF, 10%). In addition to the CEO, the shareholding plan also applies to other employees covered by the programme.

So far, climate-related targets have not been taken into account in the remuneration of administrative, management and supervisory bodies. The remuneration policy is published on the company's website.

Sustainability due diligence process

In its operations, Ponsse follows due diligence to identify, prevent, reduce and stop actions that cause negative human rights and environmental impacts in the company's value chain.

Ponsse's management monitors the implementation of the due diligence obligation and the effectiveness of the related measures, ensuring that the company's processes and operating methods are in line with regulations, standards and the company's Code of Conduct. The management sets targets to fulfil the due diligence obligation and creates metrics to monitor the fulfilment of the obligation. The progress of strategic measures and targets and changes in the operating environment are monitored quarterly in strategy reviews. Measures related to operating activities are monitored at weekly and monthly management meetings in accordance with the principles of continuous improvement.

In 2026, the due diligence process will be further developed to meet the growing sustainability requirements. A key focus of the development work is the identification of risks and impacts in the upstream value chain. The aim is to create a more systematic operating model that covers the initial stages of the supplier network and improves transparency throughout the value chain. The key elements of the due diligence process are described in the following table.

Key elements of the due diligence process		Paragraphs in the Sustainability Report
Embedding due diligence in governance, strategy and the business model	Sustainability is integrated into Ponsse's business development, and the company's management monitors sustainability targets and the related risks and opportunities. Ponsse's good governance, management systems and operating principles guide the company in exercising due diligence in its operations.	<ul style="list-style-type: none"> • ESRS2 – General disclosures <ul style="list-style-type: none"> • Sustainability governance • Sustainability strategy • Managing material impacts, risks and opportunities • G1 – Business conduct <ul style="list-style-type: none"> • Corporate culture • Business conduct policies
Interaction with affected stakeholders during all key phases of the due diligence process	<ul style="list-style-type: none"> • Active dialogue with stakeholders • Whistleblowing channel for reporting concerns • Process for handling customer feedback • Customer and personnel surveys • Stakeholder interviews 	<ul style="list-style-type: none"> • ESRS2 – General disclosures <ul style="list-style-type: none"> • Interests and views of stakeholders • G1 – Business conduct <ul style="list-style-type: none"> • Whistleblowing channel • S4 – Consumers and end-users <ul style="list-style-type: none"> • Engagement with consumers and end-users
Identification and assessment of adverse impacts	<ul style="list-style-type: none"> • Identification and assessment processes: <ul style="list-style-type: none"> • Human rights impact assessment • Double materiality assessment • Group risk assessment • Explanation of sites located near biodiversity-sensitive areas • Scenario work and climate risk assessment • Sustainable supply chain: <ul style="list-style-type: none"> • Sustainability assessment of new suppliers • Background checks for suppliers and customers • Audits: <ul style="list-style-type: none"> • Maintenance service and distribution network audits (ESW) • Management system audits • Production audit (PPS) • Supplier audits 	<ul style="list-style-type: none"> • ESRS2 – General disclosures <ul style="list-style-type: none"> • Managing material impacts, risks and opportunities • E1 – Climate change <ul style="list-style-type: none"> • Scenario and resilience analysis • E4 – Biodiversity and ecosystems <ul style="list-style-type: none"> • Sites near biodiversity-sensitive areas • S1 – Own workforce <ul style="list-style-type: none"> • Respect for human rights at Ponsse • Promoting occupational safety • G1 – Business conduct <ul style="list-style-type: none"> • Management systems
Measures to prevent adverse impacts	<ul style="list-style-type: none"> • Sustainable supply chain: <ul style="list-style-type: none"> • Supplier Code of Conduct • Code of Conduct for dealers and contractual service partners • Sustainability assessment of new suppliers • Background checks for suppliers and customers • Good governance: <ul style="list-style-type: none"> • Whistleblowing channel and report handling process • Management systems • Training: <ul style="list-style-type: none"> • Code of Conduct training for personnel, contract service partners and dealers • Environmental, occupational safety and equity training for personnel 	<ul style="list-style-type: none"> • G1 – Business conduct <ul style="list-style-type: none"> • Policies • Management systems • Relationships with suppliers • Whistleblowing channel • S1 – Own workforce <ul style="list-style-type: none"> • Occupational safety
Tracking and communicating the effectiveness of these efforts	<ul style="list-style-type: none"> • Audit results and follow-up • Sustainability KPI monitoring • Internal and external sustainability communication • Annual sustainability reporting 	<ul style="list-style-type: none"> • G1 – Business conduct <ul style="list-style-type: none"> • Management systems

Interests and views of stakeholders

Ponsse's main stakeholders are presented in the table below. The table describes the cooperation with stakeholders and

how the interests and views of different stakeholders affect Ponsse's business model and strategy.

Stakeholder	Cooperation with stakeholders	Impact on the company's business model and strategy
<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Customer feedback processes Customer seminars and training Product development project idea groups and product testing Measurement of customer satisfaction and willingness to recommend Events and customer visits Stakeholder interviews 	<ul style="list-style-type: none"> New innovations that promote the environmental friendliness of harvesting and the related technologies Product safety development New products, product features and services that improve forest machine productivity, cost-effectiveness, usability and ergonomics
<ul style="list-style-type: none"> Forest companies and forest owners 	<ul style="list-style-type: none"> Cooperation meetings Product development cooperation 	<ul style="list-style-type: none"> Identification of sustainable forest management needs in product and service development Development of industrial harvesting productivity and raw material optimisation
<ul style="list-style-type: none"> Personnel 	<ul style="list-style-type: none"> Personnel events Personnel training Personnel surveys Stakeholder interviews Occupational safety observations Continuous improvement initiatives Cooperation management team and cooperation with shop stewards 	<ul style="list-style-type: none"> A strong value-driven corporate culture that generates customer-focused solutions and promotes employees' wellbeing Advanced product and service solutions Production efficiency and quality Working environment safety Company reputation Business operations that are ethical and adapt to changes in the operating environment Management and development of skills and capabilities
<ul style="list-style-type: none"> Dealers and contractual service partners in the Ponsse network 	<ul style="list-style-type: none"> Cooperation and strategy meetings Process for handling customer feedback Events Training and technical advice Product development projects and product testing 	<ul style="list-style-type: none"> Customer satisfaction and sales growth Advanced product and service solutions that take market-specific customer needs and the expertise of the Ponsse network into account Increase in market knowledge
<ul style="list-style-type: none"> Subcontractors and suppliers 	<ul style="list-style-type: none"> Supplier events and meetings Product development cooperation Project cooperation Stakeholder interviews 	<ul style="list-style-type: none"> A supply chain committed to sustainable practices and their development New material solutions and product development Development of solutions based on resource efficiency and the circular economy Improving manufacturability
<ul style="list-style-type: none"> Owners 	<ul style="list-style-type: none"> Annual General Meeting Active dialogue and meetings 	<ul style="list-style-type: none"> Capital and business continuity Strategic guidance and advice A long-term vision and direction for the future Support for growth and development Company reputation and networking
<ul style="list-style-type: none"> Local communities and associations 	<ul style="list-style-type: none"> Active dialogue and meetings Involvement in the local community Sponsorship cooperation 	<ul style="list-style-type: none"> Employer and company reputation Infrastructure development Flexible facility and plot solutions Service and training offering that supports business operations Labour availability
<ul style="list-style-type: none"> Legislators and the authorities 	<ul style="list-style-type: none"> Active dialogue and meetings 	<ul style="list-style-type: none"> Financial effects such as tax payments, customs fees and employer contributions Development of environmental and product safety Rules related to employment relationships
<ul style="list-style-type: none"> Schools and educational institutions 	<ul style="list-style-type: none"> Cooperation agreements Research and development projects Traineeships and thesis opportunities Events and visits 	<ul style="list-style-type: none"> Development of operations and solutions Employees' professional development Employee availability through the Ponsse Path and Ponsse Pro training programmes, for example
<ul style="list-style-type: none"> Funding providers, investors and analysts 	<ul style="list-style-type: none"> Annual General Meeting Active dialogue and meetings Investor events 	<ul style="list-style-type: none"> Assessment of sustainability targets and risks Promoting sustainable business operations
<ul style="list-style-type: none"> Media 	<ul style="list-style-type: none"> Media events and meetings Open communication 	<ul style="list-style-type: none"> Up-to-date and transparent communication about the company's business operations and product solutions Company reputation
<ul style="list-style-type: none"> Jobseekers 	<ul style="list-style-type: none"> Recruitment events and interviews Jobseeker satisfaction measurement NPS 	<ul style="list-style-type: none"> Employer image and corporate reputation

It is essential for Ponsse to act honestly and ethically as part of the community. Good corporate governance and the Code of Conduct define how we treat people equally, conduct sustainable business and engage in good cooperation.

Trust between Ponsse and its stakeholders is based on open long-term cooperation. The aim is to understand the views and expectations of the company's key stakeholders in terms of success, and to develop the company's operations accordingly. The company engages in active dialogue with stakeholders and provides up-to-date information about the company's operations in accordance with market regulations. Ponsse's most important stakeholders are customers and Ponsse employees throughout the Ponsse network. We want to know our customers personally and take their families and stakeholders into account in Ponsse's operations. The Ponsse network refers to both Ponsse's own country organisations and its dealers, who are always treated equally alongside Ponsse's own country organisations.

Stakeholder interviews have been conducted as part of the company's double materiality assessment. The interviewees represented the following stakeholders: personnel, the authorities, owners, value chain workers and forest owners. The results of the stakeholder interviews were used in the assessment of Ponsse's impacts, risks and opportunities.

More information about stakeholder cooperation is provided under *S1 – Own workforce*, *S4 – Consumers and end-users* and *G1 – Business conduct*.

Material impacts, risks and opportunities related to sustainability and their management

Identification and assessment of sustainability topics

In 2025, Ponsse conducted a reassessment of its material sustainability impacts, risks and opportunities.

The assessment was carried out as a double materiality assessment in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) to determine the impact materiality and financial materiality related to the company's sustainability. The aim of the double materiality assessment carried out as part of the company's risk management process was to identify and assess the material impacts of Ponsse's operations on society, stakeholders and the environment, as well as the risks and opportunities related to sustainability that have financial effects on Ponsse. In addition, the aim was to support the development and strategic planning of Ponsse's sustainability work.

In the double materiality assessment, the company identifies and prioritises the key economic, social and environmental sustainability topics that have the greatest impact and strategic value in both the short and long term. Ponsse

prioritises negative impacts based on their relative severity and likelihood, and positive impacts based on their relative scope and likelihood. To build a sustainable business strategy, it is important to understand which economic, environmental and social topics the company needs to take into account and prioritise. The company's business model and strategy take into account, for example, climate change, based on which Ponsse has developed the PONSSE EV1 forwarder concept, which is based on an electric powerline.

The assessment of key sustainability topics is carried out annually in connection with Ponsse's strategy update. Impacts, risks and opportunities have been identified for both Ponsse's own operations and the upstream and downstream value chain. This is to understand which impacts arise from Ponsse's strategy and business model and which arise from the nature of its business relationships. Ponsse's value chain, as defined in the double materiality assessment, is described on page 54.

The double materiality assessment has drawn on stakeholder interviews conducted in 2022 and 2024, through which insights from internal and external stakeholders were gathered regarding the company's key impacts, risks and opportunities. In addition to own employees and value chain workers, the stakeholders interviewed included investors, customers, private forest owners and non-governmental organisations, among other groups. In 2025, Ponsse conducted stakeholder interviews to complement those carried out in previous years as part of the double materiality assessment. In 2025, the stakeholder groups interviewed included environmental engineering students, forest machine contractors, two members of the Board of Directors and an employee of the company.

The assessment of Ponsse's impacts, risks and opportunities was carried out in an internal workshop. Ponsse's positive and negative impacts were assessed based on scale, scope, remediability and probability. Financial risks and opportunities related to sustainability were assessed from the perspectives of sales, costs, investments and funding. The assessment was carried out using a scale in which the short term refers to a period of less than one year, the medium term to one to five years, and the long term to more than five years.

The double materiality assessment takes into account the ESRS standard list of sustainability matters (ESRS 1. Appendix A, AR 16). Although the double materiality assessment was carried out at the topical level, Ponsse has taken the relevant sub-topics and sub-sub-topics into account when making topical assessments. The assessment takes into account the dependencies between impacts, risks and opportunities, which are described in more detail in the topic-specific sections. The double materiality assessment has been carried out at the level of the entire Ponsse Group and takes into account all

of the Group's geographical areas, operations and business relationships. A materiality threshold has been used in the assessment of impacts, risks and opportunities. Ponsse's experts have analysed the thresholds and selected the most material impacts, risks and opportunities, which are the most severe and noteworthy for the company. We estimate that the most material impacts, risks and opportunities start from a value of three (3) on a scale of 1 to 5. A resilience analysis of the strategy and business model has not been carried out in the 2025 reporting year. Ponsse intends to carry out a resilience analysis of its strategy and business model during 2026.

Ponsse's material sustainability topics

Based on the results of the updated double materiality assessment, the following remained material sustainability topics for Ponsse: *E1 – Climate change, E4 – Biodiversity and ecosystems, E5 – Resource use and circular economy, S1 – Own workforce, S4 – Consumers and end-users and G1 – Business conduct*. Material sustainability topics are reported as part of the sustainability report.

In the double materiality assessment, we also identified impacts, risks and opportunities related to pollution, water and marine resources, workers in the value chain and affected communities. However, we estimate that the impacts, risks and opportunities related to these topics are not material in Ponsse's operations in relation to other sustainability topics.

Ponsse's impacts on pollution include, for example, oil emissions to soil and VOC emissions to the air, which are seen as somewhat significant, but affect a very limited area. Remediating oil emission is difficult in the terrain, but bio-based lubricants that are less harmful to the environment can be used in PONSSE forest machines. The financial risks arising from the topic are small and the opportunities are very small.

In relation to water and marine resources, the company's material processing operations in the upstream value chain are water-intensive, but the use of water is local and is limited to the immediate environment of the processing operations and to the water bodies in the immediate environment. Ponsse's own production and maintenance processes are not water-intensive. The financial risks and opportunities arising from the topic are estimated to be minor.

The employees of Ponsse's value chain include the employees in Ponsse's supplier and subcontracting network, as well as the employees of dealers and contractual service partners. Ponsse's impacts on workers in the value chain are local, and almost half of the company's production purchases are made within a 25-kilometre radius of the Vieremä factory. Impacts on forest machine operators are taken into account in *S4 – Consumers and end-users*. The financial risks and opportunities for workers in the value chain are estimated to be quite small.

Ponsse's negative impacts on affected communities are indirect through operations in the value chain. Value chain harvesting operations can have negative impacts on local communities, and Ponsse has no information about whether its value chain operates in Indigenous areas in South America, for example. The negative impacts are estimated to be moderate and concentrated. The financial risks of the topic are related to the factory's immediate surroundings, such as the environment and traffic safety, as well as the costs arising from these. These risks were assessed as minor.

The final results of the double materiality assessment are shown in the chart on the next page.

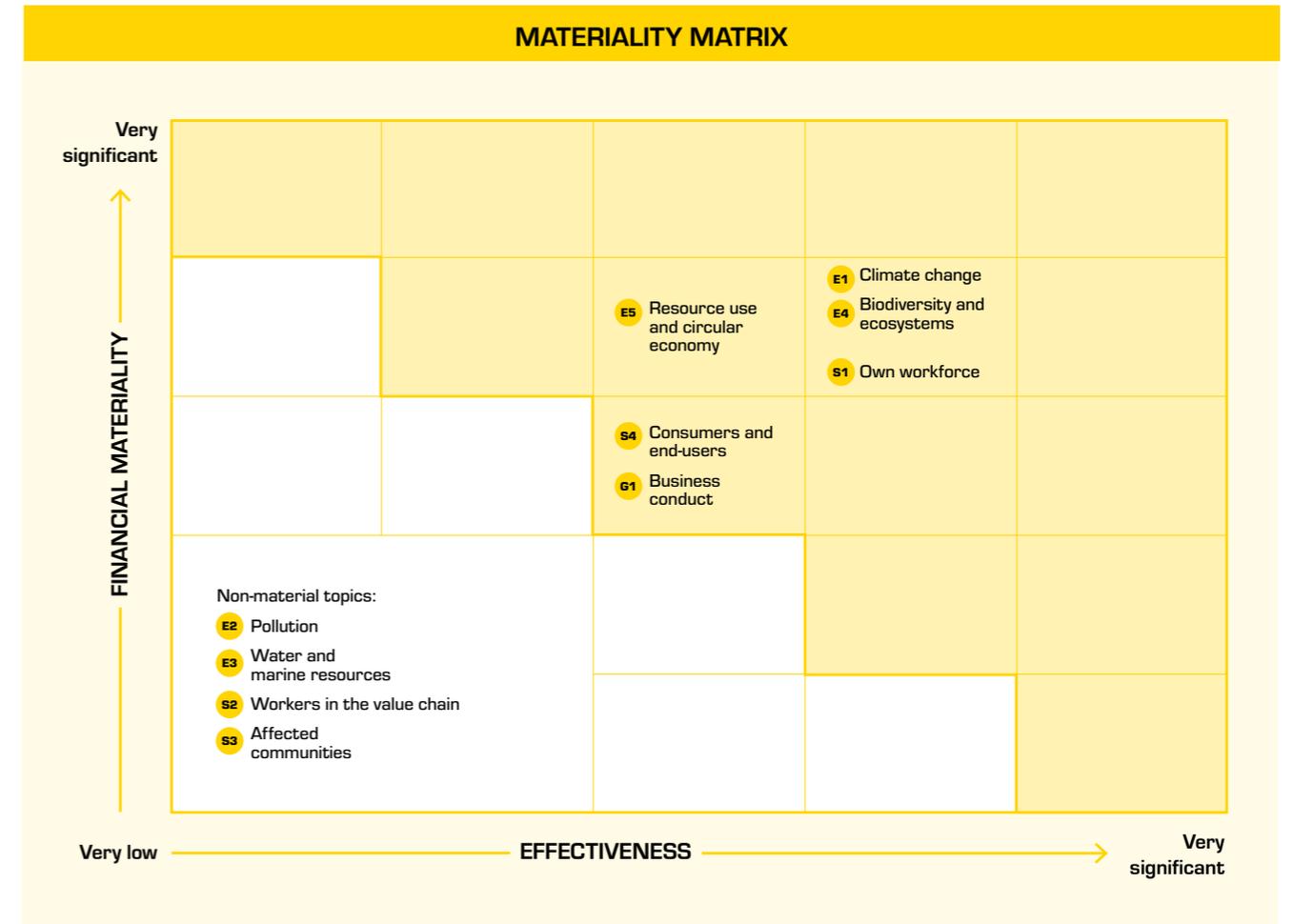
Changes in impacts, opportunities and risks

Some changes were identified in the 2025 reassessment of the double materiality assessment compared with the 2024 assessment. The assessment has been updated to meet Ponsse's current business operations, changes in the operating environment, stakeholder expectations and evolving regulatory requirements. The assessment reviewed overlaps in previous findings and clarified the overall picture. In some standards, related impacts, opportunities and risks have been combined to ensure greater consistency and reduce overlaps.

New themes emerged in the 2025 assessment, such as extending the life cycle of forest machines through comprehensive maintenance services (E5), product design in accordance with the circular economy, including reduced resource use and a product structure based on modularity (E5), and the integration of sustainability into the company's strategy and risk management work (G1). These themes reflect technological developments, the growing importance of the circular economy and the strengthening role of sustainability in business management.

At the same time, some of the impacts and risks previously assessed as material no longer meet the materiality criteria. Examples of topics no longer included are the positive impacts related to reducing packaging waste and optimising raw material use, personnel-related risks such as labour availability and the costs of developing the employer brand, as well as some of the earlier positive impacts related to nature impacts and harvesting methods. Some of these themes have been incorporated into broader topic areas, while others have been assessed as entirely non-material.

The changes are based on the updated double materiality assessment, which takes into account Ponsse's business operations and operating environment, evolving stakeholder expectations, the further specification of EU regulation and reporting requirements, and the need to clarify and harmonise previous findings.



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Report in accordance with the EU taxonomy regulation

Introduction

The EU Taxonomy Regulation, a classification system for environmentally sustainable economic activities, requires Ponsse to assess its economic activities using three different key figures. In accordance with the technical criteria set out in the Taxonomy Regulation and its climate and environmental objectives, companies within the scope of reporting must annually publish the proportion of their turnover, capital expenditure and operating expenditure associated with economic activities that qualify as environmentally sustainable.

The Taxonomy is based on regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending regulation (EU) 2019/2088 (taxonomy regulation).

Criteria for climate change mitigation and adaptation are defined in the delegated climate regulation of 4 June 2021. The delegated regulation to supplement the climate objectives was issued on 9 March 2022, and targeted amendments to the climate regulation were issued in June 2023. The delegated regulation on the environment was issued on 27 June 2023.

The Taxonomy Regulation defines six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

The European Commission has adopted Delegated Regulation (EU) 2026/73, which simplifies EU Taxonomy reporting through the introduction of the materiality concept and new reporting

tables, for example. Ponsse will apply the new delegated regulation in its Taxonomy reporting for 2025. The data for the comparison year has not been adjusted.

Interpretation of Taxonomy eligibility

Taxonomy-eligible activities mean all economic activities for which more specific technical screening criteria are established in the Taxonomy Regulation. In Taxonomy reporting, companies are required to publish information about the proportion of their turnover, capital expenditure and operating expenditure associated with Taxonomy-eligible and Taxonomy-aligned economic activities for all the six environmental objectives.

Ponsse's Taxonomy eligibility has been assessed using the descriptions of economic activities and the NACE codes provided for the financial year that ended on 31 December 2025. The assessment also covers Ponsse's subsidiaries. Ponsse's activities are in category 3.6 *Manufacture of other low carbon technologies* and cover at least the following NACE codes of the EU statistical classification of economic activities (EU 1893/2006): C22, C25, C26, C27 and C28.

Assessment of Taxonomy-aligned activities

Taxonomy-aligned activities mean that they significantly promote one or more environmental objectives, meet the specific technical screening criteria, do no significant harm to other environmental objectives, and follow the minimum social safeguards established in the Taxonomy Regulation.

The proportion of total turnover, capital expenditure and operating expenditure associated with Taxonomy-aligned, Taxonomy-eligible and non-eligible activities are presented below.

The assessment of Taxonomy-eligible and Taxonomy-aligned business activities covered the business activities carried out by Ponsse and its subsidiaries, and identified Taxonomy-eligible and Taxonomy-aligned activities.

Double counting does not present any risks, as the volume of Taxonomy-eligible activities is limited. The reported turnover is based on external income in financial reporting. Capital expenditure and operating expenditure are based on financial reporting, for which information is collected from operating

Group companies. R&D projects are monitored under separate project identifiers. Ponsse has identified that Taxonomy alignment requires more detailed human rights impact assessments in terms of the value chain.

Requirements for social sustainability

Taxonomy-aligned activities require that companies comply with the following requirements for social sustainability, to which Ponsse Plc is publicly committed in its Code of Conduct.

- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights
- The Declaration of the International Labour Organization on Fundamental Principles and Rights at Work
- The International Bill of Human Rights

Ponsse has assessed the human rights impacts of the parent company and foreign country organisations with the help of external human rights specialists. The company's Code of Conduct applies to all Ponsse people and external people, companies and organisations linked closely to Ponsse. The obligations set out in our Code of Conduct are also included in Ponsse's Supplier Code of Conduct. In its operations, Ponsse is committed to complying with good corporate governance and the local legislation and regulations of the country in which it operates. Ponsse Plc, the parent company of Ponsse Group, is listed on the Helsinki Stock Exchange (Nasdaq Helsinki Ltd.) and complies with the acts and regulations on the management of limited liability companies valid in Finland.

Turnover

The turnover defined for Taxonomy reporting has been calculated following the same principles as in the International Financial Reporting Standards (IFRS). This means that it includes all income from the sale of products and services related to the company's business activities. The total turnover presented in Taxonomy reporting corresponds to the net sales presented in the consolidated financial statements.

Ponsse has identified the following as its Taxonomy-eligible turnover:

- Turnover associated with the remanufacturing of Ponsse's spare parts
- Turnover associated with Ponsse's used machines
- Turnover associated with Epec Oy's PDU product
- Total EUR 120,827,929

Ponsse has solid expertise in the circular economy, especially in its spare parts and used machine operations. Ponsse sells and refurbishes used machines in all its market areas, and also spare parts in an increasing number of market areas.

Remanufactured and reused spare parts support Ponsse's goals to develop its material efficiency and achieve carbon neutrality.

In the 2025 Taxonomy reporting, the turnover from Ponsse's spare parts refurbishment activities has been identified as Taxonomy-eligible, falling under Taxonomy activity 5.1 *Repair, refurbishment and remanufacturing*. Ponsse's used machine operations are in activity 5.4 *Sale of second-hand goods*.

The activities of Ponsse's technology company Epec Oy are mainly based on solutions that enable the electrification of utility vehicles and heavy-duty machines, and the company's operations are considered to be partly Taxonomy-eligible. The Epec Flow Power Distribution Unit (PDU) enables the combination of electric motors, batteries and various devices. The Taxonomy-eligible turnover for the PDU product has been included in the Taxonomy reporting for 2025. The PDU product is considered to be in category 3.6 *Manufacture of other low carbon technologies*.

Capital expenditure

The Taxonomy-eligible capital expenditure includes increases in tangible and intangible assets before depreciation, impairment or changes in fair value during the financial period. The reported figures have been recognised applying the *IAS 16 Property, Plant and Equipment*, *IAS 38 Intangible Assets* and *IFRS 16 Leases standards*.

Ponsse's activities are based on the design, manufacture and maintenance of cut-to-length forest machines. The company's activities do not generate any significant emissions, but it is possible to affect emissions from the operation of forest machines through innovative R&D activities. A significant proportion of R&D investments is enabling harvesting with even lower emissions in the future.

In terms of capital expenditure, the following have been identified as Taxonomy-eligible expenses:

- Activated R&D expenses associated with the PONSSE EV1 forwarder
- Activated R&D expenses associated with Epec Oy's PDU product
- LED lighting investment costs
- Investments in cars and electric forklifts
- Investment costs for solar panels
- Investment expenses associated with electric vehicle charging stations
- Total EUR 4,514,592

In the autumn of 2022, Ponsse launched the PONSSE EV1 forwarder concept with an electric powertrain. It is still in the R&D phase, and its final emissions reduction potential is not

yet known. As part of the R&D process, a life cycle assessment (LCA) has been conducted for the machine, and its fuel consumption has been investigated in field tests. The current concept has achieved a 25% reduction in fuel consumption, and therefore emissions reductions. The concept generates significant emissions reductions through a higher fuel economy in harvesting and is a step towards zero-emission forest machines. R&D expenses consist of expenses associated with the development of the machine activated on the balance sheet, which are monitored under a separate project identifier.

In addition, the R&D expenses associated with the PDU product have been reported as capital expenses. The R&D expenses consist of expenses activated for the project, which are monitored under a separate project identifier. The R&D expenses associated with EV1 and PDU have been identified to be in activity 3.6 *Manufacture of other low carbon technologies*.

In 2025, investments were made in Ponsse's properties to improve energy efficiency, including the installation of solar panels, the replacement of regular lights with LEDs, and the installation of electric vehicle charging stations. The expenses associated with switching to LED lighting are considered to fall under activity 7.3 *Installation, maintenance and repair of energy efficiency equipment*. The investment expenses related to solar panels have been classified in activity 7.6 *Installation, maintenance and repair of renewable energy technologies*. The investments in charging stations for electric vehicles have been identified as belonging to activity 7.4 *Installation, maintenance and repair of charging stations for electric vehicles in buildings*.

The investments made in cars and an electric forklift in 2025 are considered to fall under activity 6.5 *Transport by motorbikes, passenger cars and light commercial vehicles*.

Operating expenditure

In accordance with Delegated Regulation (EU) 2026/73, the reporting of operating expenditure (OpEx) is not mandatory if the operating expenditure is not material to the company's business model or falls below the materiality threshold of 10%.

Ponsse has identified that operating expenditure includes the direct research costs of projects. Research costs are non-material in reporting, which is why Ponsse does not report a Taxonomy-eligible or Taxonomy-aligned key figure for operating expenditure, but only presents the total amount of operating expenditure.

Share of turnover, capital expenditure and operating expenditure related to products and services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – 2025 data (summary key performance indicators)

Financial year	2025	Breakdown of Taxonomy-aligned activities by environmental objective													
		Total	Share of Taxonomy-eligible activities	Taxonomy-eligible activities	Share of Taxonomy-aligned activities	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Share of enabling activities	Share of transitional activities	Activities not assessed because they are considered non-material	Taxonomy-aligned activities in the previous financial year (2024)
Key performance indicator	EUR	%	EUR	%	%	%	%	%	%	%	%	%	%	EUR	%
Turnover	749,873,847	16.1%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%
Capital expenditure	22,676,522	19.9%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	255,463	1.2%
Operating expenditure	18,666,977	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%

Share of turnover related to products and services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – 2025 data (breakdown of activities)

Reported performance indicator		Turnover															
Financial year		2025															
Economic activities	Code	Taxonomy-eligible key performance indicator (share of taxonomy-eligible turnover)	Taxonomy-aligned key performance indicator (monetary value of turnover)	Taxonomy-aligned key performance indicator (share of taxonomy-aligned turnover)	Environmental objective of Taxonomy-aligned activities										Enabling activity	Transitional activity	Taxonomy-aligned share of Taxonomy-eligible activity
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	(E, where applicable)	(T, where applicable)					
Text		%	EUR	%	%	%	%	%	%	%	%	%	%	%	%	%	
Manufacture of other low carbon technologies	CCM 3.6	0.03%	222,125	0%												0%	
Repair, refurbishment and remanufacturing	CE 5.1	0.45%	3,367,579	0%												0%	
Sale of second-hand goods	CE 5.4	15.53%	117,238,225	0%												0%	
Taxonomy-aligned total by environmental objective																	
Total key performance indicator (turnover)		16.1%	120,827,929	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	

Share of capital expenditure related to products and services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – 2025 data (breakdown of activities)

Reported performance indicator		Capital expenditure											
Financial year		2025											
Economic activities	Code	Environmental objective of Taxonomy-aligned activities											
		Taxonomy-eligible key performance indicator (share of Taxonomy-eligible capital expenditure)	Taxonomy-aligned key performance indicator (monetary value of capital expenditure)	Taxonomy-aligned key performance indicator (share of Taxonomy-aligned capital expenditure)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Taxonomy-aligned share of Taxonomy-eligible activity
Text		%	EUR	%	%	%	%	%	%	%	(E, where applicable)	(T, where applicable)	%
Manufacture of other low carbon technologies	CCM 3.6	4.83%	1,094,873	0%									0%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	13.36%	3,030,555	0%									0%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.47%	106,664	0%									0%
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.08%	17,236	0%									0%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1.17%	265,265	0%									0%
Taxonomy-aligned total by environmental objective													
Total key performance indicator (capital expenditure)		19.9%	4,514,593	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

E1 – Climate change

Material impacts, risks and opportunities related to climate change

Positive impacts	Part of the value chain	Controls and measures
Efficient harvesting planning is supported by solutions and services that can reduce in-service emissions from forest machines. (A)	Downstream value chain	<ul style="list-style-type: none"> Map solutions make it possible to optimise the use of the forest machine and to plan the trails, which improves the energy efficiency of the work. The PONSSE High-Precision Positioning solution provides location information about felled trees, which can also be used in future logging planning. Optimisation of forest machine use is taught as part of operator training: how to maximise efficiency with minimal fuel consumption. Training on switching to the cut-to-length method focuses on aspects to be taken into account in logging planning, such as productivity, the number of trips and fuel consumption minimisation. Providing data to forest machine operators and operations management to support their decisions.
Improving the efficiency of forest machines, regardless of the energy source. (P)	Downstream value chain	<ul style="list-style-type: none"> Improving energy efficiency and energy recovery has been taken into account in the product development strategy. Improving the efficiency of forest machines, including through the development of hydraulics. Technological solutions to reduce fuel consumption, such as the PONSSE EV1 electric machine concept and the PONSSE Synchronwinch solution, which reduces fuel consumption during slope work.
Negative impacts	Part of the value chain	Controls and measures
Ponsse's own and value chain emissions, most notably during the operations of forest machines, arising from fuel consumption. (A)	The whole value chain	<ul style="list-style-type: none"> Emissions reduction targets set and plans to achieve them. Implementation of emissions reduction measures in accordance with plans. Reducing forest machine fuel consumption, improving energy efficiency and developing low-emission product solutions. Ponsse is assessing the possibilities of using SSAB's fossil-free steel in its products, taking availability and pricing into account.
Harvesting affects forest carbon sinks before the next generation of trees grows. (A)	Downstream value chain	<ul style="list-style-type: none"> Ponsse manufactures, develops and sells cut-to-length forest machines, which optimise the use of wood raw material and minimise the amount of waste. Cut-to-length forest machines are also suitable for thinning and selection logging. Ponsse develops solutions to maximise the use of harvested wood up to the minimum top diameter.
Financial opportunities	Part of the value chain	Controls and measures
Continuous development of new technologies, improvement of resource efficiency and development of operations.	Own operations and downstream value chain	<ul style="list-style-type: none"> Continuous improvement of the productivity and efficiency of the current product offering. Development of operator assistance functions to improve productivity, such as PONSSE Active Crane, which helps operators improve work efficiency. Participation in project collaboration, such as the FORWARD'27 ecosystem project.
Demand for new innovations, such as products enabling fire extinguishing and zero-emission harvesting.	Own operations and downstream value chain	<ul style="list-style-type: none"> Ponsse actively interacts with customers about their needs. Developing innovative product solutions such as PONSSE Firefighting Equipment and the EV1 electric machine concept. Electrification of forest machines and its further development.
Digital services and data collection developed to enhance the efficiency of harvesting.	Own operations and downstream value chain	<ul style="list-style-type: none"> PONSSE Manager 2.0 provides information about forest machine productivity, fuel consumption and emissions. Remote diagnostics enable proactive maintenance calls and make it possible to avoid unnecessary driving related to maintenance. Developing map and navigation technologies and improving the accuracy of positioning solutions.
Financial risks	Part of the value chain	Controls and measures
Climate change mitigation and the transition to low-carbon operations cause significant demands and needs for reform in product and technology solutions.	Own operations	<ul style="list-style-type: none"> Close cooperation with customers and stakeholders ensures technological development that advances in the correct direction and meets future needs. Monitoring legislation and other industry-specific requirements. Participation in research cooperation projects and industry cooperation.

The impacts, risks and opportunities table indicates whether the impact identified is actual (A) or potential (P).

Assessing and identifying material impacts, risks and opportunities

Material impacts, risks and opportunities related to climate change have been identified as part of the company's double materiality assessment, the results of which are taken into account in the Group's risk management process. The process of identifying and assessing the material impacts, risks and opportunities related to sustainability topics is described on page 61.

Material impacts, risks and opportunities have been identified by extensively evaluating Ponsse's own operations and value chain. Available information about previous greenhouse gas emission calculations and life cycle modelling for products has been used to identify emission sources. In addition, Ponsse carried out a separate climate risk assessment to ensure that material themes are brought forward for evaluation in the double materiality analysis.

The climate risk assessment was based on responses from experts involved in environmental work across different functions and from the environmental steering group, which

includes environmental specialists as well as members of the Management Team. The mapping of climate-related risks and opportunities drew on the TCFD (Task Force on Climate-related Financial Disclosures) reporting framework where applicable. Physical risks related to own operations have been identified using the WWF's Risk Filter tool.

The only climate-related risk identified as material is the transition risk, in which climate mitigation and the shift towards low-carbon solutions create significant requirements and renewal needs for product and technology solutions. The positive impacts and opportunities related to climate change are based on the company's strategy. In the long term, Ponsse seeks to achieve carbon neutrality in its operating activities and solutions. In terms of strategic sustainability targets, the aim is to develop operations taking the natural environment into account and to innovate solutions that reduce the environmental impacts of forest machines. Sustainability guides Ponsse's business operations, giving it direction and ensuring the company's continued success in the future. Negative impacts and risks are strongly related to the business sector in which Ponsse operates.

Scenario and resilience analysis

Scenario	Low emission scenario (RCP 1.9)	Current policies scenario (RCP 6.0)	High emission scenario (RCP 8.5)
Global warming	1.5°C	3°C	4.3°C
Description	<ul style="list-style-type: none"> Significant need to reduce emissions by 2050 Stricter legislation, including regulations on the use and protection of forests Enhancing forest management to increase tree growth and carbon sequestration Replacing fossil raw materials and energy sources with renewable ones Need for technological transformation and low-emission innovations Changes in business and consumer preferences 	<ul style="list-style-type: none"> Emissions are increasing until 2080 Minor change to existing legislation Maintaining the same level of forest use and forest management intensity Increase in extreme weather events and the uneven distribution of impacts across regions Disruptions to ecosystems, infrastructure and supply chains 	<ul style="list-style-type: none"> Policies that focus solely on economic growth lead to increasing emissions Weak climate change mitigation policy and limited international cooperation Strong dependence on fossil energy sources and an increase in their use Uneven distribution of demand for and use of low-emission technologies across market areas Increased frequency and severity of extreme weather events in the medium and long term Potentially irreversible changes in climate conditions

During the reporting year, Ponsse reviewed climate change scenarios for the first time as part of its climate risk assessment. The assessment used three climate warming scenarios based on the IPCC's RCP (Representative Concentration Pathways) scenarios and the NGFS (Network of Central Banks and Supervisors for Greening the Financial System) scenario model. The impacts of the scenarios were also assessed using the WWF Risk Filter tool and other scientific reports.

Climate-related transition risks and opportunities were assessed together with experts from Ponsse's various

functions by examining the likelihood, impact and duration of transition events under a scenario in which global warming is limited to 1.5 degrees Celsius. Physical climate risks were assessed under a high-emissions scenario, taking into account the locations of Ponsse's own sites, as well as the climate conditions of suppliers and key market areas.

While the timing of impacts varies from one scenario to another, certain impacts emerge in a similar way across all scenarios reviewed. There are uncertainties related to the value chain and long-term developments, as actual political, economic and societal developments may differ from the

assumptions used in the scenarios. The selected scenarios are considered to be representative of Ponsse's risks and uncertainties. The time horizons applied in the assessment are consistent with those used in the double materiality analysis.

The scenario analysis is reviewed and updated on a regular basis. The resilience of Ponsse's strategy or business model in relation to climate change has not yet been assessed. Resilience analysis will be carried out during 2026.

Climate targets and progress

Target 2030	2025	2024	Base year 2023	Measures in 2025
Reducing market-based Scope 1 & 2 emissions by 42%	-6% (-256 tCO ₂ e)	-10% (-451 tCO ₂ e)	4,404 tCO ₂ e	<ul style="list-style-type: none"> Global vehicle procurement guideline Increase in renewable fuel use Acquisition of low-emission vehicles
Increasing the share of renewable energy and nuclear power to 95% of the electricity and heat used	92.0%	92.3%	90.9%	<ul style="list-style-type: none"> Solar panel investment at the Peyrat-le-Château service centre in France Increasing the use of renewable energy
Reducing significant Scope 3 emissions by 25%	-27% (-378,968 tCO ₂ e)	-20% (-280,584 tCO ₂ e)	1,415,362 tCO ₂ e	<ul style="list-style-type: none"> Target setting Roadmap for reduction measures CU (connectivity unit) data refinement

Progress on targets during the reporting period

The progress on the targets and the effectiveness of the measures are monitored and evaluated once a quarter by the environmental steering group. In addition to public targets, Ponsse has internally monitored function-specific targets that support the achievement of Group-level targets.

Reducing Scope 1 & 2 emissions

Ponsse aims to reduce market-based Scope 1 & 2 emissions by 42% (1,850 tCO₂e) from the 2023 base year by 2030. This represents a linear annual reduction of 6% compared with the 2023 base year (264 tCO₂e).

Ponsse's market-based Scope 1 & 2 emissions in 2025 were 6% (256 tCO₂e) lower than in the 2023 base year. However, progress during the reporting period is not in line with the target set. Despite the emissions reduction measures taken, Scope 1 and 2 emissions increased by 5% compared with 2024. Scope 1 GHG emissions decreased by 10% (366 tCO₂e), and market-based Scope 2 emissions decreased by 38% (171 tCO₂e).

The negative development is explained by increased fuel consumption in Ponsse's operations in the United States, as well as changes in the calculation principles and the emission factors used. Methodological changes partly reduce the comparability of results between calculation years. The impact of changes in calculation principles and emission factors on the reporting year's emissions remains below 5%, and the significant threshold for recalculation is therefore not exceeded. For this reason, the baseline year 2023 and comparison year 2024 data have not been updated to reflect the new calculation.

During the reporting year, emissions reduction targets were advanced by increasing the use of renewable energy and renewable fuels, as well as by electrifying vehicles. During the reporting year, Ponsse acquired a total of 22 hybrid vehicles and 4 electric vehicles in the Nordic countries. Ponsse's FlexFuel passenger vehicles in Brazil switched to using bioethanol as their primary fuel. The emission reductions resulting from the measure were 187 tCO₂e. Most of Ponsse's Scope 1 & 2 emissions come from the use of the company's vehicles. To reduce emissions from vehicle use, a global vehicle procurement guideline was issued for the acquisition of company-owned vehicles and company cars. The guideline steers procurement towards low-emission vehicles and the use of renewable fuels in areas where their use is technically feasible. Liquefied petroleum gas (LPG) used in the surface treatment process at the Vieremä factory was replaced with biogas in July 2024. For 2025, this resulted in emission reductions of 100 tCO₂e. The emissions reduction measures related to electricity and heat use are described under the following target.

Increasing the share of renewable energy and nuclear power

In addition to its emissions reduction targets, Ponsse has set a target to increase the share of renewable energy and nuclear power to 95% of the electricity and heat consumed by 2030. The target also includes fuels used for heating purposes. In 2025, the share of renewable energy and nuclear power used by Ponsse decreased to 92.0% of the electricity and heat used, representing a decline of 0.3 percentage points from the previous year.

During the reporting year, the operations continued to replace purchased heat with heat produced from renewable

sources, and more accurate data was obtained from leased facilities. The emission reductions resulting from the above energy changes amounted to 9 tCO₂e. During the reporting year, new facilities were completed in France, to which Peyrat-le-Château service centre relocated its operations. A total of 736 solar panels were installed on the roof of the site, with an annual generation expectation of 395 MWh. Thanks to these increases, Ponsse's own energy production grew by 31% from the previous year. Own energy production is expected to increase further in 2026, as the panels only began generating solar electricity in late 2025.

Reducing Scope 3 emissions

In the 2025 reporting, Ponsse set a reduction target for its value chain emissions. The goal is to reduce significant Scope 3 emissions by 25% (353,840 tCO₂e) from the 2023 base year by 2030. This means a linear annual decrease of 3.6% (50,549 tCO₂e) compared with the 2023 base year.

In the reporting year, 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 emissions reduction target. However, the trend does not reflect a significant structural or operational improvement in emission efficiency, as it is mainly based on a reduction in business volumes. In addition, 2% (26,047 tCO₂e) of the emission reductions is explained by the improved accuracy of fuel data for sold products. Ponsse's emissions reduction target is based on its 2023 net sales level, to which business volumes are expected to return in the long term. This highlights the need for structural emissions reduction measures and actions across the value chain towards the 2030 target year.

Transition plan for climate change mitigation

The emissions caused by Ponsse's own operations and purchased energy come mainly from the use of the company's vehicles. The goal is to reduce market-based Scope 1 & 2 emissions by 42% from the 2023 base year by 2030. The emissions reduction target is compatible with the goal of limiting global warming to 1.5 °C. The most significant actions in the plan focus on replacing vehicles with low-emission alternatives and increasing the use of renewable fuels.

As a manufacturer of forest machines, Ponsse's greatest climate impacts arise in the value chain: from the manufacture of purchased products and raw materials, as well as from the use and disposal of sold products after their service life. The goal is to reduce Ponsse's significant Scope 3 emissions

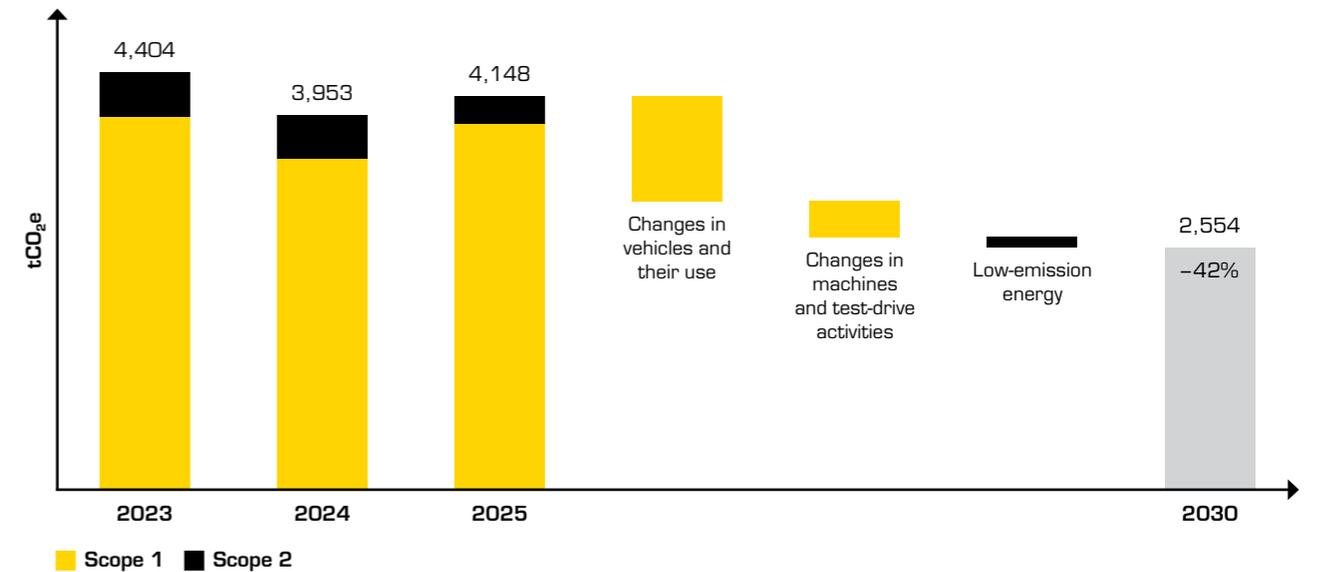
by 25% from the 2023 base year by 2030. The Scope 3 emissions reduction target is not compatible with limiting global warming to 1.5 °C, but it is compatible with limiting global warming to well below 2 °C. The emissions reduction target has been set at a realistically achievable level, taking short-term technological developments, market conditions and stakeholder capabilities into account. The ambition level of the target can be increased in the future as technologies develop and operators in the value chain strengthen their commitment. In the reduction of emissions in the value chain, the most significant actions are targeted at product development, to reduce emissions during the use of products and to obtain more accurate information about the value chain in order to refine the calculation.

Locked-in emissions were assessed as part of the transition plan by examining long-term assets and contracts, as well as the company's products. The current and planned assets are compatible with the objectives of the company's transition plan. Emissions from the use of products are significant for Ponsse, as the use of products is currently mainly based on fossil fuels. However, these use-phase emissions were not considered locked-in, as the products can operate on renewable fuels. In addition, the planned product development measures aim to reduce fuel consumption and thereby emissions in line with the set Scope 3 target. Based on the assessment, the company has not identified any significant risks of locked-in emissions over the review period up to 2030.

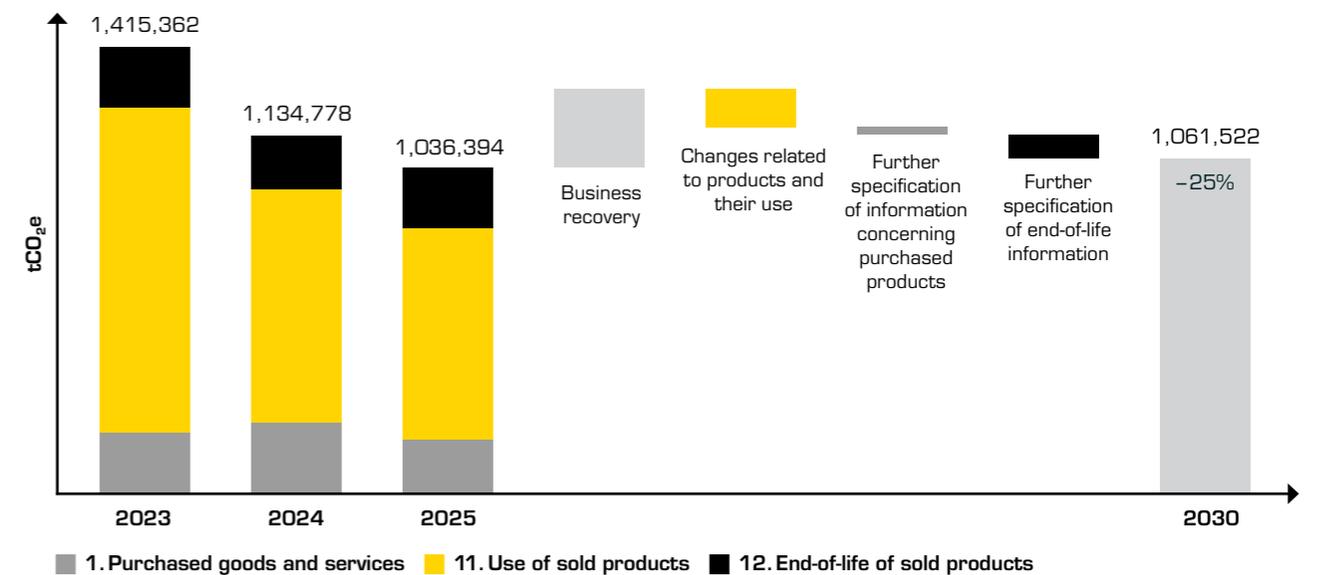
The strategic steering and monitoring of the transition plan is the responsibility of the environmental steering group, which convenes quarterly and consists of the following members of the company's Management Team: Juho Nummela, President and CEO; Juha Inberg, Chief R&D and Technology Officer; Marko Mattila, Chief, Sales, Service & Marketing Officer; Tapio Mertanen, Chief Service Business Officer; Tommi Väänänen, Chief Operations Officer; and Katja Paananen, Chief Responsibility Officer. Environmental Specialist Emilia Tuononen serves as the presenter for the steering group. The coordination of the transition plan is the responsibility of the company's sustainability organisation, and the related measures have been integrated into Ponsse's function-specific strategies. For Scope 3 emissions reductions, the planned measures are mainly based on the measures defined in the product development and management roadmap. The company is not aware of any significant additional resource needs related to the measures.

The transition plan has been created during 2025 and will be further specified annually. The emissions reduction targets and the transition plan were approved by Ponsse's Management Team in December 2025.

ACTIONS TO MEET THE SCOPE 1 & 2 EMISSIONS REDUCTION TARGET



ACTIONS TO MEET THE SCOPE 3 EMISSIONS REDUCTION TARGET



Policies

Policy or guideline	Scope	Availability
Code of Conduct	Ponsse's personnel and, as applicable, individuals, companies and organisations closely connected to Ponsse when acting with or on behalf of Ponsse	Publicly available on Ponsse's website
Supplier Code of Conduct	All Ponsse's suppliers	Publicly available on Ponsse's website
Code of Conduct for dealers and contractual service partners	Ponsse's dealers and contractual service partners	Publicly available on Ponsse's website
Procurement policy	All Ponsse's direct and indirect procurement	Publicly available on Ponsse's website
Operating policy	All Ponsse's operations and personnel	Publicly available on Ponsse's website
Vehicle procurement guideline	All Ponsse's functions	Internally available on the company's intranet

Ponsse's policies related to climate change focus mainly on mitigating climate change and improving energy efficiency. They do not directly address climate-change adaptation or the adoption of renewable energy.

Sustainability guides Ponsse's business operations and product development. The company's key environmental targets include taking nature into account in operational development, innovating sustainable solutions, and identifying and systematically reducing environmental impacts. Product development focuses on reducing the environmental impacts of forest machines. In the long term, Ponsse is aiming for carbon neutrality, which means striving for zero emissions from operations and PONSSE products.

The Code of Conduct requires employees to minimise harmful environmental impacts through proactive measures. This includes taking climate impacts into account in decision-making, developing environmentally friendly solutions, taking environmental impacts into account in procurement, and favouring energy-efficient practices.

The procurement policy and supplier guidelines encourage suppliers to monitor and reduce greenhouse gas emissions in their value chains, improve energy efficiency and take the environmental impacts of their products' life cycles into account.

The vehicle procurement guideline steers the acquisition of company and employee vehicles towards lower-emission options and encourages the use of renewable fuels in areas where this is technically feasible.

The energy use of Ponsse's parent company is guided by an energy efficiency agreement, which requires the company to set energy-saving targets and implement measures to improve energy efficiency. During the reporting year, Ponsse committed to a new contract period starting in 2026 under the technology industries' action plan. The agreement requires a 6% energy-saving target by 2030 and a 10% target by 2035, calculated against 2024 energy consumption.

Measures

Reducing emissions during product use

The main focus of Ponsse's product development is to reduce the fuel consumption of forest machines. The target is pursued by improving energy efficiency while also increasing productivity, meaning that as little fuel as possible is consumed per cubic metre of wood delivered to the roadside. This is advanced, for example, by developing more energy-efficient powertrain solutions, such as improving hydraulic efficiency and optimising the diesel engine's operating range to meet the required emission class, ensuring the highest possible engine efficiency. In addition, renewable fuels approved by the diesel engine manufacturer can be used in PONSSE forest machines, which significantly reduces greenhouse gas emissions during operation.

Technology solutions can significantly reduce the emissions of machines. In 2022, Ponsse launched a technology concept for a PONSSE EV1 forwarder based on an electric powertrain, with testing demonstrating considerable fuel savings. During the reporting year, the EV1 concept was tested in forest conditions as part of development work. The new frame structure of the PONSSE Wisent and Elk models, which were renewed in 2025, enables two three-metre timber bundles to be driven at once, which reduces the number of times they need to be transported and reduces the need for fuel in local transport per cubic metre of timber.

Training also plays a role in reducing in-use emissions. Ponsse trains operators in the efficient use of its machines and provides customers with training in planning harvesting methods to minimise fuel consumption.

Developing new innovative and sustainable solutions

Ponsse is committed to developing sustainable and innovative harvesting solutions. In accordance with stakeholders' expectations, environmental aspects have become significant guiding factors in Research and Development (R&D). In the 2025 reporting, Ponsse expanded the PONSSE Active Speed function to cover more Ponsse harvester head models. This allows the speed of the harvester head to be adjusted in accordance with the tree species and stem diameter. An

automatically optimised harvester head feed speed makes work run more smoothly and improves productivity.

In the 2025 reporting year, the PONSSE Active Crane system was introduced across all loader and crane product families, improving crane control and enhancing operational efficiency. The system allows the operator to focus on the quality and efficiency of the work, rather than solely focusing on crane control. This contributes to adopting an economical way of working that reduces strain on the machine.

The PONSSE Firefighting Equipment solution enables the use of a forest machine as a ground fire extinguishing unit. In fire extinguishing, forest machines help to reach off-road and forest fires, which are often located in places that are difficult to reach and extinguish.

Data solutions to support customers' decisions

Operators' harvesting work is also supported by digital solutions. In the 2025 reporting year, the PONSSE Manager service was launched, and its Pro version includes an Emissions Reporting feature that calculates the greenhouse gas emissions from forest machine fuel use by machine, logging site and customer. Another new feature is Map Tools, which displays on a map the assortment, the quantity produced and the location to which the assortment has been prepared for the forwarder. With the Lasso selection tool, the forwarder operator can plan their work and efficiently collect harvested timber to storage areas for pick-up, supporting logistics optimisation.

Ponsse participated in the IlmoStar project, funded under the Sustainable Growth Programme for Finland, together with the Finnish Geospatial Research Institute, the University of Eastern Finland and the Natural Resources Institute Finland. The project ended in 2025, and its goal was to promote the climate resilience and versatility of harvesting through sensor technology and accurate geospatial information. The project developed positioning and mobile laser-scanning systems for the harvester of the future to support climate-resilient forestry. The developed technology would enable precision forestry and precision harvesting, allowing forest management to be steered accurately so that detailed information about the remaining trees, harvesting trace and forest structure can be obtained in connection with harvesting.

Climate-related metrics

Energy consumption and energy mix, MWh	2025	2024	Change, %
Fuel consumption from coal and coal products	0	0	-
Fuel consumption from crude oil and petroleum products	13,535	13,689	-1%
Fuel consumption from natural gas	1,029	933	10%
Fuel consumption from other fossil sources	0	0	-
Consumption of purchased or acquired electricity and heat from fossil sources;	556	735	-24%
Total fossil energy consumption	15,119	15,358	-2%
<i>Share of fossil sources in total energy consumption, %</i>	<i>41%</i>	<i>40%</i>	<i>-</i>
Consumption from nuclear sources	9,349	9,962	-6%
<i>Share of consumption from nuclear sources in total energy consumption, %</i>	<i>25%</i>	<i>26%</i>	<i>-</i>
Fuel consumption from renewable sources	4,202	2,722	54%
Consumption of purchased or acquired electricity and heat from renewable sources	7,697	9,599	-20%
Consumption of self-generated non-fuel renewable energy	789	602	31%
Total renewable energy consumption	12,688	12,922	-2%
<i>Share of renewable sources in total energy consumption, %</i>	<i>34%</i>	<i>34%</i>	<i>-</i>
Total energy consumption	37,156	38,242	-3%
Energy intensity			
Total energy consumption per net sales, MWh per EUR million	49.5	51.0	-3%

Greenhouse gas emissions, tCO ₂ e	2025	2024	Base year 2023	Change 2025-2024, %
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions	3,863	3,497	3,939	10%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes, %	0%	0%	0%	-
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions	878	2,079	2,190	-58%
Gross market-based Scope 2 GHG emissions	285	456	466	38%
Significant Scope 3 GHG emissions				
Total gross indirect Scope 3 GHG emissions from significant categories	1,036,394	1,134,778	1,415,362	-9%
1 Purchased goods and services	171,017	226,832	195,608	-25%
11. Use of sold products	670,034	737,778	1,026,820	-9%
12. End-of-life treatment of sold products	195,343	170,168	192,935	15%
Total GHG emissions				
Total GHG emissions (location-based)	1,041,135	1,140,354	1,421,491	-9%
Total GHG emissions (market-based)	1,040,541	1,138,732	1,419,766	-9%
GHG intensity				
Total location-based GHG emissions per net sales, tCO ₂ e per EUR million	1,388	1,520	1,731	-9%
Total market-based GHG emissions per net sales, tCO ₂ e per EUR million	1,388	1,517	1,728	-9%

Financial effects of climate change

Based on Ponsse's climate risk assessment and double materiality analysis, the company has not identified material physical risks related to climate change. The mitigation of climate change and the transition to low-carbon operations have been identified as a transition risk, which causes significant requirements and needs for reform in product and technology solutions. The economic impacts of the transition risk has not yet been assessed. The assessment process and the climate scenarios used are described in more detail on page 70.

Although no significant physical risks have been identified, climate change can cause exceptional weather conditions such as storms, floods and droughts that can disrupt supply chains and cause production disruptions. In addition, mild winters can shorten the frost period in the Nordic countries, which may affect the timing and costs of harvesting and transport. Prolonged periods of drought and rising temperatures can also increase forests' vulnerability to insect damage and increase the risk of large-scale wildfires, which may affect the availability of wood raw material, as well as procurement costs and delivery reliability. These impacts are currently estimated to be minor, and they have not been considered material in the company's climate risk assessment or double materiality assessment.

In its operations, Ponsse invests in product development projects related to the mitigation of greenhouse gas emissions.

An example of this is the electric PONSSE EV1 forest machine concept, which supports the company's long-term targets of reducing emissions and promoting the sustainable use of forest machines. These investments are reported as part of the EU Taxonomy reporting on page 68. During the reporting year, the five-year FORWARD'27 ecosystem project continued to explore solutions for reducing emissions and energy consumption in mobile work machines while improving productivity. In the third year of the programme, several new joint R&D projects between companies and research institutions were launched. Key projects included Drive Forward, which aims at zero-emission machinery, and the AiWo project, which focuses on developing predictive maintenance.

The reduction of greenhouse gas emissions from own operations is also monitored from the financial perspective. Scope 1 and 2 emissions are included as indicators in Ponsse's ESG-linked financing loans, which steers the company to systematically reduce emissions and supports the integration of climate targets into financial decision-making.

Ponsse has not identified any indicators of impairment of assets arising from sustainability-related regulation. The Group has no long-term power purchase agreements (PPAs) for electricity procurement and does not hold carbon offsets. Environmental provisions have not been recognized in the financial statements.

CALCULATION PRINCIPLES FOR TARGETS AND METRICS

Ponsse is covered by the EU benchmarks aligned with the Paris Agreement. The information is based on the information available at the time of signing the Board of Directors' report.

During the reporting year, Ponsse introduced a new emissions calculation system and, at the same time, updated the sources of emission factors, as well as the calculation logic. Based on these changes, the company assesses the need for a possible recalculation of the base year emissions. However, the impact on total emissions caused by the update of emission factors and changes in the calculation logic was below the 5% significance threshold of Ponsse's recalculation policy. For this reason, the emissions data for the 2023 base year and the 2024 comparison year were not updated in the sustainability report to reflect the new calculation. However, the results are affected by a comparison data difference of less than 5%, which should be taken into account when interpreting the figures, especially with regard to Scope 1 emissions. In connection with the refinement of the reporting logic, part of the emissions previously reported as Scope 2 emissions have been transferred to be presented as Scope 1 emissions. The change is due to the harmonisation of the reported energy consumption data and the further specification of the Scope classification, and does not affect the company's total emissions.

To improve comparability and transparency, the company has retrospectively restated the location-based Scope 2 emission figures reported for the 2023-2024 comparison years. In connection with the 2025 emissions calculation, an error was identified in the calculation of location-based Scope 2 electricity emissions for previous reporting periods, where residual grid mix

emission factors had been used instead of national grid average emission factors. In the 2025 reporting year, the company corrected the emission factors used in the calculation to comply with the GHG Protocol. Although the change in total emissions is minor, its impact on the location-based Scope 2 emissions in the comparison years is significant, exceeding the 5% significance threshold set by the company.

TARGETS

The climate-related targets apply to the whole Group. The targets have been determined using a calculator provided by the SBTi (Science Based Targets initiative) and a multi-sectoral (Absolute Contraction Approach, ACA) emissions reduction pathway. The targets have not been verified by an external party.

The base year for the Scope 1 & 2 emissions reduction target is 2023, when the market-based emissions from own operations and purchased energy amounted to 4,404 tCO₂e. Scope 1 emissions accounted for 89% and Scope 2 emissions for 11% in the base year. No need was seen for deriving the base year value from the multi-year average, as the variation in emissions covering the target in 2021-2023 has been small. Annual variation in emissions covering the target may be caused by variation in sales volume and business size, depending on the market situation. The target has been found to be achievable by the technologies currently available, and the annual variation in emissions should not have any significant impact on the achievement of the target.

The base year for the Scope 3 emissions reduction target is 2023. No need was seen for deriving the base year value from the multi-year average, as the base year 2023 has been considered to represent the normal size

of the business operations. The emissions covered by the target may vary from year to year due to fluctuations in sales volumes and business size in line with the market situation. The assumption is that business operations will return to the level of 2023. The target has been found to be achievable by the technologies currently available, and the annual variation in emissions should not have any significant impact on the achievement of the target.

INTENSITY FIGURES

The high climate impact sectors that are used to determine energy and missions intensity include the manufacture of agricultural and forestry machinery, the maintenance of vehicles and the manufacture of electronic components. All Ponsse's operations belong to these areas, so the intensity level covers the whole Group. The turnover determined in the calculation of energy and emissions intensity has been calculated following the same principles as in the International Financial Reporting Standards (IFRS). This means that it includes all income from the sale of products and services related to the company's business activities. The total turnover used in the calculation corresponds to the net sales presented in the consolidated financial statements.

ENERGY CONSUMPTION

Biocomponents of fuel mixtures have been reported in the consumption of renewable fuels. Of the energy consumed, 71.8% is covered by Guarantees of Origin (GO), 0.5% by certificates under Uruguay's national certification system (SCER), and 1.5% by other low-emission energy purchase agreements.

GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions are calculated at the Group level, and the calculation includes all Ponsse-owned country organisations. The calculation is based on the International GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The calculation takes into account all the greenhouse gases covered by the GHG protocol: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃, which have been converted into carbon dioxide equivalents (CO₂e). The 100-year global warming potential (GWP) coefficients in accordance with the IPCC's Sixth Assessment Report (AR6) are used in the conversion. Operational control is used in the calculation. Ponsse's environmental reporting excludes Ponsse's Brazilian country organisation's (Ponsse Latin America Ltda) full-service sites in Belo Oriente, Eunápol and Telêmaco Borba, where customers have operational control over full-service operations on customers' premises.

The reporting includes direct greenhouse gas emissions from Ponsse's own operations (Scope 1), indirect greenhouse gas emissions from the production of purchased energy (Scope 2), and greenhouse gas emissions from Ponsse's significant value chain emission categories (Scope 3).

Scope 1 emissions take into account stationary combustion, mobile combustion and process and fugitive emissions. The calculation also includes fuels used in leasing and company vehicles. The emission factors applied in the calculation have been sourced mainly from Statistics Finland's Fuel Classification, DEFRA and the ecoinvent 3.12 emission database.

Scope 2 emissions take into account purchased electricity and heat. Emissions from energy are calculated in two ways. The location-based figure is obtained by using country-specific grid emission factors. Market-based calculations take into account procurement contracts and Guarantees of Origin for renewable and nuclear energy, as well as the emission factors

provided by energy suppliers, supplemented where necessary with national AIB residual-mix emission factors. The share of market-based Scope 2 greenhouse gas emissions associated with electricity purchased together with instruments such as Guarantees of Origin, low-carbon energy procurement contracts or certificates is 0.2%.

All the categories with an impact of more than 5% on value chain emissions have been defined as significant Scope 3 categories for Ponsse. The following categories have been defined as significant for Ponsse: 1. Purchased goods and services, 11. Use of sold products, and 12. End-of-life treatment of sold products. These categories covered 98% of the greenhouse gas emissions of Ponsse's value chain in 2023.

The following categories have been excluded from Scope 3 calculations: 3. Fuel and energy-related activities, 4. Upstream transportation and distribution, 5. Waste generated in operations, 6. Business travelling, 7. Employee commuting and 9. Downstream transportation. The greenhouse gas emissions arising from these have not been significant. In addition, the following categories have been excluded from the calculation as they are not applicable to the operations: 8. and 13. Upstream and downstream leased assets, 10. Processing of sold products, 14. Franchises and 15. Investments. Category 2. Capital goods has not been included in the calculation so far, but will be included in 2026. The whole greenhouse gas inventory is calculated every three years, the next time with 2026 data.

Emissions from 1. Purchased goods and services are calculated from cost-based data, for which emission factors provided by DEFRA are used. 11. Use of sold products includes the use of fuel for sold forest machines and electricity for simulators. The calculation is based on the estimated operational lifetime, product-specific sales volumes obtained from internal systems and fuel-consumption data from machines in the field. For all machines sold, the fuel-consumption data for machines sold in Europe is used, as it is based on the broadest and most statistically representative sample. In other market areas, the consumption data varies significantly from year to year due to the smaller sample size. For this reason, the calculation uses European consumption data, which is considered to best reflect the machines' average actual use and to produce a more reliable and comparable result. The emission factors applied are sourced from ecoinvent 3.12, LI-PASTO and the Fuel Classification. 12. End-of-life treatment of sold products includes the processing of sold forest machines, simulators and spare parts after use. For spare parts, the calculation is based on cost data and uses DEFRA emission factors. For the remaining items, the calculation draws on quantity data and built scenarios on how different materials are handled. The emission factors are from the ecoinvent 3.12 database. The share of emissions calculated using primary data from suppliers or other partners in the value chain is 0%.

Ponsse does not use carbon credits, and the company does not apply internal carbon pricing systems.

BIOGENIC EMISSIONS

Biogenic carbon dioxide emissions arise from used renewable energy sources, fuels and biocomponents of fuel mixtures. In 2025, biogenic Scope 1 emissions totalled 934 tCO₂e, biogenic Scope 2 emissions were 2,350 tCO₂e, and biogenic Scope 3 emissions were 37,189 tCO₂e. Biogenic Scope 3 emissions arise from category 11. Use of sold products in the downstream value chain, in which the bio-shares of fuel mixtures are taken into account.

E4 – Biodiversity and ecosystems

Material impacts, risks and opportunities related to biodiversity and ecosystems

Positive impacts	Part of the value chain	Controls and measures
PONSSE forest machines based on the cut-to-length method are suited to different forest management practices, enabling wood raw material to be used as efficiently as possible with minimal waste. (A)	Downstream value chain	<ul style="list-style-type: none"> The development, manufacture, sale and maintenance of cut-to-length (CTL) forest machines. The CTL method enables selection and thinning logging. In the CTL method, the trees are processed in the forest in accordance with the application, and the different parts of the stem can be used in the best way. Thanks to the measurement, the dimensions of the stem and the exact amount of wood raw material are known, which makes it possible to optimise the assortments to be cut off.
PONSSE forest machines can be equipped with map software that helps operators detect sensitive forest nature areas or mark specific sites on the map. (A)	Downstream value chain	<ul style="list-style-type: none"> Map software for the Opti information system for PONSSE forest machines. The development of interfaces enables the utilisation and presentation of local geographical information in forest machines in different market areas. The PONSSE Manager service enables the use of browser-based maps in both forest machines and operations management. Areas requiring attention can be displayed to the forest machine operator in map applications, and Opti maps alert the operator when they are approaching such areas.
Negative impacts	Part of the value chain	Controls and measures
The use of forest machines has impacts on nature, such as trails, soil compaction and erosion. (A)	Downstream value chain	<ul style="list-style-type: none"> Reducing the surface pressure of forest machines: eight-wheel forest machines, even weight distribution, wider tyres and track equipment. Suitable harvesting fleet for different soil and water management sites. Training related to the CTL method increases awareness of the impact of timely harvesting on trails and how the soil type, water management and other conditions of the stand should be taken into account in the planning of harvesting. The map programs displayed on forest machines help the operator to identify types and features of terrain. Biodegradable chemicals and enabling their use in PONSSE forest machines.
Financial opportunities	Part of the value chain	Controls and measures
The CTL harvesting method creates a competitive advantage.	Own operations and downstream value chain	<ul style="list-style-type: none"> Ponsse focuses on the sale, maintenance, manufacturing and technology of CTL forest machines. Ponsse offers training in the use of forest machines and in transitioning to the CTL method. Opportunity to increase the sales of CTL forest machines in markets dominated by tree-length logging. Ponsse is involved in research projects that examine the development and effects of the CTL method.
Developing innovative products and services that promote sustainable forest management and protect the natural environment, such as solutions for verifying the sustainability and biodiversity of wood raw material.	Own operations and downstream value chain	<ul style="list-style-type: none"> Developing products that preserve the natural environment and support biodiversity, such as the PONSSE Firefighting Equipment solution for extinguishing wildfires and forest fires. Improving forest machine positioning accuracy and developing map and navigation technologies. Developing operator assistance systems. Wireless data transfer and enabling data transfer between the forest machine and the logistics systems of forest companies and customers. Participation in research projects and project cooperation, such as the IlmoStar project.

The impacts, risks and opportunities table indicates whether the impact identified is actual (A) or potential (P).

Assessing and identifying material impacts, risks and opportunities

Material impacts, risks and opportunities related to biodiversity and ecosystems have been identified as part of the company's double materiality assessment, the results of which are taken into account in the Group's risk management process. The process to identify and assess the material impacts, risks and opportunities related to sustainability topics is described on page 61.

Material impacts, risks and opportunities have been identified by extensively evaluating Ponsse's own operations and the related value chain. Physical risks related to own operations have been identified using the WWF's Risk Filter tool. The life cycle assessments drawn up for products have also studied the impacts of machines on the depletion of resources and fossil fuels, eutrophication and acidification. Ponsse's impact on climate change has been identified as a dependency, which is one factor that reduces biodiversity. Ponsse's impacts on climate change are described on page 69. Biodiversity impacts may arise from the use of products, depending on where the machines are used.

Impacts related to biodiversity and ecosystems in connection with the cut-to-length (CTL) method arise from the company's

business model, as Ponsse has focused on the development, manufacture and sale of CTL forest machines. Negative impacts such as trails, soil compaction and erosion are inherent to the company's line of business. In line with Ponsse's strategic responsibility targets, the company innovates sustainable solutions. Ponsse has identified that digitalisation, data-based solutions and operator assistance solutions offer opportunities to support biodiversity in commercial forests. In the Group's strategy, sustainable development and responsibility are outlined as future success factors and as prerequisites for the continuity of operations. The resilience of Ponsse's strategy or business model in relation to biodiversity or ecosystems has not been assessed. Resilience analysis will be carried out during 2026.

Targets and progress related to biodiversity and ecosystems

Ponsse has no metrics related to biodiversity and ecosystems, nor has it set outcome-oriented and measurable biodiversity targets. Although no targets have been set, Ponsse actively seeks to reduce its environmental impacts in accordance with its operating principles and strategic sustainability targets.

Measures

Developing solutions for operator assistance and for monitoring the sustainability of wood raw material

Operator assistance systems and tree monitoring solutions are developed with the help of various information systems and positioning technologies. PONSSE forest machines have Opti information systems with map software. In map applications, machine operators can be shown, for example, protected, particularly valuable and other areas that need to be taken into account. During the 2025 reporting year, it became possible to integrate two-level alerts into the Opti maps, enabling the forest machine operator to be warned when approaching areas that require attention. In addition, the harvester can notify the operator with an audible alarm alongside the on-screen alert. Ponsse is developing new interfaces to enable the use and presentation of local geographical information in forest machines in different market areas. It is possible to mark special sites observed during harvesting in the map location file and forward this information. Launched in 2025, PONSSE Manager Pro enables the use of browser-based maps in both forest machines and operations management.

The PONSSE High-Precision Positioning enables the machine operator to see the exact location of both the machine and the harvester head with an accuracy of 0.5 metres. During the 2025 reporting year, operators were provided with the option to record the locations of retention tree groups and artificial snags. This helps to ensure that a sufficient number of them are left in the forest. With the High-Precision Positioning solution, operators can be shown harvesting areas with even greater accuracy, be warned about areas to be avoided and have the locations of the machine and harvested trees verified. Ponsse's Thinning Density Assistant technology concept measures not only the amount of trees harvested, but also the amount of trees left in the forest, guiding the operator in real time to achieve the best thinning frequency and optimise trails.

Ponsse participated in the IlmoStar project, funded under the Sustainable Growth Programme for Finland, together with the Geospatial Research Institute, the University of Eastern Finland and the Natural Resources Institute. The project was completed in the 2025 reporting year and it promoted the climate resilience and versatility of timber harvesting through sensor technology and precise location data. The project supported the development of precision forestry and timber harvesting so that valuable habitats, protected nature sites and structural features that maintain biodiversity can be identified and preserved more reliably in the future. The studied and tested technology provides accurate location and quantitative

information on the remaining trees, measures and documents the harvesting results, and captures the state of forest biodiversity at the harvesting site. The methods improve the overall generation of information about the state of commercial forests and provide more accurate and up-to-date information about changes in forest biodiversity.

Reducing terrain and nature impacts through product solutions

Ponsse's product range includes forest machines of different sizes for different harvesting conditions and purposes. The aim is to minimise forest machine trails. The surface pressure caused by machines on the ground is reduced through product solutions, such as eight-wheel PONSSE forest machines, where the weight distribution is more even. Wider tyres and rollers can also have a significant impact on trails. The PONSSE Synchronwinch solution enables harvesting even on steep slope terrain and reduces trails while also reducing the risk of erosion. In the solution, the winch assists the forest machine to move on the slope and reduces ground breakage. During the 2025 reporting year, the new frame structure introduced in the renewed PONSSE Wisent and Elk models enables two three-metre timber bundles to be driven at once rather than previous just one. This ensures that the machine's capacity is fully utilised even with shorter timber, reducing the number of trips required for transport.

The map programs in forest machines help the operator to identify the types and features of the terrain, meaning that the trails network and forwarding can be planned in advance to avoid damage to the terrain. The harvesting trails are recorded automatically, allowing them to be used in planning subsequent harvesting. In the Map Tools service package launched for PONSSE Manager Pro in 2025, the forwarder operator can view machines' routes on the map, as well as harvesters' production by assortment. It also displays the stems awaiting transport and the trees already stored, helping the forwarder operator avoid unnecessary driving.

Operator and CTL training

Ponsse organises training for forest machine operators to improve their awareness of the impacts of optimising the use of machines on harvesting output and on minimising the impact on nature. In addition to operator training, training related to the transition to the cut-to-length method is offered to corporate customers. The training focuses on the planning of harvesting, taking efficiency, the number of trips and minimal environmental impacts into account. Training is also provided on the role of timely timber harvesting in reducing terrain impacts, as well as

Policies

Policy or guideline	Scope	Availability
Code of Conduct	Ponsse's personnel and, as applicable, individuals, companies and organisations closely connected to Ponsse when acting with or on behalf of Ponsse	Publicly available on Ponsse's website
Operating policy	All Ponsse's operations and personnel	Publicly available on Ponsse's website

Ponsse's operating policy and Code of Conduct do not address biodiversity impacts as a separate area, but take nature impacts into account on a general level. Ponsse has not adopted policies on the protection of biodiversity and ecosystems, nor policies related to sustainable land use or agriculture, marine environments or deforestation.

Through its operating policy, Ponsse is committed to developing sustainable harvesting solutions, reducing the environmental impacts of products and enabling sustainable forestry. The operations are founded on identifying environmental impacts and pursuing continuous improvement.

The Code of Conduct emphasises environmental responsibility and a proactive approach to preventing harmful effects. The Code of Conduct emphasises taking biodiversity into account in decision-making and saving natural resources.

PONSSE forest machines are tested after manufacture in forest areas where harvesting is guided by PEFC (Programme for the Endorsement of Forest Certification) and FSC (Forest Stewardship Council) forest certifications. Accordingly, buffer zones, retention trees and bird nesting periods are taken into account in the timing of harvesting, among other aspects. Test drive sites have procedures in place for responding to environmental incidents, as well as prevention equipment in case of chemical leaks. Test-driven machines and the equipment to be delivered with them are washed before their delivery to the customer in order to prevent the spread of potential alien species with the machines.

on considering soil, water management and other conditions in harvest planning.

Optimisation of the use of the forest machine can be practised using training simulators. The simulator exercises teach, among other aspects, the correct realisation of the thinning frequency, the recommended height of stumps and how the operator must take the distance from standing trees into account in order to prevent root damage. During the 2025 reporting year, biodiversity themes such as streams and dead trees were added to the environments in the simulators. This allows the simulators to be used to practise taking these into account in streamside harvesting, for example.

Sites near biodiversity-sensitive areas

Two Ponsse sites are located in biodiversity-sensitive areas, and ten sites are located in the vicinity of sensitive areas. In the vicinity of these 12 sites, there are a total of 19 different biodiversity-sensitive areas, one of which is a key biodiversity area, three are Natura2000 sites protected under the EU Habitats Directive, and the rest are nationally protected areas. No adverse impacts on biodiversity-sensitive areas or impacts on endangered species have been identified at the sites, and thus no need for biodiversity-related mitigation measures has been observed.

Oil spills have been identified as a potential negative impact of the sites. Oils necessary for the maintenance of forest machines are stored at the sites, in addition to which there is oil in the machines brought in for maintenance and in the waste oil tanks. Any oil leaks detected in the forest machines at the sites are repaired as quickly as possible. The possibility of leakage from waste oil tanks is minimised with overflow detectors, and the impacts of possible oil leaks are minimised by means of spill decks. Practices vary from site to site. Absorbents and instructions for possible leakage situations are available at oil storage and use sites.

Other negative impacts may arise from wastewater. Wastewater from the company's locations is primarily discharged into the municipal sewage network through oil

separation wells. Oil separator well tanks are emptied regularly, and some of them are equipped with an alarm system. The authorities monitor the quality of wastewater by means of occasional water samples.

During the 2025 reporting year, transparency regarding environmental incidents within the Group was improved by integrating their reporting and observation into a new system alongside occupational and product safety observations.

The environmental processes at sites are reviewed as part of Ponsse's internal ESW (Effective and Safe Workshop) audits. Audits include checking whether the site has oil separation wells, where wastewater is discharged, how chemicals are stored and whether emergency instructions for possible leakage situations are available at their storage and use locations. During the reporting year, the content of ESW audits was further developed in terms of the environment.

During the 2025 reporting year, an internal environmental audit was carried out at two sites located near biodiversity-sensitive areas, which examined whether the operations had any observed impacts on these areas.

ASSESSMENT PRINCIPLES

A site is considered to be close to a biodiversity-sensitive area if the area is located within one kilometre of the site. According to our estimate, the impacts of the sites reach a maximum distance of one kilometre. In the event of any major spillage, the oil will reach a depth of around a few metres in the soil, in which case the contaminated soil will be removed, delivered for appropriate further treatment and replaced with clean soil. The water used comes mainly from the municipal water supply network, and the wastewater is directed to the municipal wastewater sewer through oil separation. Ponsse uses little water in its operations. Hazardous waste is collected separately and delivered for treatment through waste management companies. Ponsse's sites are usually located in zoned industrial areas.

The following sources have been used to examine biodiversity-sensitive areas: Key Biodiversity Areas map, EEA Natura 2000 viewer, EEA European Protected Sites, USGS Protected Areas, Protected Planet's Protected Areas (WDPA) and the UNESCO World Heritage viewer.

E5 – Resource use and circular economy

Material impacts, risks and opportunities related to resource use and the circular economy

Positive impacts	Part of the value chain	Controls and measures
Reducing the consumption of resources and materials by providing refurbished and reused spare parts. [A]	The whole value chain	<ul style="list-style-type: none"> Providing training in the network enhances the use of the offering and the availability of the frames to be refurbished The authorised Reman concept expands operations into new market areas.
The life cycle of a forest machine is extended through comprehensive maintenance services. [A]	Downstream value chain	<ul style="list-style-type: none"> PONSSE Active Care service agreements provide a tailored solution for machine maintenance and ensure high availability without unexpected interruptions. Regular preventive maintenance extends the life of products and components. Digital services enable the use of remote diagnostics, up-to-date data and proactive maintenance calls, which reduces environmental impacts, improves the efficiency of maintenance work and enhances the smoothness of the service.
Negative impacts	Part of the value chain	Controls and measures
Materials and natural resources are consumed in the manufacture of machines. [A]	The whole value chain	<ul style="list-style-type: none"> In product development, machine structures are optimised to reduce material needs. Alternative components made from renewable raw materials are being explored to replace plastic parts.
Financial opportunities	Part of the value chain	Controls and measures
Making use of and developing the circular economy in business operations creates new markets and resource efficiency.	Own operations	<ul style="list-style-type: none"> Increasing maintenance operations in the Ponsse network. Systematisation of the development of the dismantling of used machines and the reuse of parts.
Product design in line with the circular economy, such as reduced resource use and a modular product structure.	The whole value chain	<ul style="list-style-type: none"> Developing standardisation in product design. Examining product development based on the circular economy.

The impacts, risks and opportunities table indicates whether the impact identified is actual (A) or potential (P).

Assessing and identifying material impacts, risks and opportunities

The material impacts, risks and opportunities related to resource use and the circular economy have been identified as part of the company's double materiality assessment, the results of which are taken into account in the Group's risk management process. The process of identifying and assessing the material impacts, risks and opportunities related to sustainability topics is described on page 61.

Material impacts, risks and opportunities have been identified by extensively evaluating Ponsse's own operations and the related value chain. The identified aspects are linked to the company's strategy, which, alongside its business models, looks at trends in the operating environment and drivers in the industry. The circular economy is also linked to Ponsse's vision for the future, which emphasises innovations focusing on responsibility and sustainable forestry as the basis for the future. Ponsse's sustainability strategy guides the company to avoid burdening the natural environment.

There is a clear dependency between resource efficiency achieved through the refurbishment and reuse of spare parts, circular economy business opportunities and financial impacts.

Targets and progress related to resource use and the circular economy

Target 2030	2025	2024	Base year 2023	Measures in 2025
Increasing the re-cycling rate to 70%	62.6%	57.9%	51.3%	<ul style="list-style-type: none"> Staff training Global waste guideline
Reducing the total volume of mixed and energy waste by 40%	-23.4 % [-185 t]	-10.5% [-83 t]	792 t	<ul style="list-style-type: none"> Further specifying and streamlining sorting Customer communication to prevent waste generation
Increasing service agreement coverage to 90% in new machine sales	47%	50%	47%	<ul style="list-style-type: none"> Supporting and training the Ponsse network Adding a resource to service agreement development Regular reporting and monitoring
15% annual increase in the production of circular-economy-based spare parts	222 t [+2%]	218 t [+34.6%]	162 t	<ul style="list-style-type: none"> Expanding the buyback of cores to be refurbished to the whole of Europe Development of the audit process for Reman refurbishment operations Harmonisation of procurement contracts for external refurbishment activities Information system development and the related new operating models

Progress on targets during the reporting period

The targets related to the circular economy and resource use have been set in accordance with the company's operating policy, and they apply to the entire Group. The operating policy involves a commitment to developing operations taking the natural environment into account, as well as identifying the environmental impacts of operations and systematically working to improve them. The environmental impacts identified include the waste generated in operations, the positive effect of maintenance on extending product life cycles, and the impact of refurbishment operations on reducing the need for raw materials. The targets set are related to the inflows and outflows of resources. Service agreements and refurbishment operations reduce the use of materials and extend the service life of products. The recycling rate and the reduction in the amount of energy fractions and mixed waste relate to waste management. From the perspective of the waste hierarchy, the targets relate to waste prevention and recycling. The waste targets are based on the legislation in terms of the priority order and the separate collection obligation, but Ponsse has set a higher recycling rate target than Finland's national target.

The operating principles are regularly updated. Policies supporting the circular economy and their development are monitored by means of internal ESW (Effective and Safe Workshops) audits of the quality and maintenance service network. The effectiveness of the measures and progress towards the targets are monitored quarterly by the company's environmental steering group.

Increasing the recycling rate to 70%

In 2025, the recycling rate reached 62.6%, an improvement of 4.7 percentage points from the previous year.

During the reporting year, Ponsse, together with its waste management partner, trained production and maintenance supervisors, as well as production and logistics personnel, in waste sorting and processing instructions in Finland.

During the reporting year, a global waste management guideline was published and communicated, and to ensure continuous development, it was also incorporated into the internal ESW audit instructions. The reuse of metal parts was increased by expanding the range of components to be refurbished. The reuse of transport packaging was increased by improving the process of directing broken pallets for reuse.

Reducing the mixed and energy waste by 40%

The amount of mixed and energy waste in 2025 decreased by 14.4% [-102 t] compared with 2024. The total change achieved compared with the 2023 base year is -23.4% [-185 t]. Based on waste-tracking data, the company's global operations were directed to improve sorting practices and the collection of waste data. In a customer publication for maintenance services in Finland, the company outlined operating instructions aimed at preventing soil material waste from arising during the washing of machines. The waste sorting instructions further specified and harmonised the methods of handling washing hall waste.

Increasing service agreement coverage to 90% in new machine sales

The service agreement coverage in new machine sales in 2025 was 47%, which represents a 3 percentage point decrease compared with 2024. The coverage of maintenance agreements and the offer backlog are constantly monitored.

In 2025, the Ponsse network received training on maintenance agreements through both classroom sessions and the Ponsse eAcademy digital platform. The company's

Global Service function supports the network in matters related to maintenance agreements and ensures the flow of information through regular communication. In 2025, additional resources were allocated to the development of maintenance agreements, with a particular focus on emerging market areas from the perspective of maintenance agreement sales.

15% annual increase in the production of circular-economy-based spare parts

In 2025, a total of 222 tonnes of refurbished spare parts were produced, which is 2% more than in 2024. During the reporting period, the buyback of blanks to be refurbished was extended to cover the whole of Europe. The expansion was reflected particularly in the strong growth of hydraulic component production (+34%). However, the overall growth

remained more moderate than expected, as fewer mechanical transmission components were refurbished than in the previous year. The most significant reason for this was the decrease in engine repairs (-19%). The decrease in engine refurbishments is explained by the fact that, due to yard renovation work at the Iisalmi service centre, the engine testing equipment was unavailable in June–July 2025.

To harmonise Reman refurbishment operations and ensure continuous improvement, internal ESW (Effective and Safe Workshop) auditing was introduced. Auditing can be used to authorise Reman operations in the Ponsse network. In addition, the company initiated the harmonisation of procurement agreements for external refurbishment services. The operating models developed in connection with the information system reform improved the monitoring and reporting of operations.

Policies

Policy or guideline	Scope	Availability
Code of Conduct	Ponsse's personnel and, as applicable, individuals, companies and organisations closely connected to Ponsse when acting with or on behalf of Ponsse	Publicly available on Ponsse's website
Operating policy	All Ponsse's operations and personnel	Publicly available on Ponsse's website

In the company's operating policy and Code of Conduct, Ponsse has described the policies related to resource use and the circular economy that it uses to manage the material impacts, risks and opportunities related to resource use and the circular economy.

The operating policy involves a commitment to developing and manufacturing sustainable, innovative harvesting solutions, as well as to innovating sustainable and environmentally sound solutions. In accordance with the circular economy approach, Ponsse takes responsibility for the life cycle of the machine and extends it through maintenance services. Ponsse develops product and service solutions that promote the circular economy and reduce the environmental impacts of the machine. The company is committed to developing its operations taking the natural environment into account. The environmental impacts of operations are known, and operations are systematically carried out to minimise the negative impacts. The aim is material efficiency in operations.

The Code of Conduct describes the company's general principles of environmental responsibility, but it does not have a direct connection to resource use and the circular economy. The guidelines commit Ponsse's personnel to complying with environmental laws and to identifying and managing the environmental impacts of the company's operations. The Code of Conduct involves a commitment to practices that save materials and natural resources.

The products and materials to be purchased are selected taking their environmental impacts into account, and products are developed with business and environmental targets in mind. More information about Ponsse's Code of Conduct is provided under *G1 – Business conduct*.

Ponsse's operating principles do not address the transition away from primary resources, increasing the use of recycled material or the sustainable sourcing and use of renewable natural resources.

Measures

Reducing resources and material consumption

In addition to new parts, Ponsse's Reman operations provide the company's global service network with refurbished and reused spare parts. The operations support Ponsse's goals of improving material efficiency and achieving carbon neutrality. Parts remanufacturing provides customers with low-cost products, minimises material waste, and solves challenges related to the availability of spare parts. The parts sent for remanufacturing are typically the largest and most valuable mechanical transmission components, such as engines and gearboxes. Remanufactured parts include a security deposit, which customers get back when they return the damaged part for remanufacturing. This ensures that spare parts do not end up as waste.

The focus is on the refurbishing of mechanical transmission parts, but the Reman range also includes hydraulic parts and forest machine information systems. The refurbishment unit cooperates with the spare parts reuse centre, whose task is to receive broken or otherwise returned parts from customers, the factory and the sales network, and to assess their possibilities for reuse in accordance with the principles of the circular economy. Both units work in close cooperation with Ponsse's used machine services, in which used forest machines are maintained and updated to extend their life cycle for subsequent owners. When a machine finally reaches the end of its service life, it can be dismantled. Usable parts will be refurbished to make low-cost spare parts, while any unusable parts will be recycled as material. More than 90% of a forest machine's weight is made up of recyclable material, mainly steel and cast iron.

Ponsse has also expanded its Reman refurbishment operations into its country organisations. As a result, services are provided closer to customers, without needing to transport parts over long distances for remanufacturing. Refurbishment operations have also been expanded in cooperation with partners to increase resources and broaden the product selection. Awareness of circular economy activities is strengthened through regular training provided to the Ponsse network. The training increases the network's awareness of the range and availability of refurbished parts, and of the operating model used to collect blanks to be refurbished. The training aims to increase the use of the existing offering and the availability of frames to be refurbished.

The buyback of blanks to be refurbished was expanded to cover the whole of Europe during 2025. The Reman Core Return application, an information system that supports the return logistics of the parts to be refurbished, is also under development. The range of refurbished parts was expanded with new products, including motor control modules, CVT transmission and PONSSE Scale weighing links. The aim is to further increase refurbishment operations, and to support the expansion into new market areas, an authorisation model for Reman operations and the related audit criteria have been established. The reuse of components is promoted through a systematic approach to the dismantling of used machines and the refurbishment of parts for reuse. The annual growth target for the production of spare parts based on the circular economy is 15%.

Services support extended life cycles

Maintenance services emphasise preventive maintenance, avoiding unexpected breakdowns and allowing maintenance to be carried out with due regard to the environment and occupational safety. Preventive maintenance increases the

potential for component refurbishment and reuse. To ensure comprehensive preventive maintenance, the Group has a long-term target of 90% maintenance agreement coverage for new machinery. In maintenance services, raw material savings are realised when customers are offered only the necessary part as a spare part, avoiding the need to replace large sections.

Digital services enable the use of remote diagnostics, up-to-date data and proactive maintenance calls to reduce environmental impacts, improve the efficiency of maintenance work and develop the smooth operation of the service. The Active Remote Support service enables a video connection between Ponsse's technical support and a customer or mechanic working on a forest machine. The application enables smaller issues to be solved remotely, which reduces the number of kilometres driven by maintenance vehicles and reduces emissions. The Fleet Monitoring solution provides an up-to-date overview of the technical condition of PONSSE forest machines operating in the forest. This, together with the Maintenance Call service, enables the smooth planning of scheduled maintenance and any additional work.

Optimal use of materials

The parts manufactured for Ponsse can reduce the need for materials with the right material choices and optimisation of structures. In such a case, the materials, their strengths and quantities are optimised for the application. The durability of the product is ensured through strength calculation and product testing. The use of simulation in product development reduces the manufacture and testing of physical structures. By developing item standardisation, material use can be reduced across the network, as fewer items need to be kept in stock.

In addition to developing the final product, new product processes aim to optimise the entire manufacturing chain. Comprehensive development is based on Dimension Management thinking, which takes into account manufacturing jigs, fasteners and the features necessary for quality assurance. Based on the review of materials and structures, maintenance planning introduces product modifications that improve manufacturability, support cost savings and optimise material use. Alternatives have been sought to replace plastic parts with parts made from renewable raw materials, and the use of pulp-based plastic has been tested. Testing will continue.

Minimising waste is an important part of Ponsse's productivity development, cost-effectiveness and competitiveness. At the factory, waste is reduced by means of continuous improvement aimed at the efficiency and quality of the processes. Around 1,400 measures are implemented annually. Material waste in the supply chain can also be reduced through the choice of manufacturing techniques, while component suppliers continue to develop their own processes to minimise waste.

Resource inflows

Raw materials and components for production and maintenance services

Estimated materials used for product manufacturing and maintenance services during the reporting period:

Material	Tonnes
Iron and steel	25,299
Castings and other metals	2,582
Machinery and equipment	6,724
Electronics	363
Rubber and plastic	2,286
Textiles	199
Chemicals	2,142
Other materials	138
Total resource inflows	39,734

The amounts shown in the table are estimates.

The proportion of recycled materials is not known for all materials. For metals procured for production, the share of recycled raw materials in the purchased volume is 18.9% for steel plates, 70% for steel castings and 47.8% for iron castings. Ponsse has identified that the raw materials and components to be procured contain at least aluminium and copper in terms of critical raw materials. No information is available on the amount of rare earth elements. Biological materials are not known to be used in the products. Ponsse has not yet received the information required under the EU Deforestation Regulation (EUDR) from all its suppliers regarding the origin of the natural rubber used in PONSSE forest machines. The regulation will apply from 30 December 2026.

Critical raw material	Tonnes
Aluminium	641
Copper	107

The amounts shown in the table are estimates.

Materials for refurbishment operations

All materials used in Ponsse's refurbishment and reuse operations are materials that have been abandoned by other operations or are unnecessary for them, and would end up as waste without the refurbishment operations. Refurbishment doubles the service life of a component. Material savings are created when refurbishment eliminates the need to produce a new component. The components to be refurbished are checked, repaired or updated as necessary and delivered for sale or use in maintenance.

Completely unused parts are also returned from the Ponsse service network to the company's logistics centre if there is no

customer demand for them within the network. Parts replaced with other components in connection with product changes can also be updated to be usable. The return flow is managed by means of separate instructions.

The factory submits slightly damaged parts for refurbishment that are usable and functional, but cannot be used in factory installations. New parts damaged during transport are also refurbished. Special parts used in testing may become redundant, in which case they are modified to be suitable for basic products or disassembled for use in other installations at the spare parts reuse centre.

The blanks of all components selected as Reman products are directed to the spare parts reuse centre, where they are stored and directed to refurbishment. The material of the parts to be refurbished is mainly steel. The number of blanks received cannot be statistically recorded at the moment, but the Reman Core Return application under development will allow monitoring in the future.

Resource outflows

Raw materials and components used in the products

The Vieremä factory manufactures forest machines and related components. Around 67.0% of the structures of the machines manufactured is steel, 18.9% iron or cast iron, 10.4% rubber and 1.4% plastic. Ponsse does not yet have sufficient information to report outflows in accordance with the EU Deforestation Regulation (EUDR) for natural rubber. The regulation will apply from 30 December 2026. Ponsse has identified that in terms of critical raw materials, the products contain at least aluminium (1.6%) and copper (0.3%). The high proportion of steel and other metals in the raw materials of forest machines enables the good recyclability of materials at the end of the product life cycle. Recycling tyres also guarantees the recycling of rubber. Tyre recycling varies by market area. Of the tyres used in Finland, nearly 100% are reused, and 92% in the rest of Europe.

Maintenance services and refurbishment operations

The refurbishment outflow – that is, inspected and refurbished components – is delivered to the central warehouse, where the components are available for the Ponsse network to order. In 2025, a total of 222,441 kg of spare parts were refurbished or produced for reuse. The amount grew by 2% year-on-year.

The outflow in maintenance services is defined as used machines that have been refurbished at Ponsse, parts and components that have been installed in maintenance, replaceable and refillable chemicals, and components that have been delivered as spare parts.

Expected product life and durability

A forest machine is, in principle, a long-lasting product that is designed to withstand time and use. The starting point for Ponsse's product development is the durability and long service life of the products. Forestry machines are designed with serviceability in mind, and the smooth running of maintenance is tested and verified in product reviews. Comprehensive maintenance services are provided alongside the product, which enhances the use of the product and extends its life cycle.

Forestry machines consist of frame structures and components added to them, which makes it possible to extend the product's life cycle by replacing individual components with new or refurbished components. The welded steel structures in the frames can be repaired in case of damage. The structure of the end product enables the implementation of refurbishment operations. The structures allow the product to be disassembled and recycled for reuse as parts or material.

The upgradability of the products is kept as high as possible, and customers are offered upgrade packages through aftersales. Upgrade packages are easy-to-install spare parts assemblies that can also be used to introduce new features to older machine models to improve machine productivity and operation.

The service life of products is also extended by re-productising used machines through comprehensive refurbishment work. The average service life of a machine is

20,000–25,000 hours. The annual operating hours of the machines and the interval between replacements depend on the operating methods in the market area.

The total amount of waste was 4,362 tonnes, of which 74% was generated in Finland: 41% at the Vieremä factory and 33% in maintenance services in Finland. The largest waste fractions of the factory were wood, 954 tonnes, and metal, 426 tonnes. The waste consisted of 2.4 tonnes of critical raw materials, 1.6 tonnes of aluminium and 0.8 tonnes of copper.

The high amount of hazardous waste is explained by components and chemicals that are replaced during maintenance, such as oils, coolants, lead batteries, used hydraulic hoses and oil filters. When washing forest machines, maintenance services also produce oily soil and oil separator well sludge. Of the hazardous waste, 49% was recycled in 2025.

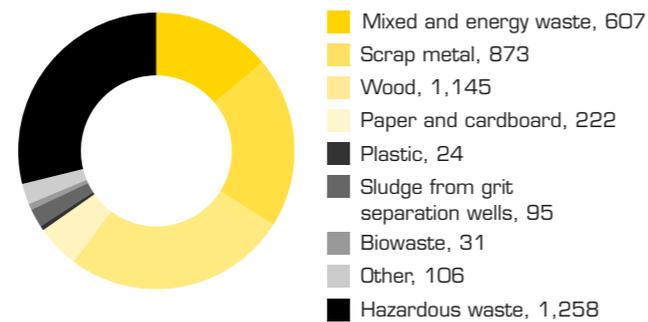
The amount of waste is reduced by circulating plastic boxes and other packaging used in transport between Ponsse and nearby and large-volume suppliers. Circular packaging designed for specific products protects the products from breakage while also reducing material waste.

The recycling rate is improved through the reuse of pallets. Significant items of recyclable waste include cardboard, metal and used lubricants, whose materials are used in the manufacture of new products.

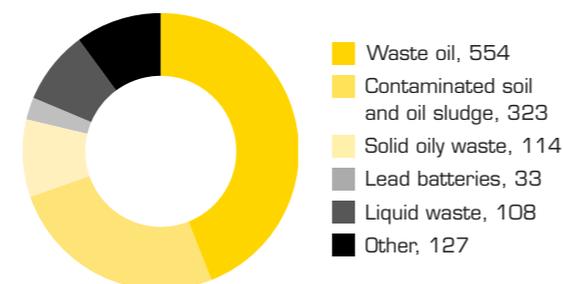
Waste

Waste volume, tonnes	2025	2024	Change, %
Non-hazardous waste	3,103	2,866	8%
Diverted from disposal	2,108	1,628	30%
Preparation for reuse	672	659	2%
Recycling	1,246	969	29
Other recovery operations	190	0	-
Directed to disposal	995	1,238	-20%
Disposal by incineration	663	844	-21%
Landfill	215	394	-45%
Other disposal operations	116	0	-
Hazardous waste	1,258	915	38%
Diverted from disposal	623	577	8%
Preparation for reuse	3	6	-56%
Recycling	555	555	0%
Other recovery operations	65	16	303%
Directed to disposal	636	338	88%
Disposal by incineration	322	229	41%
Landfill	191	75	155%
Other disposal operations	123	34	262%
Total waste volume	4,362	3,782	15%
Non-recycled waste, total amount and %	1,631 t 37%	1,592 t 42%	2%

WASTE, TONNES



HAZARDOUS WASTE, TONNES



Financial effects of resource use and the circular economy

In Ponsse's business operations, the principles of the circular economy support both resource efficiency and financial profitability. The company sees significant opportunities in the refurbishment of spare parts and used machines, which reduces material waste and extends the life cycle of the

products. The share of these activities in total turnover has been reported as part of the EU Taxonomy disclosures.

The promotion of the circular economy is also monitored from a financing perspective. The recycling rate is included as an indicator in Ponsse's ESG-linked financing loans, which partly guides the company to improve its use of resources. The connection to financial instruments highlights the strategic importance of the circular economy and its role in the company's long-term value creation.

CALCULATION PRINCIPLES FOR TARGETS AND METRICS

TARGETS

The recycling rate is calculated as a percentage of the total amount of waste recycled or directed to reuse or other recovery. The amount of mixed and energy waste is calculated based on the waste management companies' reports, and compared with the previous year and the base year. Service agreement coverage is calculated as the percentage of service agreements made relative to the number of new machines delivered. The figures include the machines manufactured and delivered during the reporting year and the related service agreements. The number and masses of refurbished components are collected at the item level from the ERP system, and the total mass of refurbishment parts produced is calculated from them.

INFLOWS

The principle for estimating the resource inflows has been changed since the previous year: The inflows of resources have been estimated based on cost-based information. The supplier-specific costs are divided in accordance with the main material to be purchased. The costs have been converted into tonnes at the corresponding average raw material price. Estimated resource inflows include, in addition to procurement for production, spare part purchases and procurement carried out locally by country organisations. Purchased used machines and Reman parts are not taken into account in the material volumes.

The average cost of steel for the year has been taken from Focus Economics, and is used to convert the cost of iron and steel, as well as machinery and equipment, into tonnes. For other materials, World Bank Commodities Price Data is used: the average price of aluminium for converting the cost of castings and other metals, copper for electronics, rubber for rubber and plastic, cotton for textiles, and crude oil for chemicals. The costs in the "Other materials" section have been converted into tonnes on the basis of the average price of the closest equivalent raw material. As purchases in this category are relatively small, the uncertainty associated with the conversion factor has a minor impact on the estimated total inflows of resources.

Ponsse mainly purchases processed products (components, parts, equipment), the cost structure of which includes more than just material. According to industry references, the final product price may be several times higher than the raw material cost due to the processing steps, surface treatment, quality assurance and margins.

Ponsse applies the modelling by Chang (2015), in which material costs account for 10% of total costs, and the share arising from manufacturing represents 90%.

For metals, the reported share of recycled raw materials has been calculated based on each supplier's proportion of total purchases within the respective procurement category. The recycling shares used in the calculation are based on information provided or published by suppliers. For metals purchased for production, information about the share of recycled content was available for 95% of steel plates, 70.3% of steel castings and 63% of iron castings. Due to the limitations of the input data, the quantities of recycled raw materials cannot be reported in absolute numbers. The quantities of critical raw materials, such as aluminium and copper, have been estimated based on the life cycle assessment (LCA) conducted for the PONSSE Buffalo forwarder in 2021. The proportion of critical raw materials obtained in the modelling is multiplied by the estimated total resource inflows. In life cycle assessments, 98% of the materials used in the machine were reviewed, and the remaining 2% were expected to be distributed in the same way.

OUTFLOWS

The percentages of raw materials used in the products are based on the life cycle assessment conducted for the PONSSE Buffalo forwarder in 2021. In life cycle assessments, 98% of the materials used in the machine were reviewed, and the remaining 2% were expected to be distributed in the same way. The recycling data for tyres is published by Suomen rengaskierrätys Oy.

The information describing the volume of refurbishment operations has been collected based on the parts, materials and weights recorded in the work orders opened in the ERP system. Materials information for spare parts refurbished by partners has been obtained from purchase orders.

For the most part, the waste data has been obtained from the reports of the waste management companies. In the absence of precise data, the weight of the waste has been estimated by multiplying the number of times the waste bins are emptied by the weight factor of the waste fraction based on bin size. The coefficients have been taken from publications of the Helsinki Region Environmental Services Authority and the Finnish Environment Institute. Information about waste treatment methods has also been compiled from waste management companies' reports. If the treatment method is not known, the option "disposal in landfill" has been used for reporting. Full Service operations on the premises of customers are excluded from reporting and calculation: Ponsse Latin America Ltda's Full Service sites in Belo Oriente, Eunápol, and Telémaco Borba.

SOCIAL INFORMATION

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S1 – Own workforce

Material impacts, risks and opportunities related to own workforce

Positive impacts	Part of the value chain	Controls and measures
Equal treatment and respect for diversity and human rights promote employees' well-being at work and working capacity. (A)	Own operations	<ul style="list-style-type: none"> High-quality supervisory work and an equitable, diverse and inclusive corporate culture strengthen wellbeing at work, safety, health and engagement. Ponsse does not tolerate discrimination against employees or jobseekers on any personal grounds. Human rights commitment: Ponsse is committed to respecting human rights throughout the Group. Ethical whistleblowing channel for reporting concerns. Open discussion culture and employee surveys.
Employee training, job rotation, workplace culture and high-quality supervisory and managerial work have a positive impact on employees' working capacity and wellbeing. (A)	Own operations	<ul style="list-style-type: none"> High-quality induction ensures common practices in work tasks, safety and everyday practices, together with the company's values, Code of Conduct and policies. Supporting competence, professional skills and career development through training opportunities. Equal opportunities to apply for new positions. Competent supervisory and leadership work and surveys measuring the quality of leadership work. Performance reviews and regular employee surveys. Coordination between work and leisure through flexible working hours arrangements and by adopting a positive approach to the use of family leave.
Promoting mental and physical safety in the workplace community improves working conditions and wellbeing at work. (A)	Own operations	<ul style="list-style-type: none"> Occupational health and safety risk assessment and corrective measures. Safety, compliance and product training. Code of Conduct (ethical guidelines) for all personnel. Continuous development, training and monitoring of occupational safety through safety observations and safety walks, for example. Open discussion and raising concerns. Certified management systems. Identification and assessment of psychosocial risks. Guidelines for preventing bullying and harassment.
Financial opportunities	Part of the value chain	Controls and measures
A strong employer brand and the availability and commitment of skilled personnel improve Ponsse's employer image and performance.	Own operations	<ul style="list-style-type: none"> Strong reputation as a forest machine manufacturer and employer in Finland. Visibility as an employer varies from country to country and region to region globally. Maintaining and improving employee satisfaction.
Good team spirit, value-based operations and good occupational safety results improve employees' efficiency and Ponsse's performance.	Own operations	<ul style="list-style-type: none"> Safe working conditions, the right tools, shared values and a coaching supervisor. Developing occupational safety processes and risk management measures.

The impacts, risks and opportunities table indicates whether the impact identified is actual (A) or potential (P).

Assessing and identifying material impacts, risks and opportunities

Material impacts, risks and opportunities related to own workforce have been identified as part of the company's double materiality assessment, the results of which are taken into account in the Group's risk management process. The views of own workforce have been taken into account as part of the stakeholder interviews of the double materiality assessment. The process of identifying and assessing the material impacts, risks and opportunities related to sustainability topics is described on page 61. The interests and views of different stakeholders, including own workforce, as well as the impacts on the business model and strategy are explained on page 60.

Material impacts related to own workforce have been identified as having a dependency on financial opportunities: for example, the development of occupational safety improves employees' efficiency. Ponsse's operating principles help to promote the identified positive impacts and financial opportunities and to mitigate the identified financial risks. The information to be reported covers all Ponsse's employees under an employment contract. The accident frequency

calculation for 2025 also includes workers who are not employed by Ponsse. Ponsse has not identified operations involving a significant risk of forced labour or child labour.

Of the impacts related to own workforce, operations in accordance with values, the equal treatment of people and respect for diversity and human rights, as well as the continuous improvement of occupational safety and health, are based on the company's strategy and the action plan for personnel and safety, and they strongly support the implementation of the business model. Ponsse seeks to produce sustainable solutions for the benefit of customers and the environment. The company's mission is to succeed together with customers.

The implementation of Ponsse's business model and strategy is supported by training for employees, high quality management and highly committed personnel. In accordance with its strategy, Ponsse seeks to promote people's wellbeing and is committed to taking care of its personnel, customers and network. The company works to be an equal workplace community, where employees are valued and where it is safe to work.

Sustainability risks are assessed annually as part of the Group's risk management process. Risk assessments also cover risks related to own workforce.

Targets and progress related to own workforce

Target	Target year	2025	2024	2023	Measures in 2025
Lost time injury frequency (LTIF) 0	2030	6.9	11.5	10.4	<ul style="list-style-type: none"> Developing and implementing safety pillars Renewal of the global safety reporting system and the chemical management system Active communication of safety awareness and lessons learned
Extensive pulse survey for the personnel (employee satisfaction) >3.75 (>75%)	2026	3.95 (79%)	4.0 (80%)	4.09 (81.8%)	<ul style="list-style-type: none"> Team-level and company-level plans and measures
Excellent employee experience (eNPS) >40, (on a scale from -100 to 100)	2026	34	28	31	<ul style="list-style-type: none"> Team-level and company-level plans and measures
Quality of managerial work >3 (on a scale from 1 to 4)	2026	3.35	3.24	3.20	<ul style="list-style-type: none"> Supervisor training Senior management training programmes Employee performance review
Voluntary employee turnover <7%	2026	8.9	8.3	8.1	<ul style="list-style-type: none"> Management training Feedback from the personnel survey and measures based on the feedback Performance reviews, personal development plans

Setting goals

Ponsse's management involves personnel in the annual strategy process and in determining strategic targets. At the beginning of the year, the company's strategy and the strategic targets of its functions are communicated to all employees at Ponsse Way Forward events. Strategy communication is supported by the publication of strategy videos for personnel and instructions for supervisors on how to implement strategy communication.

The head of each function is responsible for target-setting in their area of responsibility as part of the company's strategy. Ponsse's common and function-specific targets are implemented for the personnel through goal-setting as part of performance reviews.

In 2025, Ponsse's management team, under the leadership of the CEO, monitored strategic targets and strategy-related measures through quarterly strategy reviews.

Employees' representatives and the personnel are informed about the progress of the strategy in various cooperation forums and through various communication channels. All personnel are invited to the CEO's quarterly reviews to discuss topical matters. The annual strategy process and the related goal setting are developed on the basis of changes in business operations and the business environment.

Progress on targets during the reporting period

Occupational safety

Ponsse's journey towards zero accidents progressed significantly in 2025, even though the target was not yet achieved. Compared with the previous year, the LTIF (Lost Time Injury Frequency) decreased significantly and ended at 6.9. Eye injuries recurred in the accidents reported in 2025, and the company is increasingly focusing on the use of eye protection.

Hazards to which employees are exposed in their work include hand injury risks, noise, the risk of exposure arising from machining and the use of certain chemicals, hot work, heavy lifting and the need to work above ground level. The risks associated with these situations continued to be reduced during 2025 by improving working methods and conditions and introducing new protective equipment, aids and devices.

Selected strategic measures to improve safety were continued during 2025. The implementation of occupational health and safety policy practices and principles was also continued during 2025. In addition, the personnel were trained in the safety pillars, which have been created on the basis of accidents and serious incidents that have occurred within the company. The pillars serve as a reminder of safe working practices to employees and external persons working on the sites.

Towards the end of 2025, a new global safety reporting system was introduced. It enables better management and transparency in safety work at the level of both individual teams and the company as a whole. The reform is extensive and is expected to support safety work significantly in the coming years. During 2025, a new, global chemical management system was also introduced, which allows managing chemical risks. It is expected that the system will also make it possible to reduce the costs associated with the use of chemicals in the longer term.

Employee satisfaction and the employee experience

In 2025, Ponsse monitored employees' willingness to recommend the company and overall work engagement through eNPS surveys conducted twice a year. The Excellent Employee Experience (eNPS) score increased by 21% from the previous year, reaching 34. In late 2025, Ponsse also carried out an extensive Pulse employee survey, as well as a separate leadership feedback survey. Improvements had taken place in all areas of the surveys compared with the previous year. As data collection has developed further, the results of the extensive employee survey have been announced for the first time at the Group level, including the results of Epec Oy. Ponsse's employee satisfaction score was 4.13 and Epec Oy's 3.76, with an average of 3.95.

The results of the employee surveys are used in planning management training and other development actions. Supervisors were provided with additional support and training on how to review the results of personnel surveys in teams and how to involve the teams in preparing development measures. Based on employee feedback and business needs, training and development opportunities were increased in the company.

The implementation of Ponsse's renewed values continued through, for example, active communication, ranging from strategy communication to team-specific value scorecard discussions, which proved to be an effective way to engage in value discussions and integrate the values into the teams' everyday work. At the end of 2025, personnel training and qualification information was integrated into the Workday personnel system, providing supervisors with better visibility into their teams' competences. In addition, the company introduced a new global onboarding path, the progress of which can be monitored in the Workday system.

In 2025, Ponsse renewed its online Code of Conduct training and information security training. An extensive learning module on workplace community skills was made available to all employees through the Ponsse eAcademy learning portal. In addition, a dedicated leadership and supervisory training path has been defined for managers.

Leadership and supervisory work

The leadership quality survey score continued to improve from 2024, reaching an excellent level of 3.35. During the reporting year, the OnePonsse management principles were renewed and published for supervisors, and the development of related online training was started. Training and support for setting goals and preparing personal learning plans were provided for performance reviews.

The global training programme launched in late 2024, which was implemented with Aalto Executive Education and Professional Development, was completed. In addition to Ponsse's extended Management Team, 40 supervisors from different countries and functions participated in the first programme. The programme was further developed, and the next global group of 40 supervisors has been selected for implementation starting in 2026.

In 2025, diversity, equity and inclusion training was carried out for all employees of the Vieremä factory, as well as globally for all supervisors. Separate workshops were organised for Ponsse's Management Team and HR, in which the development

needs related to these themes at Ponsse were also addressed.

In addition, in 2025, a coaching programme for Ponsse's salespeople globally and a separate programme for salespeople's supervisors were launched with an external partner. The programme will continue in 2026 and will also include the development of internal processes and training on sales tools.

Voluntary employee turnover

Voluntary employee turnover in 2025 increased slightly, standing at 8.9% (8.3%). Voluntary turnover varies from country to country and reflects the impacts of local labour market trends on labour demand and availability. With good management practices and high-quality local management, Ponsse seeks to commit personnel to the company on a long-term basis.

Separate measures have not been targeted at voluntary turnover, but all development actions related to personnel and management promote the employee experience and commitment.

Policies

Policy or guideline	Scope	Availability
Code of Conduct	Ponsse's personnel and, as applicable, individuals, companies and organisations closely connected to Ponsse when acting with or on behalf of Ponsse	Publicly available on Ponsse's website
Human rights commitment	All employees in Ponsse's value chain	Publicly available on Ponsse's website
Equality and non-discrimination plan	Ponsse's personnel	Internally available on the company's intranet
Occupational health and safety policy	Ponsse's personnel	Internally available on the company's intranet
Product safety policy	Ponsse's personnel, consumers and end users, as well as PONSSE products	Internally available on the company's intranet
Information security policy	Ponsse's personnel and, as applicable, individuals, companies and organisations closely connected to Ponsse when acting with or on behalf of Ponsse	Publicly available on Ponsse's website

Ponsse always complies with the laws and regulations of the country in which the company conducts business. In addition to legislation, Ponsse's business operations are guided by its Code of Conduct, values, policies and internal guidelines. Ponsse's Board of Directors approves, and the Management Team processes all the key policies and guidelines that guide Ponsse's operations. The key policies are updated and approved regularly and apply to all employees and operations of the company globally. Personnel and occupational safety guidelines and policies are the responsibility of Ponsse's People, Safety & Culture organisation.

Ponsse ensures consistent corporate responsibility practices with the support of the company's values, Code of

Conduct and strategy throughout the Group. The principles of the Code of Conduct are consistent with human rights policy commitments. Ponsse does not accept the use of child labour or any other forms of forced labour under any circumstances. Ponsse's Code of Conduct is described in more detail under *G1 – Business conduct*.

The Code of Conduct and the internal equality and non-discrimination plan ensure an equal and non-discriminatory corporate culture that promotes employees' wellbeing and the employee experience, reduces employee turnover and facilitates the recruitment of skilled labour. In Finland, the equality and non-discrimination plan describes the situation of equality and non-discrimination at Ponsse and includes measures to

promote them. The goal is an equal workplace community that does not tolerate discrimination, harassment or inappropriate treatment. Discrimination is prevented by providing employees with appropriate induction, communicating Ponsse's values and rules, providing training to supervisors and following the agreed ways of working. Ponsse wants to create equal opportunities, rights and obligations for its personnel.

The occupational health and safety policy aims to describe the principles for fulfilling Ponsse's safety commitments and to clarify each Ponsse employee's understanding of their own occupational health and safety responsibilities. In accordance with its occupational health and safety policy, Ponsse is committed globally to preventing accidents and occupational diseases, developing safety work, maintaining an occupational health and safety management system and designing products that are safe to manufacture, maintain and use. The policy also requires the open sharing of information about health and safety outcomes and best practices. It promotes positive impacts and financial opportunities related to occupational safety and mitigates financial risks.

Product safety is an essential and important part of Ponsse's business operations. The objective of the product safety policy is to ensure that Ponsse's products are safe to use throughout their life cycle and do not endanger the safety or health of users, maintenance personnel, employees or the environment. Implementing the policy and acting in accordance with the policy help to prevent accidents and improve customer satisfaction and the safety of Ponsse's products. Compliance with the policy also helps to reduce the amount of damage and unexpected downtime, protecting the company's financial performance.

Ponsse's data security policy ensures compliance with the requirements of information security and data protection. Data protection is ensured throughout the life cycle of data using specifically defined processes and procedures.

Respect for human rights at Ponsse

Ponsse is committed to ensuring that human rights are respected throughout the Group and in all operations. Ponsse's work for human rights is based on the OECD Guidelines for Multinational Enterprises and on the UN's Guiding Principles on Business and Human Rights and compliance with law. In accordance with the UN Guiding Principles, Ponsse is committed to respecting and supporting all internationally recognised human rights, including working life rights, regardless of the location.

Ponsse addresses human rights in its value chain, following the related due diligence obligation. The company is committed to preventing any negative impacts on human rights and

intervening in any decreases in human rights of which it is aware.

Furthermore, Ponsse is committed to all equality and non-discrimination principles concerning human rights in all situations. This means that everyone must be treated equally without any discrimination regardless of their personal characteristics such as gender, ethnic origin, indigenous or minority status, language, religion, age, sexual orientation or any other personal reason.

Ponsse's human rights due diligence (HRDD) process was conducted and described at the end of 2023 with the assistance of external human rights specialists. Specialists from Ponsse were also engaged in the process. The process was started by conducting a human rights impact assessment (HRIA) to assess the human rights impacts and risks of Ponsse's operations and specify the most significant human rights themes and standards. After the HRIA, Ponsse further specified the internal processes and monitoring and communication requirements contained within Ponsse's responsibility for human rights and also assessed development areas with consideration for the four key groups of people related to these: 1) our working community; 2) customers and end-users; 3) employees in procurement chains; and 4) people in local areas and communities. Based on the assessment, a public human rights commitment has been drawn up for Ponsse.

In accordance with the HRIA, Ponsse must pay special attention to the fulfilment of its responsibility for human rights in its workplace community. Ponsse needs to ensure the control of its human rights impacts in its processes and practices, and to pay special attention to protecting the safety and health of its employees, including young employees and trainees. Based on the HRIA, Ponsse's safety team further specified the guidance on the risks affecting young employees and the tasks suitable for them. In 2025, both employees and supervisors, starting from the Management Team, were trained on other considerations raised in the assessment, such as promoting diversity, equity and inclusion.

In 2026, the human rights risk and impact assessment will be further expanded to meet increasing sustainability requirements. A key focus of the development work is the identification of risks and impacts in the upstream value chain. The aim is to create a more systematic operating model that covers the initial stages of the supplier network and improves transparency throughout the value chain.

Engagement with own workforce and employees' representatives

For Ponsse, it is important that employees' representatives provide the employees' views on the practices and processes related to own workforce. Cooperation with employees' representatives is actively carried out in countries where representation is part of local operations. Local laws and collective agreements are monitored on an up-to-date basis. In all countries of operation, feedback is collected from personnel through annual pulse surveys for employees and eNPS recommendation measurements.

Group-level governance representation has been agreed with shop stewards in 2023. The Group's cooperation management team includes representatives of all Ponsse Plc's and Epec Oy's personnel groups. The cooperation management team meets quarterly to discuss matters affecting the personnel, which the employees' representatives must be aware of and have the opportunity to influence. Of the Group Management Team, the President and CEO, CFO, Chief People, Safety & Culture Officer, Chief Operations Officer and Chief Sales, Service & Marketing Officer regularly attend the cooperation management team's meetings. Other members of the management team or experts are invited if necessary. The Group's cooperation management team has also discussed the Code of Conduct and the human rights commitment, as well as Ponsse Plc's equality and non-discrimination plan, on an annual basis. The Chief People, Safety & Culture Officer is responsible for preparing matters for the cooperation management team and decides with the representatives on the matters to be communicated.

In Finland, in addition to the occupational safety and health committee, there is a continuous dialogue group that meets seven times a year with shop stewards and occupational safety and health representatives, People Partners, safety experts and representatives of operational functions. The group actively engages in discussions on daily personnel and occupational safety matters. The meetings of the occupational health and safety committee and the continuous dialogue group are the responsibility of Ponsse's People & Safety team. In country organisations outside Finland, there is active and open dialogue with the personnel and employees' representatives if there is employee representation in the country.

Processes to remediate negative impacts and channels to raise concerns

Ponsse aims to mitigate the negative impacts related to its own workforce through the company's values and jointly agreed operating principles. Ponsse continuously monitors and develops occupational safety, provides training to employees and supports supervisor and leadership work.

Ponsse's ethical operating methods are also supported by a whistleblowing channel, which allows any suspected misconduct related to Ponsse and its operations to be reported. The whistleblowing channel is described as part of the company's Code of Conduct. Every Ponsse employee must complete training on the Code of Conduct. Further information about the processing of reports submitted through the whistleblowing channel and whistleblower protection is provided under *G1 – Business conduct*.

Every Ponsse employee can submit safety observations to the company's reporting system or in a locally agreed manner. The reporting of safety observations is supported by means of training and communication in the CEO's reviews, for example. Safety observations have helped to identify areas for improvement, take corrective action and reduce safety risks. Safety findings are regularly reviewed by the responsible teams, and the progress of corrective measures is monitored.

Measures

An equal workplace community

An equal and non-discriminating corporate culture promotes employees' wellbeing and the employee experience, reduces employee turnover and helps to recruit highly competent labour. Ponsse seeks to strengthen the diversity of the workplace community, and attention is therefore paid to the implementation of a culture of equality and inclusion.

Ponsse maintains an open discussion culture, and employees are offered the opportunity to give feedback through personnel surveys. The personnel pulse survey also measures the personnel's experiences of equity and equality.

Ponsse's equal workplace community is supported by operations in accordance with values, common operating principles, high-quality supervisory work combined with a strong corporate culture, and the maintenance of an open discussion culture.

Ponsse facilitates coordination between work and leisure through flexible working hours arrangements and by adopting a positive approach to the use of family leave.

Managerial work

Ponsse monitors the quality of managerial and supervisory work through an annual leadership feedback survey, for which a measurable target has been set. The results of the survey are used in the development of leadership programmes and support, and to create perspectives on the individual development of supervisors. Each Ponsse employee has the opportunity to provide feedback to their supervisor through the leadership feedback survey.

All employees in supervisory roles are provided with monthly training and briefings on HR processes and their management.

At Ponsse, performance reviews between employees and supervisors are held either once or twice a year, and open dialogue between supervisors and employees is encouraged. In 2025, the content, guidance and training related to performance reviews were further developed to meet the needs of supervisors and employees.

Promoting occupational safety

Occupational safety is measured frequently using different indicators, and the Group has set an accident frequency rate target. Ponsse has a certified ISO 45001 management system for occupational health and safety in its Finnish operations, in Epec Oy and in its Chilean and Uruguayan country organisations. The implementation of the safety policies is the responsibility of Ponsse's CEO, and occupational safety is actively part of the work of Ponsse's Management Team and management.

Mental and physical safety is promoted through active development work, including the assessment of mental and physical safety risks and the implementation of corrective measures. In addition, Ponsse has drawn up country-specific guidelines to prevent bullying and harassment. Investments in mental and physical safety improve working conditions and well-being at work while also promoting employees' efficiency and Ponsse's financial performance.

Ponsse is committed to the target of zero accidents and occupational diseases. Active development work is carried out to achieve the target. Accidents are investigated, lessons learned from the investigation are communicated to the personnel and corrective measures are taken to prevent similar accidents. Well-implemented safety training for new employees ensures the working capacity and wellbeing of the workforce. Occupational safety training is continuously developed, and the implementation of training is monitored globally.

All Ponsse's personnel are covered by occupational health care and examinations in accordance with the legislative requirements of each country. Expertise in occupational health

care is used in monitoring the development of the personnel's occupational health and in planning the necessary corrective measures at an early stage.

The Ponsse maintenance service network is regularly audited in accordance with Ponsse's ESW (Effective and Safe Workshop) internal audit programme. The safety section of the audit programme includes, among other aspects, safety training, emergency preparedness, safety metrics and safety observations and safety walks, as well as the different areas of accident investigation. Audit incidents are reported, and the corrective measures required are monitored globally.

Ponsse's operations in Finland, Epec Oy and Ponsse's Chilean and Uruguayan country organisations are audited in accordance with the requirements of the ISO management system. Management systems are described in the *G1 – Business conduct* section.

Ponsse works to offer training opportunities for young employees. In the company, the tasks in which young employees can be placed are always assessed separately, and it is ensured that country-specific statutory perspectives are taken into account.

In addition to occupational health and safety risks, Ponsse's operations involve product safety risks, which are managed by means of the company's product safety policy. The product safety policy is described under *S4 – Consumers and end-users*.

Employer image and employee commitment

Employee commitment is primarily measured through an extensive employee survey and the employee Net Promoter Score (eNPS). Voluntary turnover is also monitored, with a defined target level. In Finland, Ponsse's strong reputation and good employer image facilitate the availability of labour and Ponsse's attractiveness. In many other countries, Ponsse is known for its good reputation among its customers in its local community, but wider recognition is weaker than in Finland. Active cooperation with the local community and educational institutions helps to create a positive employer image and to ensure that Ponsse is perceived as an attractive employer. Ponsse has long employment relationships, a committed workforce and, in global terms, voluntary turnover remains at a manageable level.

Ponsse cooperates with educational institutions in universities, universities of applied sciences and vocational education. Ponsse's employer image was also supported by the reputation award given to the company in the Reputation&Trust survey in Finland. Ponsse has ranked among Finland's most reputable listed companies in the survey for several years.

Metrics

NUMBER OF EMPLOYEES BY GENDER

Gender	2025	2024
Men	1,843	1,773
Women	250	225
Others	0	0
Not reported	0	1
Total number of employees	2,093	1,999

EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER

2025	Women	Men	Others	Not reported	Total
Number of employees under an employment contract	250	1,843	0	0	2,093
Number of employees under a permanent employment contract	239	1,821	0	0	2,060
Number of employees under a temporary employment contract	11	22	0	0	33
Number of employees under an employment contract with non-guaranteed hours	0	0	0	0	0

2024	Women	Men	Others	Not reported	Total
Number of employees under an employment contract	225	1,773	0	1	1,999
Number of employees under a permanent employment contract	216	1,748	0	1	1,965
Number of employees under a temporary employment contract	9	25	0	0	34
Number of employees under an employment contract with non-guaranteed hours	0	0	0	0	0

NUMBER OF EMPLOYEES UNDER AN EMPLOYMENT CONTRACT IN COUNTRIES REPRESENTING MORE THAN 10% OF THE TOTAL NUMBER OF PERSONNEL

Country	2025	2024
Finland	1,221	1,150
Brazil	434	446

NUMBER OF PERSONNEL BY GEOGRAPHICAL AREA

2025	Europe	South America	North America	Asia	Total
Number of employees under an employment contract	1,404	572	92	25	2,093
Number of employees under a permanent employment contract	1,373	571	92	24	2,060
Number of employees under a temporary employment contract	31	1	0	1	33
Number of employees under an employment contract with non-guaranteed hours	0	0	0	0	0

2024	Europe	South America	North America	Asia	Total
Number of employees under an employment contract	1,318	580	77	24	1,999
Number of employees under a permanent employment contract	1,287	578	77	23	1,965
Number of employees under a temporary employment contract	31	2	0	1	34
Number of employees under an employment contract with non-guaranteed hours	0	0	0	0	0

DISTRIBUTION OF EMPLOYEES BY AGE GROUP

Age group	Headcount 2025	Headcount 2024
Aged under 30	390	391
Aged 30 to 50	1,293	1,199
Aged over 50	410	409

TOTAL NUMBER OF EMPLOYEES WHO HAVE LEFT THE COMPANY AND THE RATE OF EMPLOYEE TURNOVER

	2025	2024
Total number of employees who have left the company during the reporting period	299	380
Employee turnover, %	14.3%	19.0%

TOTAL COMPENSATION RATIO

	2025	2024
The ratio of the annual total compensation of the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual).	16.9	14.1

MANAGEMENT TEAM GENDER DISTRIBUTION

Gender	Headcount	Headcount, %
Men	7 (7)	78% (78%)
Women	2 (2)	22% (22%)

GENDER DISTRIBUTION IN THE BOARD OF DIRECTORS

Gender	Headcount	Headcount, %
Men	5 (5)	71% (71%)
Women	2 (2)	29% (29%)

PAY GAP BETWEEN WOMEN AND MEN

Countries	Ratio 2025	Ratio 2024
Brazil	-6	-17
China	-42	-32
Finland	-3	-2
United States	19	-8

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Number of personnel	Employees covered by a collective agreement	No collective agreement or empty value	Covered by a collective agreement, %
2,093	1,892	201	90.0%

Number of personnel (Finland)	Employees covered by a collective agreement	Covered by a collective agreement, %
1,221	1,203	98.5%

Number of personnel (Brazil)	Employees covered by a collective agreement	Covered by a collective agreement, %
434	434	100%

Number of personnel (Finland)	Employees covered by employees' representatives	Covered by employees' representatives, %
1,221	1,203	98.5%

Coverage:	Coverage of collective bargaining		Social dialogue
	Employees – EEA	Employees – Non-EEA	Representation in the workplace (EEA only)
0–19%			
20–39%			
40–59%			
60–79%			
80–100%	Finland	Brazil	Finland

TRAINING AND SKILLS DEVELOPMENT

	2025
Employees in employment relationships who participated in regular performance and career development discussions, %	85%
Clerical workers	97%
Employees	63%
Women	97%
Men	85%

ADEQUATE WAGES

All Ponsse employees are paid a living wage. The indicators of the living wage have been calculated by comparing the salaries of individuals either with the available market data on the living wage in the area in question or with the locally determined or applied level of the living wage.

For EEA and non-EEA countries, the comparison is based on the applicable collective agreement in the countries where collective agreements are used. If collective agreements are not applied, the comparison is based on the wage levels of peer groups or on information about adequate wages that may have been published for the country. Adequate wages have been reported based on the situation on 31 December 2025.

FAMILY LEAVE

	2025
Percentage of employees entitled to parental leave	100%
Number of women on family leave, %	16%
Number of men on family leave, %	84%

PERSONNEL COVERED BY THE HEALTH AND SAFETY MANAGEMENT SYSTEM

	Headcount	% of personnel
Personnel covered by the health and safety management system	1,359	64.9%

HEALTH AND SAFETY

Own personnel	2025	2024
Accidents at work	49	58
TRIF	12.9	15.6
Occupational accidents resulting in absence from work	26	43
LTIF	6.8	11.5
Fatal accidents at work	0	0
Occupational diseases	0	0
Fatal occupational diseases	0	0

External personnel and contractors	2025
Accidents at work	1
Occupational accidents resulting in absence from work	1
Fatal accidents at work	0

Accident frequency rates; own personnel and external workers	2025
LTIF	6.9
TRIF	12.8

Safety observations	2025	2024
Number of safety observations/ number of persons	2.3	2.3

DISCRIMINATION AND HARASSMENT CASES

	2025	2024
Total number of discrimination and harassment cases	0	0

There were no fines or compensation for discrimination or harassment cases in the reporting year. Serious human rights cases, such as forced labour, human trafficking or child labour, have not been reported, and have not resulted in any fines or compensation in the reporting year.

There were no fines or compensation for work-related cases or complaints, or serious human rights impacts or cases involving own workforce in the reporting period.

CALCULATION PRINCIPLES FOR TARGETS AND METRICS

TARGETS

The accident frequency calculation includes all lost-time injuries that occurred during the reporting year per one million hours worked. The methods for monitoring working hours are described under "Calculation principles for metrics".

The result of the extensive employee survey is based on a survey carried out in 2025 at the Group level. Epec Oy is not included in the 2024 comparison figure.

The excellent employee experience result is based on an eNPS survey carried out at the Group level.

The quality of managerial work is based on a survey conducted at the Ponsse Group level, excluding Epec Oy.

Voluntary employee turnover is monitored using a continuously updated 12-month metric. The figure takes into account personnel who have left the company voluntarily. The figure has been calculated using the average number of employees in the Ponsse Group as the denominator.

METRICS

All Ponsse Group personnel, excluding trainees, are taken into account in the metrics related to own workforce. The figures for the indicators are reported based on the situation at the end of the year (31 December 2025). The figures related to the number of employees under an employment contract include all persons in active employment. The number of personnel in sustainability reporting differs from the number of personnel presented in the financial statements, which is reported as the average for the reporting year.

The number of employees under an employment contract by country is reported for countries where the number of personnel exceeds 10% of the total number of personnel. For the calculation of country-specific data, definitions according to the national laws of each country have been used.

There is a legal basis for fixed-term employment contracts with Ponsse employees.

The employee turnover figure includes all employees under an employment contract who left the company voluntarily, were made redundant, retired or died during the reporting year. The number of employees, excluding trainees, in an active employment relationship with Ponsse has been used as the divider of the figure.

The percentage of employees under an employment contract covered by collective agreements out of the total number of employees under an employment contract (excluding trainees) is calculated as follows: employees under an employment contract covered by collective agreements / total number of employees x 100. The number of employees and the information about employees covered by a collective agreement have been reported based on the situation at the end of the reporting period (31 December 2025).

The percentage of employees under an employment contract covered by collective agreements has been reported out of all employees under an employment contract in Ponsse Plc and Epec Oy. In the EEA, only Finland has at least 10% of the total number of employees under an employment contract in the company. Outside the EEA, only Brazil has at least 10% of the total number of employees under an employment contract in the company. The

coverage of collective agreements and the information concerning social dialogue between labour market parties remain at the same level as in the previous year.

The total remuneration figures have been reported on 31 December 2025 for employees in active employment. The ratio of total pay between women and men has been calculated by comparing the difference between the average salaries of men and women in relation to the average salary of men. The presentation has been changed from the previous year to comply with the standard. The figures for the reporting year and the comparison year are comparable. For technical reasons related to the system, the calculation uses the annual gross salary instead of the gross hourly wage. The ratio has not been presented for countries where fewer than five women work, or where both genders are not represented.

When comparing the annual total compensation of the highest-paid individual to the median annual total compensation, the annual wages of employees under an employment contract on 31 December 2025 have been used in the calculation. The wage of the highest-paid individual has been excluded from the median for all employees. The median calculation for the entire personnel in 2025 includes bonuses paid to employees. The median calculation for the entire personnel in 2025 includes bonuses paid to employees. The 2025 comparison also takes into account the bonuses paid to the highest-paid employee. Bonuses have not been taken into account in the figure for the 2024 comparison period, as the information was not previously reliably available. The currency conversion for the euro-denominated comparison has been made using the average exchange rate.

The actual participation rate in regular performance and career development discussions has been calculated by comparing the number of forms confirmed in the HR system with the number of employees to whom the discussion forms were submitted during 2025. The proportions of women and men have been calculated by comparing the number of confirmed forms for that gender with those sent to them. The actual percentage for white-collar employees has been calculated by comparing the forms confirmed in the HR system with those sent to them. The corresponding figure for blue-collar employees has been calculated by comparing their forms with the number of employees. Epec Oy, which was added to the HR system in late 2025, has not been taken into account in the performance and career development discussions.

The percentage calculation for employees who used parental leave has been carried out at the Group level by comparing the total number of employees who took leave with the headcount, broken down by gender. The total number of leave periods includes all periods of parental leave taken.

Training hours have not been reported by applying the ESRS S1 transitional provision. The personnel covered by the occupational health and safety management system include the number of personnel of the Group companies subject to the ISO 45001 management system; that is, the parent company Ponsse Plc, Epec Oy and the Chilean and Uruguayan country organisations.

Occupational accidents have been reported in the health and safety data for the entire reporting year. For occupational diseases, the reporting and follow-up period is the entire reporting year.

Accident frequencies have been calculated per one million hours worked. In calculating accident frequency rates, actual working hours have primarily been used whenever available. If actual working hours are not available,

either an estimate of working hours or theoretical working hours are used in the calculation. Accident frequency rates for the country companies in Brazil, Chile, Epec's operations in Finland, Ireland, China, France, the Czech Republic, the UK and Uruguay have been calculated using actual working hours reported. For employees in the USA and Sweden, working hour reports are based on actual hours worked, whereas the reported working hours for clerical workers are estimates. In the calculation for clerical workers in Sweden, any overtime hours have not been taken into account. In addition, the hour deductions for holiday days for white-collar employees in the USA may contain inaccuracies. Theoretical working hour figures have been used for Ponsse's operations in Finland, for Norway and for Epec Oy's operations in the Netherlands. For Norway and for Epec's operations in the Netherlands, working hour figures are based on headcount.

In the 2025 accident frequency calculation, accidents and working hours of external labour have also been included, whereas they were not taken into account in the 2024 calculation. For this reason, the comparison figures are not fully comparable with the figures for the reporting year.

In 2025, the calculation principle for Ponsse Plc was changed so that theoretical working hours are used in the accident frequency calculation instead of actual working hours. The change is due to an organisational restructuring, as a result of which the current payroll system no longer enables the reporting of working hours in line with the new organisational structure in a sufficiently timely manner.

In 2025, the working hour figures for Ponsse Plc's personnel were estimated by deducting, for each employee group, sickness absences (based on the Group's average sickness absence rate), realised strikes, lockouts and temporary lay-offs, as well as 12 annual working time reduction days for those employees to whom the deduction applies, from the theoretical working hours. In addition, statutory holiday periods have been deducted for each Ponsse Plc employee, without considering whether the holiday has been accrued or taken. However, the calculation does not take into account realised overtime, unpaid single days off or days off taken in lieu of holiday bonus.

All occupational accidents leading to absence from work (on the working day following the accident) are taken into account in the LTIF calculation. In the TRIF calculation, in addition to lost-time injuries, all accidents requiring medical treatment are included, as well as work-related pain and occupational diseases for own personnel. In the case of external workforce, work-related pain and occupational diseases are taken into account in the statistics, if information is available. Commuting accidents are not included in the statistics, but they are addressed in line with each country's local requirements.

The accident statistics for the reporting year include Ponsse's own personnel, as well as external personnel working on or visiting Ponsse's premises. External personnel refers to individuals who work physically on Ponsse's premises or site and who have a contractual relationship with Ponsse either directly or through their own employer. Individuals performing consultancy work are not included in the statistics.

For TRI cases, the figures for the reporting year are not comparable with those for 2024, as the reporting has been further developed, and work-related pain cases have also been included in the reporting year.

The total number of safety observations was excluded from the 2025 targets, as the occupational health and safety policy requires the immediate reporting of all issues, making it difficult to set a target level for the total number of observations. The total number of safety observations is still measured, and is presented as part of the metrics. The company is increasingly encouraging the reporting of positive safety observations.

The number of discrimination and harassment cases is based on reports submitted through the company's whistleblowing channel during the reporting year. We are not aware of any cases of discrimination or harassment related to Ponsse having been reported to the OECD National Contact Points for Multinational Enterprises.

The metrics have not been validated by any other external party.

S4 – Consumers and end-users

Material impacts, risks and opportunities for consumers and end-users

Positive impacts	Part of the value chain	Controls and measures
The occupational safety and work efficiency of forest machine operators can be affected by, for example, improving work ergonomics, access routes and service platforms around the machine. [A]	Own operations and downstream value chain	<ul style="list-style-type: none"> • Technological development related to the automation, safety, ergonomics and digitalisation of forest machines. • Features that support the operator's ergonomics and productivity. • Continuous improvement of product safety. • Development of forest machines taking customer feedback into account. • Stakeholder cooperation, such as customer seminars.
Improving the safe and responsible use of forest machines through product and operational training and safety communication. [A]	Own operations and downstream value chain	<ul style="list-style-type: none"> • Safety communication to customers if any material deficiencies are identified in the product or in the user instructions. • The design and development of forest machines takes into account international ISO-standards and European EN-standards, which ensure compliance with the essential health and safety requirements. • Each new forest machine includes handover and operating training that promotes the safe use of the forest machine. • Ponsse offers customised training to the customer, such as supervisor and operator training. • Each new forest machine comes with instructions for use. Forest machine instructions are also available as a mobile application (PONSSE Active Manual).
Financial opportunities	Part of the value chain	Controls and measures
Ponsse has developed product solutions and operator assistance solutions that are suitable for a wide range of users, and that support the responsible work of operators, improving the demand for products and services.	Own operations and downstream value chain	<ul style="list-style-type: none"> • Forest machines have an Opti information system that enables the use of map programs. • Digital services support the operator's decision-making. • Active product development of the properties of forest machines.
New innovations create value for society and new business opportunities for Ponsse.	The whole value chain	<ul style="list-style-type: none"> • Active product development taking customers' needs into account. • Innovations that emphasise sustainability, such as the electric forwarder concept, as well as solutions that promote ergonomics and product safety. • Close cooperation with customers and stakeholders ensures technological development that advances in the correct direction and meets the future needs of forestry. • Cooperating with higher education institutions, universities and research organisations.
Financial risks	Part of the value chain	Controls and measures
Changes in consumer behaviour can cause fluctuations in demand and affect the price level of products.	Own operations and downstream value chain	<ul style="list-style-type: none"> • Active product development taking customers' needs into account. • Close cooperation with customers and stakeholders ensures technological development that advances in the correct direction and meets the future needs of forestry.

The impacts, risks and opportunities table indicates whether the impact identified is actual [A] or potential [P].

Assessing and identifying material impacts, risks and opportunities

The material impacts, risks and opportunities related to consumers and end-users have been identified during the company's double materiality assessment, which has been carried out as part of the Group's risk management process. The process of identifying and assessing the material impacts, risks and opportunities related to sustainability topics is described on page 61. Ponsse's consumers and end-users include forest companies, forest machine entrepreneurs and machine operators. We have identified that the positive impacts related to consumers and end-users have an impact on financial opportunities.

The impacts related to forest machines' safety, ergonomics and innovative product solutions on consumers and end-users are based on the company's strategy and business model. The purpose of Ponsse's strategy is to create sustainable solutions for the benefit of its customers and the environment. Ponsse works to be the preferred partner in sustainable forestry. The impacts of consumers and end-users on the business model and strategy are described on page 60. The company's strategy and business model, which promote people's wellbeing and safe and ergonomic machines, promote positive impacts and economic opportunities for consumers and end-users, and help mitigate negative impacts and financial risks. No changes have been made to the company's strategy based on the double materiality assessment.

In accordance with the targets of Ponsse's sustainability strategy, the company innovates sustainable solutions and promotes people's wellbeing. Its product and service solutions enable sustainable forestry.

PONSSE forest machines have been developed to be as safe and ergonomic as possible for their users. In Ponsse's strategy, sustainable development and responsibility are seen as future success factors and a prerequisite for the continuity of operations.

Sustainability risks are assessed annually as part of the Group's risk management process. Risk assessments also cover risks related to consumers and end-users.

Sustainability targets related to consumers and end-users

Ponsse does not have separate, measurable and outcome-oriented targets related to consumers and end-users. The company annually assesses the possibilities for setting targets as part of its sustainability strategy and continuous business development.

Although no specific measurable targets have been set, Ponsse actively promotes the development of forest machine safety and ergonomics in cooperation with consumers and end-users. The company invests in continuous product development, the utilisation of user feedback and training solutions that support safe and efficient use. Policies such as the product safety policy ensure that the measures are systematic and effective as part of a broader sustainability strategy.

Policies

Policy or guideline	Scope	Availability
Code of Conduct	Ponsse's personnel and, as applicable, individuals, companies and organisations closely connected to Ponsse when acting with or on behalf of Ponsse	Publicly available on Ponsse's website
Supplier Code of Conduct	All Ponsse's suppliers	Publicly available on Ponsse's website
Code of Conduct for dealers and contractual service partners	Ponsse's dealers and contractual service partners	Publicly available on Ponsse's website
Product safety policy	Ponsse's personnel, consumers and end users, as well as PONSSE products	Internally available on the company's intranet
Human rights commitment	All employees in Ponsse's value chain	Publicly available on Ponsse's website
Information security policy	Ponsse's personnel and, as applicable, Ponsse's partners when acting with or on behalf of Ponsse	Publicly available on Ponsse's website

In addition to legislation and the company's values, Ponsse's policies related to consumers and end-users are guided by Ponsse's Code of Conduct, Supplier Code of Conduct and Code of Conduct for dealers and connectors, as well as management systems, which are described in more detail under *G1 – Business conduct*. Product safety work is guided by the company's product safety policy.

Ponsse respects internationally recognised human rights, such as international basic documents related to human rights and the ILO Declaration on Fundamental Principles and Rights at Work. Ponsse is committed to following the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Ponsse addresses human rights in its value chain, following the related due diligence obligation. The company is committed to preventing any negative impacts on human rights and intervening in any decreases in human rights of which it is aware. More information about human rights commitments and impact assessments is provided under *S1 – Own workforce*. During 2025, no human rights violations related to consumers or end-users were reported to Ponsse.

In accordance with its Code of Conduct, Ponsse aims to minimise the safety and health risks associated with the use of products and services as part of the development of innovative products and services. Ponsse promotes these targets in product development and by means of quality assurance methods, as well as by developing processes and guidelines with partners.

Product safety is a key part of Ponsse's business operations as a whole, as well as the design and product development of forest machines. The product safety and compliance of PONSSE forest machines are ensured under the coordination of the product safety team. The key objective of the company's product safety policy is to ensure that Ponsse's products are safe to use throughout their life cycle and do not jeopardise the

safety or health of users, maintenance personnel, employees or the environment. Implementing and following the policy help to prevent accidents and improve customer satisfaction and product safety. In addition, the policy reduces the amount of damage and unexpected downtime, thereby protecting Ponsse's financial performance.

Ponsse's data security policy ensures compliance with the requirements of information security and data protection. Data protection is ensured throughout the life cycle of data using specifically defined processes and procedures.

Engagement with consumers and end-users

Mutual trust with various stakeholders is based on open and long-term cooperation. The needs of the industry are constantly evolving, which is why continuous dialogue with forest machine entrepreneurs, forest companies and forest machine operators is particularly important. Close cooperation with customers and stakeholders ensures technological development that advances in the correct direction and meets the future needs of forestry. Ponsse engages with end-users directly or through authorised dealers.

Ponsse continuously collects feedback in daily customer service situations, in R&D projects carried out with customers and at customer seminars. A total of 11 customer seminars were held in five countries in 2025. In the process of continuous improvement, product feedback received from customers or the need for change found in the company's own operations is recorded in the product feedback system. First, the feedback is handled by Ponsse's country organisation, after which it is transferred to maintenance advice services. The maintenance advice department will find out if there already is a solution for the product feedback. If there is no solution, the feedback proceeds to product management, where it is prioritised based

on safety, criticality, scope and cost. The feedback is then added to the work list for continuous improvement in product maintenance development, prioritising safety-critical feedback. The processing of feedback can be monitored internally, and the party that recorded the feedback will be informed. In the new products process, the decision to start product development work on new products or make significant changes to the existing product range is made by a product panel consisting of representatives of product development, product management, the management and sales.

In processing Ponsse's product safety feedback, information is actively collected about accidents, incidents and near misses occurring in different market areas. In the largest forest machine markets, such as Finland and Sweden, there is regular discussion with the largest forest companies about what kind of accidents and near misses occur in mechanical harvesting. The reported cases are processed under the leadership of the product safety team, and the necessary measures are taken, such as changes to the machines or their operating instructions. If necessary, a safety bulletin is sent to the customer, informing them of the hazard and instructing them to take measures to avoid the hazard. Often the procedure can be a simple instruction, but in some cases it may be recommended that forest machine should be brought to maintenance for updating. All findings related to product safety made in connection with reporting are forwarded to the design department, so that they can also be addressed in the design of new machines.

Processes to remediate negative impacts

For Ponsse, the safety of forest machine operators is of paramount importance. Ponsse aims to promote positive impacts and mitigate negative impacts on consumers and end-users, including through the product safety process.

Ponsse's product safety process is integrated into product development processes, whereby safety requirements and needs are taken into account as part of product development. Product development projects take into account safety aspects, and the risks of the new machine or its features are identified and reduced to a minimum. The primary aim is to minimise risks by means of design, although various protectors and safety devices can also be used. Residual risks are warned of in the operating and maintenance instructions and, if necessary, with warning labels attached to the machines. Machine operating and maintenance instructions provide safe ways to operate and maintain machines.

Ponsse actively participates in international standardisation work through the ISO/TC 23/SC 15 committee. Participation

strengthens our position in the development of our industry, provides proactive visibility into future requirements and ensures that we are ready to apply the new standards in a timely manner. In this way, Ponsse is able to ensure that the new PONSSE forest machines are compliant even when the standards change.

Personnel training is a key part of product safety. Various types of targeted training are organised for the personnel and the Ponsse network. The training provided to the personnel is more technical and standards-based, whereas that provided to the network focuses on the investigation and reporting of machine-related injuries and accidents, for example. The goal of training is to increase the organisation's awareness of product safety and the product safety policy, to increase related innovation, and to improve machine safety in order to minimise the risks posed to people and the environment. In 2025, online training on product safety and the product safety policy was provided for all personnel. In addition, targeted training on product safety was provided for the maintenance organisation.

Channels for consumers and end-users to raise concerns

Consumers and end-users may report any non-compliance with the Ponsse Code of Conduct or the law anonymously to the company's ethical reporting channel (whistleblowing), which is also open to external stakeholders. The whistleblowing channel is described in more detail under *G1 – Business conduct*.

Measures

Product solutions that support operator safety and ergonomics

Ponsse has developed product solutions and operator assistance solutions that are suitable for a wide range of users, and that support the safe and responsible work of operators, improving the demand for forest machines and the related services. As part of product development projects, Ponsse develops the working comfort, safety and ergonomics of forest machine operators. Solutions and forest machines are developed in cooperation with operators and customers. New sustainable innovations create value for society and new business opportunities for Ponsse.

Ponsse is actively developing operators' ergonomics and forest machine safety. For forest machine operators, ergonomics plays a significant role when they work long shifts in challenging conditions. Repetitive movements, heavy work stages and static postures burden the operator.

In 2025, a new control method for the harvester head, OptiFeedControl, was launched, improving the smoothness and safety of wood processing. The function enables felling and full-

scale processing of the tree using only the manual feed control lever, allowing the entire wood processing to be performed with a single lever instead of multiple button presses. The function also enhances safety, as the feed is activated only when the operator actively turns the control lever. This reduces the risk of unintentional movements and improves occupational safety. OptiFeedControl is available for all PONSSE harvesters equipped with the Opti 5G information system.

The PONSSE Armrest and eArmrest, launched in 2024 and brought into production in 2025, prevents the risk of injury to the operator's neck and shoulder area and reduces work-related strain in the neck and shoulder area.

The Active Cabin suspension system for the PONSSE Wisent and Elk forwarders, updated in 2025, further improves the operator's working conditions and productivity. The suspension system reduces the adverse effects of prolonged stress, vibration and shocks, contributing to the operator's working capacity.

Training for consumers and end-users

Ponsse offers consumers and end-users various training courses to promote the safe and responsible use of forest machines. Each new forest machine handover includes handover and operation training, where the forest machine's functionalities and best working methods are reviewed with the customer, along with aspects related to the machine's productivity and the operator's ergonomics. Operation training is also offered to buyers of used machines.

In training tailored for supervisory and operator work, training in planning, guidance and supervision is provided to both novice and experienced forest machine operators. In addition, Ponsse offers training that makes it possible to transfer to cut-to-length harvesting, a more environmentally friendly method.

The serial-number-specific user instructions delivered with new forest machines are now available in 27 languages, following the introduction of Korean-language instructions in 2025. User instructions available in multiple languages promote the safe use of the machine. The forthcoming new Machinery Regulation will, in many countries, allow electronic user instructions to be provided to customers instead of paper manuals. Preparatory work related to this has been carried out in 2025.

The operating instructions are also available in the PONSSE Active Manual mobile application, which provides guidance on the appropriate, efficient and economical use of PONSSE forest machines and equipment. It is easy for the consumer and end-user to understand and follow the instructions presented in video format.

Optimisation of the use of the forest machine can be practised using training simulators. The simulator creates a realistic training environment for the user, allowing safe and efficient operating practices for forest machines to be practised.

GOVERNANCE INFORMATION

G1 – Business conduct107

G1 – Business conduct

Material business impacts, risks and opportunities related to business conduct

Positive impacts	Part of the value chain	Controls and measures
Ponsse's Code of Conduct and other guidelines supporting ethical business practices. The opportunity to report misconduct supports responsible business conduct and reduces risks. (A)	The whole value chain	<ul style="list-style-type: none"> Sustainability practices are ensured through the company's Code of Conduct, complementary policies and guidelines, and the company's values, supported by related training and communication. Ponsse complies with good corporate governance in accordance with legislation, the Articles of Association and the Corporate Governance Code. An anonymous whistleblowing channel for reporting suspected misconduct The whistleblowing team processes the reports and forwards them to the Management Team, the Board of Directors or the authorities, if necessary. Internal control ensures consistent policies
Ponsse's sustainability work and suppliers' sustainability commitments strengthen an ethical corporate culture and trust in the supply chain. (A)	The whole value chain	<ul style="list-style-type: none"> Ponsse requires its suppliers to commit to its Supplier Code of Conduct. In 2025, the Code of Conduct for dealers and contractual service partners was published, along with the related training. Ponsse has a service in place to assess and monitor suppliers from the perspectives of risks, responsible practices and legislation.
Ponsse creates regional wellbeing and promotes local vitality and employment. (A)	The whole value chain	<ul style="list-style-type: none"> Ponsse's production operations, headquarters and logistics centre are located in the Upper Savonia region, and the company's regional employment impact is significant. In the vicinity of the Vieremä factory, there is a partner business village, whose companies carry out subcontracting or manufacture components for Ponsse. The procurement policy and operating policy ensure consistent practices with the supplier network.
Taking sustainability into account as part of the company's strategy and risk management work. (A)	The whole value chain	<ul style="list-style-type: none"> Double materiality assessment, climate risk assessment and human rights impact assessment. Identification of sustainability risks as part of the Group's risk assessment. The focus areas of the sustainability strategy, which ensure that sustainable development is taken into account in decision-making and operating activities.
Financial opportunities	Part of the value chain	Controls and measures
Ponsse's activities as a responsible corporate citizen strengthen the company's reputation and create a competitive advantage.	The whole value chain	<ul style="list-style-type: none"> Ponsse always complies with local legislation, taxation and regulations. Ponsse reports and discloses tax information in accordance with legislation and tax policy. Strengthening sustainable business practices in the value chain has a positive impact on society. Internal control ensures the planning of operations and finances, as well as assessment and responses to deviations.
A significant proportion of Ponsse's subcontractors and supply chain are local operators, which creates flexibility and efficiency in business operations and improves delivery reliability.	Upstream value chain and own operations	<ul style="list-style-type: none"> In the vicinity of the Vieremä factory, there is a partner business village, where subcontracting is carried out and components are manufactured for Ponsse. Thanks to the nearby location, the availability and development of products, as well as cooperation, are efficient and flexible. The procurement policy and operating policy ensure consistent practices with the supplier network.
Close and long-term cooperation with the supplier network ensures product quality, operational flexibility and competitive price levels.	The whole value chain	<ul style="list-style-type: none"> Supplier relationships are managed through systematic communication, where the supplier's performance is developed on a long-term basis. The goal is to continuously develop the competitiveness of the whole supply chain. The procurement policy and operating policy ensure consistent practices with the supplier network.

The impacts, risks and opportunities table indicates whether the impact identified is actual (A) or potential (P).

Assessing and identifying material impacts, risks and opportunities

The material impacts, risks and opportunities related to business conduct have been identified in the company's double materiality assessment, the results of which are taken into account in the Group's risk management process. The process to identify and assess the material impacts, risks and opportunities related to sustainability topics is described on page 61. We have identified that the positive impacts related to business conduct have a dependency on financial opportunities. Ponsse's operating principles and internal guidelines help to promote the identified positive impacts and financial opportunities and to mitigate the identified financial risks.

The company's Code of Conduct, whistleblowing channel and sustainability commitments towards suppliers strengthen good governance practices and guide the equal treatment of people,

sustainable business operation and trust-based cooperation. Good governance creates the basis for the business model, the ultimate aim of which is to be the preferred partner in sustainable forestry in accordance with the company's vision.

Sustainability and responsible operating practices are defined in the company's strategy as factors that ensure the continuity of operations and future success. According to the Reputation and Trust study, a company's reputation is linked to stakeholder behaviour, including trust, as well as willingness to invest in and support the company. Sustainability is one of the key dimensions of reputation, and its development affects the company's long-term operating conditions and prospects for success. In the 2025 Reputation&Trust study, Ponsse ranked as the second most reputable company in Finland and, according to private investors, the most reputable company overall.

Targets and progress related to business conduct

Target	Target year	2025	2024	Measures in 2025
100% of suppliers are committed to the Code of Conduct	2026	97%	99%	<ul style="list-style-type: none"> Regular supplier meetings Annual supplier events
Net Promoter Score (NPS) > 60 (-100 to 100)	2026	50	62	<ul style="list-style-type: none"> Customer seminars in five countries Steering group meetings with major customers Product development project idea groups
100% of the personnel have completed the Code of Conduct training	2026	61%	92%	<ul style="list-style-type: none"> Revised Code of Conduct Code of Conduct training for the personnel

Progress on targets during the reporting period

Suppliers' commitment to sustainability principles

Ponsse requires that suppliers are committed to ethical principles in their cooperation with Ponsse. Of our direct suppliers, 97% (99) have approved our Code of Conduct either by signing Ponsse's Supplier Code of Conduct (94%) or by committing to similar guidelines of their own (3%). Supplier relationships are managed through systematic interaction, regular supplier meetings and an annual supplier event to discuss the significance of ethical guidelines and the commitment obligation.

Customer's recommendation rate (NPS)

Ponsse collects customer feedback in daily service situations, in product development projects implemented in cooperation with customers and in customer seminars. A total of 11 customer seminars in five countries were held in 2025.

Monitoring customer satisfaction in sales and service situations is a continuous process in terms of products, maintenance and spare parts. At the end of 2025, the Ponsse network's NPS was excellent at 50 (62) based on 961 (1,046) responses. The NPS of Ponsse's country companies remained strong at 47 (50), and the NPS of dealers was 57 (76), indicating an excellent customer experience across the entire network.

Training on the Code of Conduct

Ponsse's Code of Conduct was revised in the autumn of 2024, based on a human rights impact assessment carried out in the company. Training on the new Code of Conduct for personnel started at the beginning of 2025 and will continue in 2026. Every Ponsse employee is required to commit to the Code of Conduct. In 2025, the company fell clearly short of the target of 100% training coverage (61%).

Policies

Policy or guideline	Scope	Availability
Code of Conduct	Ponsse's personnel and, as applicable, individuals, companies and organisations closely connected to Ponsse when acting with or on behalf of Ponsse	Publicly available on Ponsse's website
Supplier Code of Conduct	All Ponsse's suppliers	Publicly available on Ponsse's website
Code of Conduct for dealers and contractual service partners	Ponsse's dealers and contractual service partners	Publicly available on Ponsse's website
Procurement policy	All Ponsse's direct and indirect procurement	Publicly available on Ponsse's website
Operating policy	All Ponsse's operations and personnel	Publicly available on Ponsse's website
Tax policy	All Ponsse's transactions	Publicly available on Ponsse's website
Risk management policy	All Ponsse's transactions	Publicly available on Ponsse's website
Information security policy	Ponsse's personnel and, as applicable, individuals, companies and organisations closely connected to Ponsse when acting with or on behalf of Ponsse	Publicly available on Ponsse's website
Gifts and hospitality guidelines	Ponsse's personnel	Internally available on the company's intranet

Ponsse always acts in accordance with the laws and regulations of the country in which it operates. In addition to legislation, Ponsse's business operations are guided by the company's Code of Conduct, values, public policies and internal guidelines. Ponsse's Board of Directors approves all the key policies and guidelines that guide Ponsse's operations, and the Management Team is responsible for their implementation. Key policies are regularly updated and approved.

Ponsse complies with good corporate governance in accordance with Finnish law, Ponsse's Articles of Association, and the Corporate Governance Code 2025 for listed companies, while promoting openness and transparency. The purpose of the corporate governance principles is to ensure ethical business and a high level of professionalism.

In accordance with the Code of Conduct, each Ponsse employee is obligated to act as an example in compliance with the Code of Conduct and to represent the company in an exemplary fashion. The local operating environment or legal provisions may require compliance with guidelines that are stricter or more detailed than this Code of Conduct, in which case they must always be followed. However, no practices falling below the standards defined in this Code of Conduct are permitted.

Training on the Code of Conduct is part of the induction programme for new employees. Suppliers are required to commit to the Supplier Code of Conduct. In 2025, the Code of Conduct for dealers and contractual service partners was published, along with the related training. The Code of Conduct is based on Ponsse's Code of Conduct, which Ponsse complies with in its operations.

Ponsse's procurement policy outlines that the company is committed to responsible procurement. Suppliers must reduce

greenhouse gas emissions from their operations and value chain, pay special attention to human rights in their value chain and ensure that there is no forced labour, human trafficking or other activities that violate human rights in their operations or supply chain.

The company's operating policy includes Ponsse's strategic sustainability targets. The operating policy supports the achievement of Ponsse's strategic targets and helps to ensure value creation for stakeholders, which is measured in terms of the customer and employee experience.

Ponsse's tax policy describes the company's main principles regarding taxation, which are based on the company's values and Code of Conduct. Ponsse is committed to being a responsible corporate citizen and works to promote an open tax policy in its sector. Ponsse reports and discloses tax information in accordance with the transparency objectives of legislation and tax policy.

The internal gifts and hospitality guideline, which further specifies the Code of Conduct, ensures consistent practices in situations that may inappropriately influence decision-making or create such an impression.

Ponsse is committed to combating corruption in all its forms, including extortion and bribery. No bribes or other illegal payments will be made, and Ponsse will not authorise such payments in order to obtain or maintain business. The anti-corruption principles are included in the Code of Conduct, and corruption is also addressed as part of the training on the Code of Conduct. Ponsse assesses corruption risks annually as part of its continuous risk management process. Key risks are summarised in connection with the strategy round for assessment by the Board of Directors and the management. The risk of corruption has not emerged as a material risk.

The risk assessment has not highlighted any individual activity that would be significantly more susceptible to corruption. Ponsse has not reported any corruption or bribery cases during 2025.

Ponsse does not accept or facilitate money laundering, and the company complies with legislation related to the prevention of money laundering everywhere in the world. Ponsse conducts business only with reputable parties involved in legitimate business activities, with funds derived from legitimate sources.

Management systems

Ponsse Plc and its subsidiaries comply with the following management systems:

- ISO 9001 quality management standard: Ponsse Plc, Ponsse Chile S.p.A., Ponsse Latin America Ltda, Ponsse Uruguay S.A, Epec Oy
- ISO 14001 environmental management standard: Ponsse Plc, Epec Oy
- ISO 45001 occupational health and safety management standard: Ponsse Plc, Ponsse Chile S.p.A., Ponsse Uruguay S.A, Epec Oy
- ISO 27001 information security management system standard: Epec Oy

In addition, the production of Epec Oy, Ponsse's Finnish subsidiary, which develops and manufactures information system solutions, has been certified by TÜV SÜD in accordance with the EN ISO 13849, IEC 61508 and EN IEC 62061 operational safety standards. Safety components certified in accordance with operational safety standards help to implement safety features that meet the requirements set in the standards in the safety products the company develops and manufactures. Epec also complies with the requirements of the IATF 16949 standard. The recertification, carried out every three years, was conducted by an external auditor in 2025. Recertification ensures that the company's management systems continue to meet international standards, function effectively and support continuous improvement and sustainability targets.

Whistleblowing channel

Ponsse uses an ethical whistleblowing channel as required by the Finnish Whistleblower Act and the EU Whistleblower Directive, through which Ponsse's employees and stakeholders' representatives can report any activities in breach of the company's Code of Conduct or suspicions of such activities. These may include any suspected misconduct that affects people, the organisation, society or the environment and is in

violation of the law or the Code of Conduct. Reports can also be submitted anonymously through the whistleblowing channel.

The company encourages its employees to primarily report any concerns or violations related to the Code of Conduct to their nearest supervisor, heads of functions or the HR department. Its stakeholders should contact the company's managers or submit reports to the whistleblowing channel.

The ethical whistleblowing channel is hosted in an external system outside Ponsse, where the processing of reports is protected and encrypted. Communication related to processing reports is handled using a processing number. A link to and instructions for using the whistleblowing channel can be found on the company's intranet and website.

Processing whistleblowing reports

Ponsse's Board of Directors has appointed a whistleblowing team to process reports and forward them to the Management Team or Board of Directors or the authorities, if necessary. The team ensures that reports are processed and consequences are imposed identically in similar cases and that corrective measures are carried out.

Access to the whistleblowing channel is limited to the processing team, which has the authority granted by Ponsse's Board of Directors to process any cases of suspected misconduct. The processing team consists of the company's internal auditor, CFO and HR Director, and, as of the beginning of 2025, also the General Counsel. All measures related to the processing of reports are recorded, and cases are processed confidentially.

If the processing of a report also requires expertise from outside the team, external specialists may also be invited. In this case, any specialists from outside the team will also be covered by a confidentiality obligation.

Principles applied to the investigation of reports

- All reports will be processed confidentially, securely and using encryption.
- All reports will be taken seriously in accordance with whistleblowing guidelines.
- No member of the processing team or anyone else participating in the investigation process will attempt to identify the identity of the person who submitted the report.
- For anonymous reports, the processing team may ask further questions through the whistleblowing channel, if required, to maintain anonymous contact with the persons who submitted such reports.
- The persons involved in suspected misconduct will not participate in the investigation of reports.
- The processing team will decide on the method of processing reports. If any crime is suspected, the report

in question will be brought to the attention of the company's President and CEO and forwarded to the authorities.

- The whistleblowing channel is maintained by an external partner to ensure anonymity.
- No form of retaliation is tolerated against any person who, in good faith, reports suspected misconduct.

The role of governance and management

Ponsse's Board of Director and management are committed to promoting sustainability, and sustainability has been integrated into Ponsse's business strategy. The company's Board of Directors is provided with a regular overview of the company's sustainability work, as well as risks and opportunities associated with corporate responsibility. The Board of Directors also approves key policies and operating instructions related to sustainability.

The Board of Directors addresses sustainability matters as an integral part of other processes and business reviews. In addition, the Board assesses the company's sustainability strategy and the key focuses of sustainability activities. The company's Board of Directors has a strategic corporate responsibility expert, and the company's Management Team has a Chief Responsibility Officer.

The elected members of Ponsse's Board of Directors must have the competence required for the position and the opportunity to allocate sufficient time for Board work. The members must be willing to dedicate themselves to Ponsse, and they must conform to the company's values. The provisions of the Limited Liability Companies Act apply to the general eligibility criteria. No special eligibility criteria such as an upper age limit have been set in the Articles of Association for the members.

Overall, the members of the Board of Directors are required to have sufficiently diverse expertise and the ability to carry out their tasks effectively. Key factors include that their education and experience supplement those of other members. When considering the number of members, there is a focus on Ponsse's operational goals and the resulting requirements: the number of members must be relative to the company's size, line of business, market position and development stage. In addition, the shareholders' opinions must be addressed. It benefits the company as a whole that individuals whose skills, backgrounds and views differ are appointed as members of the Board. This ensures the development of business operations and sustainability, as well as good corporate governance.

The Group's President and CEO is responsible for ensuring that corporate responsibility is included in the company's strategy and risk management processes. The Group's Management Team is in charge of function-specific sustainability goals, their monitoring and achievement, and the identification

of operational risks and opportunities associated with sustainability. In addition, the company has an environmental responsibility steering group and function-specific environmental excellence groups that meet quarterly.

The sustainability competence and expertise of the Board of Directors and the Management Team are presented as part of *ESRS 2 – General disclosures* on page 55 - 56.

Ponsse's culture

Ponsse has a unique corporate culture, and its people have always been its greatest strength. The company nurtures its corporate culture as it evolves over time, ensuring that it supports the company's strategy and business goals.

Based on a cultural assessment conducted a few years ago, the company engaged in an extensive values dialogue, through which its values were renewed in a way that respects the past and looks ahead. The renewed values were published at the beginning of 2024. The company's values are We truly care, We work for customers, We are honest, and We are open for renewal.

Acting in line with the company's values gives rise to the Ponsse spirit, which is characterised by working together. At Ponsse, "we" is always more important than "I", while care is taken not only of the community but also of individuals. The Ponsse spirit is also characterised by a sense of humour and strong professional pride – a desire to offer customers only the best. The values guide every Ponsse employee's daily work, behaviour and interactions across all business operations.

In 2025, the company continued the development of its corporate culture and the promotion of its renewed values. Early in the year, value-based leadership principles for supervisors were published to guide consistent leadership practices. These principles have also been incorporated into Ponsse's management and supervisory training and communication materials. Corporate culture is monitored by collecting feedback on the culture and its components as part of an extensive Pulse personnel survey.

Relationships with suppliers

Knowing your business partners

Ponsse is committed to carrying out its business operations sustainably and responsibly. Of Ponsse Group's direct purchases, 90% take place through the parent company, Ponsse Plc. Ponsse Plc's management of supplier relationships is based on systematic and active contact, with which Ponsse seeks to develop its suppliers' performance in the long term and thereby enable the continuous development of competitiveness throughout the supply chain. Meetings with each direct

supplier are held regularly, at least once a year. In addition to current matters, the supplier meetings include discussions on environmental and safety aspects related to sustainability. Supplier quality is assessed not only in terms of technological or manufacturing capabilities, but also through cost efficiency, quality criteria, audit results and delivery reliability.

As part of Ponsse's supplier selection process, new suppliers are assessed at supplier meetings. Ponsse only works with suppliers that adhere to Ponsse's Code of Conduct and pass the background checks.

Ponsse Plc takes due care when selecting its business partners. Suppliers' background checks use an external service provider's data and analytics service, which checks business partners' backgrounds in an up-to-date and risk-based manner as part of business processes. The service can be used to identify risks in terms of trade sanctions, corruption, money laundering, human rights violations and various types of misconduct. If elevated risks are detected in the supplier's background information, the service issues an alert, which must be responded to.

In accordance with Ponsse Plc's payment policy, suppliers' invoices are paid in accordance with the due dates, regardless of the supplier. Payment materials are automatically generated in the system by due dates, which ensures that payments are up to date and no payment delays can occur.

Ponsse seeks to enter into long-term procurement agreements, but also uses alternative procurement channels to ensure a smooth flow of deliveries even during any disruptions. Flexibility in Ponsse's operations and sensitivity to changes help the company adapt to changes in the operating environment.

Local procurement

Ponsse finds it important to be a responsible company in the communities in which it operates. Partners are always selected based on business and sustainability criteria. Ponsse Plc has identified its impact on its local community and its opportunity to create regional wellbeing through profitable business operations that address the environment. This is why Ponsse Plc also takes the local dimension into account when selecting cooperation partners. Ponsse's production operations and headquarters are still located in Vieremä, where the company was founded, and its impact on employment in the Upper Savonia region is significant.

In the vicinity of the Vieremä factory, there is a partner business village, whose companies carry out subcontracting or manufacture components for Ponsse. Thanks to the nearby location, the availability and development of products, as well as cooperation, are efficient and flexible. Components available at a short distance also reduce adverse environmental impacts caused by transport.

Metrics

Local procurement, %	2025	2024
Finland	67.4%	69.5%
From the EU area	99.7%	99.3%
From outside the EU area	0.3%	0.7%

Background checks of new suppliers, %	2025	2024
% of new suppliers who have undergone a background check	100%	100%

Income taxes by country, EUR 1,000	2025	2024	Change, %
Finland	4,800	6,978	-31%
Sweden	582	495	18%
Norway	7	186	-96%
France	315	411	-23%
United Kingdom	128	135	-5%
the Netherlands	0	13	-100%
Ireland	0	0	n/a
Czech Republic	67	62	8%
Chile	158	22	617%
Brazil	540	0	n/a
Uruguay	671	298	125%
China	2	7	-73%
United States	642	522	23%

CALCULATION PRINCIPLES FOR TARGETS AND METRICS

TARGETS

The commitment rate to the Supplier Code of Conduct covers all Ponsse's direct suppliers. The Net Promoter Score (NPS) ranges from -100 to +100. The recommendation index has been calculated by subtracting the percentage of detractors from the percentage of promoters. The NPS measurement takes into account the rest of the Group, with the exception of Epec Oy.

The training percentage for the Code of Conduct includes all employees of the Ponsse Group. The training percentage has been reported based on the situation on 31 December 2025.

METRICS

The percentage describing local procurement includes all Ponsse's direct suppliers and subcontractors, as well as the products procured during the reporting year. Ponsse only manufactures forest machines in Finland, in Vieremä. Direct procurement refers to raw materials and components that are used to manufacture the company's end products and deliver its spare parts. The information has been reported separately for Finland, the EU area and countries outside the EU area.

The percentage of background checks on new suppliers is inclusive of all Ponsse's new direct suppliers in reporting year. The figure covers new suppliers in the reporting year who have undergone a background check in accordance with the process determined by the company.

The income tax by country figures describe the sum of income taxes paid in the reporting year by country, taking into account the tax periods of the reporting year. The metrics related to business conduct have not been validated by any third party.

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material datapoint	Page
SRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	X		X		Material	54–55
ESRS 2 GOV-1 Percentage of Board members who are independent paragraph 21 (e)			X		Material	55–56
ESRS 2 GOV-4 Statement on due diligence paragraph 30	X				Material	58–59
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	X	X	X		Not material	-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	X		X		Not material	-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	X		X		Not material	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			X		Not material	-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				X	Material	72–73
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		X	X		Not material	-
ESRS E1-4 GHG emissions reduction targets paragraph 34	X	X	X		Material	71–72
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	X				Material	76
SRS E1-5 Energy consumption and mix paragraph 37	X				Material	76
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	X				Material	76
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	X	X	X		Material	76
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	X	X	X		Material	76
ESRS E1-7 GHG removals and carbon credits paragraph 56				X	Not material	-
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			X		Not material	-
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		X			Not material	-
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		X			Not material	-
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		X			Not material	-
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			X		Not material	-
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	X				Not material	-
ESRS E3-1 Water and marine resources paragraph 9	X				Not material	-
ESRS E3-1 Dedicated policy paragraph 13	X				Not material	-
ESRS E3-1 Sustainable oceans and seas paragraph 14	X				Not material	-

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material datapoint	Page
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	X				Not material	-
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	X				Not material	-
ESRS 2 – IRO 1 – E4 paragraph 16 (a) i	X				Material	82
ESRS 2 – IRO 1 – E4 paragraph 16 (b)	X				Not material	-
ESRS 2 – IRO 1 – E4 paragraph 16 (c)	X				Not material	-
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	X				Not material	-
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	X				Not material	-
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	X				Not material	-
ESRS E5-5 Non-recycled waste paragraph 37 (d)	X				Material	88
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	X				Material	88
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	X				Not material	-
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	X				Not material	-
ESRS S1-1 Human rights policy commitments paragraph 20	X				Material	94
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			X		Material	94
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	X				Material	94-95
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	X				Material	93, 95
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	X				Material	95
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	X		X		Material	99
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	X				Not material	-
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	X		X		Material	98
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	X				Material	98
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	X				Material	99
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	X		X		Material	101
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	X				Not material	-
ESRS S2-1 Human rights policy commitments paragraph 17	X				Not material	-
ESRS S2-1 Policies related to value chain workers paragraph 18	X				Not material	-
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	X		X		Not material	-
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			X		Not material	-

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material datapoint	Page
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	X				Not material	-
ESRS S3-1 Human rights policy commitments paragraph 16	X				Not material	-
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	X		X		Not material	-
ESRS S3-4 Human rights issues and incidents paragraph 36	X				Not material	-
ESRS S4-1 Policies related to consumers and end-users paragraph 16	X				Material	104
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	X		X		Material	104
ESRS S4-4 Human rights issues and incidents paragraph 35	X				Material	104
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	X				Material	109
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	X				Material	110
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	X		X		Not material	-
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	X				Not material	-

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Consolidated statement of comprehensive income

(1,000 EUR)	Note ¹	2025	2024
Net sales	2.2	749,874	750,427
Other operating income	2.3	7,591	7,689
Change in inventories of finished goods and work in progress		16,190	-4,782
Raw materials and services		-490,804	-475,554
Expenditure on employment-related benefits	3	-120,355	-110,199
Depreciation and amortisation	4.3	-35,200	-36,033
Other operating expenses	2.4	-85,664	-94,793
Operating profit		41,632	36,755
Financial income and expenses	5.2	-1,356	-15,420
Share of results of associated companies	7.2	-282	135
Profit before taxes		39,994	21,470
Income taxes	6.1	-9,504	-8,964
Net profit 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 financial period		24,307	20,298
Earnings per share calculated from the result belonging to parent company shareholders:			
Diluted and undiluted earnings per share	2.5	1.09	0.45

¹ The note refers to the Notes to the Accounts on pages 124–160.

Consolidated statement of financial position

(1,000 EUR)	Note ¹	2025	2024
ASSETS			
Non-current assets			
Tangible assets	4.1	112,475	116,183
Goodwill	4.2	6,627	6,535
Intangible assets	4.2	42,917	48,177
Financial assets	5.3, 5.7	377	378
Investments in associated companies	7.2	639	1,007
Receivables	4.5	328	297
Deferred tax assets	6.2	9,178	8,759
Total non-current assets		172,541	181,336
Current assets			
Inventories	4.4	240,019	219,123
Trade receivables and other receivables	4.5	92,146	77,975
Tax receivable based on taxable income for the period		8,519	1,042
Cash and cash equivalents	5.4, 5.7	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	5.1	7,000	7,000
Treasury shares		-135	-47
Translation differences		17,311	23,494
Other reserves		4,462	3,824
Retained earnings		309,555	292,922
Equity owned by parent company shareholders		338,193	327,193
Non-current liabilities			
Deferred tax liabilities	6.2	969	1,167
Interest-bearing liabilities	5.5, 5.7	61,221	63,914
Other liabilities	4.6, 5.7	5,232	5,147
Total non-current liabilities		67,422	70,228
Current liabilities			
Interest-bearing liabilities	5.5, 5.7	17,477	23,017
Trade creditors and other liabilities	4.6	135,097	121,821
Income tax liabilities	4.6	633	1,569
Provisions	4.7	12,552	19,238
Total current liabilities		165,759	165,645
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		571,374	563,066

¹ The note refers to the Notes to the Accounts on pages 124–160.

Consolidated statement of cash flows

(1,000 EUR)	Note ¹	2025	2024
Cash flows from operating activities:			
Net profit for the period		30,490	12,506
Adjustments:			
Financial income and expenses	5.2	1,356	15,420
Change in provisions		-6,817	6,746
Share of the result of associated companies	7.2	282	-135
Depreciation and amortisation	4.3	35,200	36,033
Income taxes	6.1	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 investing 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	5.1	-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 1 Jan		83,590	74,002
Impact of changes in exchange rates		1,072	473
Cash and cash equivalents 31 Dec	5.4, 5.7	58,149	83,590

¹ The note refers to the Notes to the Accounts on pages 124–160.

Consolidated statement of changes in equity

(1,000 EUR)	Note ¹	Equity owned by parent company shareholders					Shareholders' equity total
		Share capital	Other reserves	Translation differences	Treasury shares	Retained earnings	
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	5.1					-13,990	-13,990
Change in treasury shares*	3.3, 5.1					-88	-88
Transactions with shareholders in total			638			-88	-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	5.1					-15,400	-15,400
Change in treasury shares*	3.3, 5.1					416	132
Transactions with shareholders in total			364			416	-15,685
Shareholders' equity, 31 Dec 2024		7,000	3,824	23,494	-47	292,922	327,193

¹ The note refers to the Notes to the Accounts on pages 124–160.

* Treasury shares procured for incentive schemes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting principles

Basic information on the Group

Ponsse Group is a sales, maintenance, technology and industrial company committed to creating success for its customers and determined to secure its position as a global leader in the field of environmentally friendly cut-to-length forest machines. The Ponsse Group includes the parent company Ponsse Plc as well as the wholly-owned subsidiaries Ponsse AB in Sweden, Ponsse AS in Norway, Ponsse S.A.S. in France, Ponsse UK Ltd. in Great Britain, Ponsse Machines Ltd. in Ireland, Ponsse North America Inc. in the United States, Ponsse Latin America in Brazil, Ponsse Asia-Pacific Ltd in Hong Kong, Ponsse China Ltd in China, Ponsse Uruguay S.A. in Uruguay, Ponsse Chile SpA in Chile, Ponsse Czech s.r.o in Czech Republic and Epec Oy in Finland. The Group includes also the EAI PON1V Holding Oy in Finland, Sunit Oy in Finland, which is Ponsse Plc's associate with a holding of 34%, and Epec B.V. in the Netherlands, which is a wholly-owned subsidiary of Epec Oy.

The Group's parent company is Ponsse Plc, a Finnish public limited company incorporated under Finnish law. Ponsse Plc's shares are listed on Nasdaq Helsinki's Nordic list. The parent company is domiciled in Vieremä and its registered address is Ponssentie 22, 74200.

A copy of the consolidated financial statements is available on the Internet at www.ponsse.com or at the Group's Headquarters at Ponssentie 22, 74200 Vieremä.

Ponsse Plc's Board of Directors has approved the disclosure of these financial statements at its meeting on 9 March 2026. According to the Finnish Companies Act, shareholders have the option to approve or reject the financial statements at the General Meeting of Shareholders, which is to be held after the disclosure. The General Meeting of Shareholders may also amend the financial statements.

Accounting policies

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS), observing the IAS and IFRS standards as well as SIC and IFRIC interpretations valid on 31 December 2025. In the Finnish Accounting Act and regulations enacted by virtue of

the Act, International Financial Reporting Standards refer to the standards approved for use in the European Union in accordance with the procedure specified in the EU regulation (EC) No 1606/2002. The notes to the financial statements are also in compliance with Finnish legislation concerning accounting and corporate law. This legislation complements the IFRS regulations.

The information in the consolidated financial statements is presented in thousands of euro and is based on original acquisition costs, with the exception of financial assets and liabilities as well as derivative contracts that are measured at fair value. The financial statements have been presented in accordance with the profit and loss account by type of expense.

The consolidated financial statements have been prepared in compliance with the same accounting principles as in 2024 apart from the following new standards, interpretations and amendments to existing standards valid as of 1 January 2025.

The Group has adopted the following standards and standard amendments in the beginning of year 2025.

— *Lack of Exchangeability* – Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* (effective for financial years beginning on or after 1 January 2025)

The amendments require to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The amendments had no material impact on the consolidated financial statements.

Foreign currency translation

The figures indicating the earnings and financial position of Group entities are measured in the currency of each unit's primary operating environment ("functional currency"). The consolidated financial statements are presented in euro, which is the operating and presentation currency of the Group's parent company.

Transactions denominated in a foreign currency

Transactions denominated in a foreign currency have been converted into the functional currency at the exchange rate valid on the transaction date. In practice, the applicable exchange rate is often a near estimate of the rate valid on the

transaction date. Monetary items in a foreign currency have been converted into the functional currency at the exchange rates valid on the closing date of the reporting period. Non-monetary items in a foreign currency are measured at the exchange rates valid on the transaction date. Gains and losses originating from business transactions in a foreign currency and the conversion of monetary items are recognised through profit or loss. Exchange rate gains and losses from operations, as well as exchange rate gains and losses on foreign currency loans, are included in financial income and expenses.

Conversion of the financial statements of foreign Group companies

The income and expense items in the comprehensive profit and loss accounts of non-Finnish consolidated companies

have been converted into euro at the average exchange rate of the accounting period, and their balance sheets have been converted at the exchange rate quoted on the closing date of the accounting period. The different exchange rates applicable to the conversion of profit on the profit and loss account and balance sheet result in a translation difference recognised in shareholders' equity. This change is recognised under other comprehensive profit/loss items. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries, as well as translation differences in equity items accumulated after the acquisition, are recognised under other comprehensive profit/loss items. When a subsidiary is divested in full or in part, accumulated translation differences are recognised through profit or loss as part of the sales gain or loss.

THE MOST IMPORTANT EXCHANGE RATES

	Closing exchange rate 31 Dec 2025	Average exchange rate 2025	Closing exchange rate 31 Dec 2024	Average exchange rate 2024
SEK	10.82150	11.07281	11.45900	11.42258
NOK	11.84300	11.71978	11.79500	11.61808
GBP	0.87260	0.85459	0.82918	0.84685
USD	1.17500	1.12427	1.03890	1.08264
BRL	6.43640	6.29729	6.42530	5.84997
CNY	8.22620	8.06935	7.58330	7.77928
CLP	-	-	1,029.52000	1,018.58000
CZK	24.23700	24.69469	25.18500	25.12285

Operating result

The standard IAS 1 *Presentation of Financial Statements* does not define the concept of operating profit. The Group has defined it as follows: operating profit is the net amount created by adding other operating income to net sales, subtracting purchase costs adjusted by change in inventories of finished and unfinished products and costs of manufacture for own use, and subtracting costs of employee benefits, depreciation and amortisation, any impairment losses and other operating expenses. All profit and loss items other than the above are presented below operating profit. Exchange rate differences are recognised in financial items.

Accounting estimates and accounting policies requiring consideration by management

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. Furthermore, the application of accounting policies requires consideration.

Group management utilises their best judgement when making decisions regarding accounting policies and their adoption. This refers to those cases in particular where the valid IFRS standards offer several alternative booking, recognition or presentation methods.

Uncertainties connected with estimates

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 balance sheet date. These are connected to, for example, the expected development of the Group's financial operating environment regarding the sales and the level of expenditure. The Group regularly monitors the realisation of estimates and assumptions, as well as changes in the underlying factors, together with the business unit by utilising several internal and external sources of information. Any changes in the estimates and assumptions are recognised in the financial period during which the estimates and

assumptions are adjusted, and in all subsequent financial periods.

The essential assumptions concerning the future and crucial factors of uncertainty associated with the estimates on the closing date of the reporting period that will impose a significant risk of substantial changes in the book values of assets and liabilities during the next financial period are given in the notes for each profit and loss account item or balance sheet item. The Group's most significant management estimates are regarding the measurement of trade receivables, the assumptions used for write-downs of inventories, changes in guarantee provisions, the recognition and measurement of other provisions, the activation of R&D expenses, the recognition of deferred taxes, and the testing of goodwill. Group management has deemed these the most important sectors in the financial statements because the compilation principles connected with these issues are the most complex from the Group's viewpoint, and their adoption requires using the most major estimates and assumptions when, for example, evaluating asset items. Furthermore, the potential impacts of the assumptions and estimates used in these sectors of the financial statements are deemed the greatest.

Application of new and amended IFRS standards

The following new or revised standards, interpretations or annual improvements to standards will enter into force on or after 1 January 2026. Ponsse will assess their impact and implement them as appropriate.

- *Classification and Measurement of Financial Instruments* – Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* (effective for financial years beginning on or after 1 January 2026, early application is permitted)

The amendments clarify that an entity is required to apply settlement date accounting when derecognising a financial asset or a financial liability; and to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met. The amendments clarify the application guidance for assessing the contractual cash flow characteristics of financial assets, including financial assets with contractual terms that could change the timing or amount of contractual cash flows, for example, those with environmental, social and governance (ESG)-linked features, financial assets with non-recourse features and financial assets that are contractually linked instruments.

- *Annual Improvements to IFRS Accounting Standards— Volume 11* (effective for financial years beginning on or after 1 January 2026, early application is permitted)

The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRS Accounting Standards to be grouped together and issued in one package annually. The amendments clarify the following standards:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Hedge Accounting by a First-time Adopter
- IFRS 7 *Financial Instruments: Disclosures* – Gain or loss on derecognition; Disclosure of differences between the fair value and the transaction price; Disclosures on credit risk
- IFRS 9 *Financial Instruments* –Derecognition of lease liabilities; Transaction price
- IFRS 10 *Consolidated Financial Statements* – Determination of a 'de facto agent'
- IAS 7 *Statement of Cash Flows* – Cost Method

- *Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures* (effective for financial years beginning on or after 1 January 2026, early application is permitted)

The amendments support the application of the own-use exemption to physical power purchase agreements (PPAs), provided the company has been, and is expected to remain, a net purchaser of electricity throughout the contract term. Subject to certain conditions, the amendments allow virtual PPAs and physical PPAs that do not qualify for the own-use exemption to be designated as hedging instruments within cash flow hedge accounting relationships. The amendments also introduce new disclosure requirements to help investors assess the impact of PPAs on a company's financial performance and cash flows.

- *Translation to a Hyperinflationary Presentation Currency** - Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* (effective to financial years beginning on or after 1 January 2027)

These amendments clarify how companies should translate financial statements from non-hyperinflationary currency into a hyperinflationary one.

- IFRS 18 *Presentation and Disclosure in Financial Statements** (effective for financial years beginning on or after 1 January 2027, early application is permitted)

IFRS 18 will replace IAS 1 *Presentation of Financial Statements*. The key new requirements are as follows:

- Income and expenses in the income statement to be classified into three new defined categories—operating,

investing and financing—and two new subtotals—“Operating profit or loss” and “Profit or loss before financing and income tax

- Disclosures about management-defined performance measures (MPMs) in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management's view of the company's financial performance
- Disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures** (effective for financial years beginning on or after 1 January 2027, early application is permitted)

The new standard permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. It will enable subsidiaries to keep only one set of accounting records to meet the needs of both their parent company and the users for their financial statements and reduce disclosure requirements.

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* – Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures** (available for optional adoption, effective date deferred indefinitely)

The amendments address the conflict between the existing guidance on consolidation and equity accounting and require the full gain to be recognised when the assets transferred meet the definition of a 'business' under IFRS 3 *Business Combinations*.

Other new or amended standards, interpretations or annual improvements applicable from January 1, 2026 or later are not material for the Group's consolidated financial statements.

* Not yet endorsed for use by the European Union as of 31 December 2025.

2. Profitability

2.1 Segment information

ACCOUNTING PRINCIPLES

Segment reporting

The operating segments are based on market area segmentation and are defined on the basis of reporting, monitored by the company's top operational decision-maker.

Revenue recognition

Revenue can be recognised over time or at a specific point in time, with the transfer of control being the key criterion.

- Contracts with customers are itemised
- Separate contractual obligations are itemised
- The contractual transaction price is defined
- The transaction price is allocated to separate performance obligations
- Revenue is recognised when each performance obligation has been met

The most significant part of the Group's net sales comes from machine sales where revenue is recognised at a specific point in time when control transfers to the customer in accordance with agreement terms. With regard to maintenance services, control transfers over time. However, a significant part of the Group's maintenance services comprises short-term services. Revenue from long-term maintenance agreements is recognised over time so that the revenue corresponds with the maintenance services carried out by the Group. Agreements may include discounts and other than cash remuneration, i.e. trade-in machines. Discounts are allocated as items adjusting net sales to the period to which sales gains are allocated, and other than cash remuneration is recognised at fair value. Systems solutions are recognised as revenue at one point in time when control is transferred to the customer in accordance with the terms of the contract.

The operating segments are defined based on reports used by the Group's management team for operational decision-making. There are five operating segments based on geographical division of regions.

The net sales of the reported operating segments are mainly generated by sales of forest machines and maintenance services. Reported segments do not depart from operating segments.

The Group Management Team assesses the performance of the operating segments on the basis of operating profit (EBIT).

Income from each segment is allocated in accordance with the location of the customer, depreciation and amortisation according to the location of the assets, and expenditure on employment-related benefits according to the location of employment. The expense items include items that can be allocated to the segment on reasonable grounds. Expense items allocated to a segment are based on the normal production degree.

In 2025 and 2024, the Group did not have any individual customer from whom sales revenue exceeded 10% of net sales.

The Group's reported segments are:

- Nordic countries and the Baltics
- Central and Southern Europe
- North America
- South America
- Asia, Australia and Africa

Pricing between segments is based on fair market price.

OPERATING SEGMENTS 2025

(1,000 EUR)	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 profit of the segment	8,443	18,319	7,191	6,893	840	41,686
Unallocated items						-53
Operating profit	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

OPERATING SEGMENTS 2024

(1,000 EUR)	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 profit of the segment	14,823	19,827	7,370	-6,191	970	36,798
Unallocated items						-43
Operating profit	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

2.2 Net sales

RECONCILIATIONS

(1,000 EUR)	2025	2024
Net sales		
Net sales of the reporting segments	906,816	896,463
Elimination of income between segments	-156,942	-146,036
Group's net sales, total	749,874	750,427
Operating profit		
Result of the reporting segments	41,686	36,798
Items not allocated to any segment	-53	-43
Group's operating profit, total	41,632	36,755

NET SALES BY INTERNATIONAL BUSINESS OPERATIONS

%	2025	2024
Export share of net sales	77.0	73.8

NET SALES BY CONTRACT TYPE

(1,000 EUR)	2025	2024
Machine sales	561,534	561,359
Service	165,568	169,501
Systems solutions	22,772	19,566
Total	749,874	750,427

The Group offers its customers standard payment terms and seeks to conduct its trading activities prudently and with adequate collateral.

The Group provides its customers with contractual product warranties, under which it generally guarantees the performance of delivered products during the warranty period. Service-type warranties are not provided.

The transaction price allocated to the remaining performance obligations as at 31 December 2025 was EUR 141.4 million (EUR 188.6 million in 2024).

Contract-based balance sheet items are presented in Notes 4.5 and 5.6.

2.3 Other operating income

ACCOUNTING PRINCIPLES

Public subsidies

Public subsidies, such as government grants associated with the acquisition of tangible assets, are recognised as deductions in the book values of tangible assets when it is reasonably certain that the subsidies will be received and the Group fulfils the preconditions for receiving such subsidies. The subsidies will be recognised as income during the useful life of the asset items. Any subsidies covering already realised expenses are recognised through profit or loss for the accounting period during which the right to obtain the subsidy arises. Such subsidies are presented in other operating income.

OTHER OPERATING INCOME

(1,000 EUR)	2025	2024
Rental income	145	69
Sales profits on tangible assets	199	562
Public subsidies	1,921	2,344
Recycling income	645	435
Other	4,681	4,279
Total	7,591	7,689

2.4 Other operating expenses

OTHER OPERATING EXPENSES

(1,000 EUR)	2025	2024
Voluntary employee expenses	7,219	6,486
Travel expenses	7,364	5,884
Operating and maintenance expenses	15,495	15,334
Sales related expenses	15,913	14,754
Rent expenses	1,444	1,505
Marketing and representation expenses	6,131	5,697
Administrative expenses	10,883	11,336
SaaS expenses	7,941	6,210
R&D expenditure	5,543	5,349
Other expense items	7,731	22,238
Total	85,664	94,793

Other expenses include purchased services, insurance premiums, service charge-like items, credit losses and the losses that were recorded from the Brazilian Full Service contract during the financial year.

AUDITOR'S REMUNERATIONS

(1,000 EUR)	2025	2024
KPMG		
Auditor's remunerations	278	308
Certificates and statements	56	120
Tax advice	0	2
Other remunerations	0	22
	334	452

Above-mentioned other remunerations than auditor's remunerations paid to KPMG Oy AB amounted to EUR 102 thousand (EUR 149 thousand in 2024).

(1,000 EUR)	2025	2024
Other organisations		
Auditor's remunerations	81	75
Certificates and statements	51	3
Tax advice	55	36
Other remunerations	17	27
	204	141
Total	538	593

2.5 Earnings per share

Undiluted earnings per share are calculated by dividing the profit for the financial period belonging to the parent company's shareholders by the weighted average of shares outstanding during the financial period.

	2025	2024
Profit for the financial period belonging to parent company shareholders (1,000 EUR)	30,490	12,506
Weighted average number of shares during the financial period (1,000 pcs)	27,991	27,985
Undiluted earnings per share (EUR/share)	1.09	0.45

In the calculation of earnings per share adjusted for dilution, the weighted average number of shares includes the diluting effect of the conversion of all potential ordinary shares. In years 2024 and 2025, the Group's share-based incentive scheme did not produce a diluting effect, which means that the earnings per share adjusted for dilution equal the undiluted earnings per share.

3. Remuneration

3.1 Expenditure on employment-related benefits

ACCOUNTING PRINCIPLES

Pension liabilities

The Group's pension schemes are defined contribution plans. Under defined contribution plans, the Group makes fixed payments to a separate entity. Contributions paid to defined contribution pension plans are recognised through profit or loss during the financial period to which the charge applies.

Pension cover for the personnel of the Group's Finnish companies is arranged through statutory pension insurance policies with external pension insurance companies. Foreign Group companies have arranged pensions for their personnel in accordance with local legislation.

EXPENDITURE ON EMPLOYMENT-RELATED BENEFITS

(1,000 EUR)	2025	2024
Wages and salaries	96,867	90,895
Pension expenditure defined contribution plans	12,531	12,900
Share plan	1,775	-343
Other long-term employee benefits - Long service plan	94	-1,166
Other social security costs	9,088	7,913
Total	120,355	110,199

AVERAGE NUMBER OF STAFF DURING THE FINANCIAL PERIOD

(1,000 EUR)	2025	2024
Employees	1,082	1,207
Clerical workers	1,001	876
Total	2,083	2,083

3.2 Management's employment-related benefits

(1,000 EUR)	2025	2024
Salaries and other short-term employment-related benefits	4,656	4,009
Voluntary pension security	576	490
Total	5,232	4,499

Management's employment-related benefits include salaries and bonuses of the President and CEO, parent company's Management Team and Managing Directors of subsidiaries.

(1,000 EUR)	2025	2024
President and CEO		
Salaries and other short-term employment-related benefits	972	998
Voluntary pension security	250	246
Total	1,222	1,244

Compensation of the members of the Board of Directors

Kaario Mammu	45	45
Koipijärvi Terhi	38	38
Kylävainio Matti	38	38
Marjamaa Ilpo	38	38
Vanhainen Juha	38	38
Vidgren Jarmo	48	42
Vidgren Juha (starting 8 Apr 2025)	29	0
Vidgren Jukka (until 8 Apr 2025)	10	38
Total	283	277

The President and CEO is included in the performance-based bonus scheme. The bonus is based on a performance target approved by the Board of Directors. The President and CEO's period of notice is six months if service is terminated by the company, or six months if service is terminated by the President and CEO. The terms and conditions of the President and CEO's employment are defined in writing in a service contract approved by the Board of Directors. No loans have been granted to management.

3.3 Share-based payment plans

ACCOUNTING PRINCIPLES

The Group has valid incentive schemes, which have been paid or will be paid partly in the company's shares and partly in cash. The effect of the scheme on profit is disclosed in expenditure on employment-related benefits.

PLAN: RESTRICTED SHARE PLAN 2021

TYPE	SHARE
Instrument	Restricted Share Plan 2021–2023
Initial amount, pcs	15,000
Dividend adjustment	No
Issuing date	15 Feb 2021
Vesting date	31 Dec 2028
Vesting conditions	Continued employment
Maximum contractual life, yrs	3
Remaining contractual life, yrs	n/a
Number of persons at the end of reporting year	0
Payment method	Cash and equity
Changes during period	Restricted Share Plan 2021–2023
1 Jan 2025	
Outstanding in the beginning of the period, pcs	0
Reserve in the beginning of the period, pcs	12,000
Changes during period, pcs	
Granted, pcs	0
Forfeited, pcs	0
Earned, pcs	0
Delivered, pcs	0
31 Dec 2025	
Outstanding at the end of the period, pcs	0
Reserved at the end of the period, pcs	12,000

In the 2021 financial year, a restricted share plan was established, with total allocated rewards amounting to a maximum of 15,000 Ponsse Plc shares (net reward). A total of 3,000 shares have been granted under the plan in previous financial years, and 12,000 shares remain available for distribution at the end of the period. The reward is conditional on the participant's valid employment or executive employment contract and the continuation of employment throughout the restriction period. The reward is paid in the company's shares at the end of the 1–3-year restriction period. During the financial year 2023, the Board of Directors of Ponsse Plc decided on two new share-based incentive plans (release 3 March 2023). 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 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 experience. Lost time injury frequency rate has been added to the terms of the 2024–2026 and 2025–2027 performance period. The rewards to be paid for the 2024–2026 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. The estimate includes conditional rewards paid in 2024. In the 2025 financial year, 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.

PLAN: KEY EMPLOYEE PERFORMANCE-BASED MATCHING SHARE PLAN 2023–2027

TYPE	SHARE	SHARE	SHARE	SHARE	SHARE	SHARE
Instrument	Matching reward 2023–2025	Performance Period 2023–2025	Matching reward 2024–2026	Performance Period 2024–2026	Matching reward 2025–2027	Performance Period 2025–2027
Initial amount, pcs	30,000	30,000	60,000	60,000	60,000	60,000
Dividend adjustment	No	No	No	No	No	No
Issuing date	3 Mar 2023	3 Mar 2023	11 Jun 2024	11 Jun 2024	2 Jun 2025	2 Jun 2025
Vesting date	31 May 2026	31 May 2026	31 May 2027	31 May 2027	31 May 2028	31 May 2028
Transfer restriction	n/a	n/a	n/a	n/a	n/a	n/a
Vesting conditions	Continued employment	Continued employment, Revenue growth, EBIT & eNPS*	Continued employment	Continued employment, Revenue growth, EBIT & eNPS*	Continued employment	Continued employment, Revenue growth, EBIT, eNPS & LTIF*
Maximum contractual life, yrs	3.2	3.2	3.0	3.0	3.0	3.0
Remaining contractual life, yrs	0.4	0.4	1.4	1.4	2.4	2.4
Number of persons at the end of reporting year	81	81	106	106	117	117
Payment method	Cash and equity	Cash and equity	Cash and equity	Cash and equity	Cash and equity	Cash and equity
Changes during period	Matching reward 2023–2025	Performance Period 2023–2025	Matching reward 2024–2026	Performance Period 2024–2026	Matching reward 2025–2027	Performance Period 2025–2027
1 Jan 2025						
Outstanding in the beginning of the period, pcs	9,172	27,348	13,216	39,553	0	0
Reserve in the beginning of the period, pcs	52	2,652	31	20,448	0	0
Changes during period						
Granted, pcs	0	0	0	0	10,819	32,382
Forfeited, pcs	505	1,508	284	851	34	101
Earned, pcs	0	0	0	0	0	0
Delivered, pcs	0	0	0	0	0	0
31 Dec 2025						
Outstanding at the end of the period, pcs	8,667	25,841	12,932	38,702	10,785	32,282
Reserved at the end of the period, pcs	557	4,160	8,366	8,366	16,934	16,934

* eNPS = Employee experience
LTIF = Lost time injury frequency

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 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, employee experience and lost time 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.

PLAN: THE CEO PERFORMANCE-BASED SHARE OWNERSHIP PLAN 2023–2027

TYPE	SHARE	SHARE	SHARE	SHARE	SHARE	SHARE	SHARE	SHARE
	Performance period 2023–2025 Matching reward	Performance period 2023	Performance period 2023–2024	Performance period 2023–2025	Performance period 2024–2026 Matching reward (CEO)	Performance period 2024–2026	Performance period 2025–2027 Matching reward (CEO)	Performance period 2025–2027
Instrument								
Initial amount, pcs	10,653	14,204	14,204	28,408	50,000		50,000	
Dividend adjustment	No	No	No	No	No	No	No	No
Issuing date	3 Jun 2023	3 Jun 2023	3 Jun 2023	3 Jun 2023	11 Jun 2024	11 Jun 2024	2 Jun 2025	2 Jun 2025
Vesting date	31 May 2024	31 May 2024	31 May 2025	31 May 2026	30 Jun 2024	31 May 2027	31 May 2027	31 May 2028
Transfer restriction	31 Dec 2025	31 Dec 2025	31 Dec 2025	n/a	31 Dec 2026	n/a	31 Dec 2027	n/a
Vesting conditions	Continued employment	Continued employment	Continued employment, Revenue growth, EBIT & eNPS*	Continued employment, Revenue growth, EBIT, eNPS & LTIF*	Continued employment, Revenue growth, EBIT, eNPS & LTIF*			
Maximum contractual life, yrs	2.8	2.8	2.8	3.2	2.6	3.0	2.6	3.0
Remaining contractual life, yrs	0.0	0.0	0.0	0.4	1.0	1.4	2.0	2.4
Number of persons at the end of reporting year	1	1	1	1	1	1	1	1
Payment method	Cash and equity	Cash and equity	Cash and equity	Cash and equity	Cash and equity	Cash and equity	Cash and equity	Cash and equity
Changes during period	Performance period 2023–2025 Matching reward	Performance period 2023	Performance period 2023–2024	Performance period 2023–2025	Performance period 2024–2026 Matching reward (CEO)	Performance period 2024–2026	Performance period 2025–2027 Matching reward (CEO)	Performance period 2025–2027
1 Jan 2025								
Outstanding in the beginning of the period, pcs	7,189	4,268	14,204	28,408	9,426	25,136	0	0
Reserve in the beginning of the period, pcs	0	0	0	0	0	0	0	0
Changes during period								
Granted, pcs	0	0	0	0	0	0	10,071	26,856
Forfeited, pcs	0	0	0	0	0	0	0	0
Earned, pcs	0	0	1,335	0	9,426	0	0	0
Delivered, pcs	0	0	658	0	4,643	0	0	0
31 Dec 2025								
Outstanding at the end of the period, pcs	7,189	4,268	1,335	28,408	9,426	25,136	10,071	26,856
Reserved at the end of the period, pcs	0	0	0	0	0	0	0	0

* eNPS = Employee experience
LTIF = Lost time injury frequency

PLAN: THE CEO PERFORMANCE-BASED SHARE OWNERSHIP PLAN 2021 – 2027

TYPE	SHARE
Changes during period	Total
1 Jan 2025	
Outstanding in the beginning of the period, pcs	177,920
Reserve in the beginning of the period, pcs	35,183
Changes during period	
Granted, pcs	80,128
Forfeited, pcs	3,282
Earned, pcs	10,761
Delivered, pcs	5,301
31 Dec 2025	
Outstanding at the end of the period, pcs	241,897
Reserved at the end of the period, pcs	42,016

Fair value determination

The fair value of share-based incentives have been determined at grant date and the fair value is expensed until vesting. The key parameters of the fair value of share-based incentives granted in the financial year are presented in the following table.

VALUATION PARAMETERS FOR INSTRUMENTS GRANTED DURING THE FINANCIAL YEAR

Share price at grant, EUR	30.00
Share price at reporting period end, EUR	25.90
Discount rate	1.9%
Annual dividend yield	1.7%
Volatility	28.7%
Valuation model	Cost of carry and discount for lack of marketability
Fair value 31 Dec 2025, (EUR)	2,040,271

EFFECT OF SHARE-BASED INCENTIVES ON THE RESULT AND FINANCIAL POSITION OF THE FINANCIAL YEAR

(1,000 EUR)	
Expenses for the financial year, share-based payments	889
Liabilities arising from share-based payments 31 Dec 2025	88
Estimated amount of cash to be paid	1,356

3.4 Other long-term employee benefits

ACCOUNTING PRINCIPLES

Among other long-term employee benefits, Ponsse has defined benefit plans. Under a defined benefit plan, the liability recognised on an actuarial basis is the net of the present value of the defined benefit obligation at the balance sheet date and the fair value of the plan assets. The amount of the defined benefit obligation is calculated by an independent actuary who applies the projected unit credit method, under which the estimated future cash flows are discounted to their present value using a discount rate that reflects the duration of the obligation. Judgements are made in relation to the assumptions used in the calculations and the actual assumptions may not be the same as those estimated. Under this method, the costs of the plan are recognised in profit or loss as a regular expense over the employees' working lives. Performance-based employee benefit costs are recognised in the income statement under personnel costs and net interest is recognised in financial income and expenses.

Other long-term employee benefits consist of the Long Service plan which is recognised by the parent company and Epec Oy.

AMOUNT RECOGNISED IN THE CONSOLIDATED STATEMENT OF INCOME

(1,000 EUR)	2025	2024
Actuarial gain (-) / loss (+) on liabilities due to change in financial assumptions	94	-1,166
Total gain (-) / loss (+)	94	-1,166

CHANGES IN THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION

(1,000 EUR)	2025	2024
Present value of obligation at beginning of the period	5,623	6,789
Liabilities extinguished on settlements	0	0
"Actuarial gain (-) / loss (+) due to change in demographic assumptions"	0	0
Actuarial gain (-) / loss (+) due to change in financial assumptions	94	-1,166
Present value of defined benefit obligation at end of the period	5,718	5,623

AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1,000 EUR)	2025	2024
Present value of the defined benefit obligation	5,718	5,623
Asset (-) / liability (+)	5,718	5,623
Liabilities recognised in the Consolidated statement of financial position	5,718	5,623

THE PRINCIPAL ACTUARIAL ASSUMPTIONS USED TO DETERMINE THE DEFINED BENEFIT OBLIGATION

	2025	2024
Discount rate	3.34–3.48%	2.97–3.01%
Assumed inflation rate	1.9%	1.9%
Rate of salary increase	3.2%	3.2%
Employment turnover	4.5%	4.5%
Disability rate	contribution category 1	contribution category 1

WEIGHTED AVERAGE DURATION OF THE DEFINED BENEFIT OBLIGATION

	2025	2024
Finland	10	10

SENSITIVITY ANALYSIS

(1,000 EUR)	2025	2024
Discount rate		
decrease of 0.5%	240	245
increase of 0.5%	-222	-225
Salary increase rate		
decrease of 0.5% (0.8% in 2024)	-45	-42
increase of 0.5% (0.8% in 2024)	45	42
Pension increase rate		
decrease of 0.5%	0	0
increase of 0.5%	0	0
Employment turnover		
decrease of 0.5%	-	-
increase of 0.5%	-240	-243
Medical cost trend		
decrease of 0.5%	-	-
increase of 0.5%	-270	-274
Life expectancy		
decrease of one year	-7	-8
increase of one year	7	8

In connection with the arrangement, EUR 4.962 million of retained earnings from previous financial years have been restated in 2023. The expected payments in the next financial year are estimated at EUR 0.5 million (EUR 0.5 million in 2024).

3.5 Pension liabilities

The Group did not have any pension obligations.

4. Capital employed

4.1 Tangible assets

ACCOUNTING PRINCIPLES

Tangible assets are recognised at acquisition cost less accumulated depreciation and impairment losses.

Expenses incurred from the direct acquisition of tangible assets are included in the acquisition. The acquisition cost of a self-manufactured asset item includes material expenses, direct expenses incurred for employee benefits and other direct expenses incurred for the completion of the tangible assets for the intended use.

If tangible assets consist of several parts whose estimated useful lives differ, each part is treated as a separate item. In such a case, all replacement costs are activated and any remaining book value in connection with replacement is derecognised. In any other cases, costs arising at a later date are included in the book value of tangible assets only if it is likely that the future economic benefits related to the item will benefit the Group and the item's acquisition cost can be reliably defined. Other repair and maintenance costs are recognised through profit or loss as they are realised.

Asset items are depreciated by the straight-line method over their estimated useful life. Depreciation is not booked on land areas. Estimated useful lives are the following:

Buildings	20 years
Machinery and equipment	5 to 10 years

The residual value, useful life and the depreciation method of asset items are reviewed at least upon each closing of the accounts and adjusted, if necessary, to reflect any changes in the expected economic benefit.

Depreciation and amortisation begins when the asset item is ready for use, i.e. when it is in such a location and condition that it can function in the manner intended by management. Depreciation on tangible assets will be discontinued when the item is classified as available for sale in accordance with standard IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Sales gains and losses arising from the decommissioning and transfer of tangible assets is recognised through profit or loss and presented under other operating income and expenses. The sales gain is defined as the difference between the selling price and residual acquisition cost.

Lease contracts

Group as lessee

According to the standard IFRS 16 - *Leases*, the Group recognises non-cancellable leases on the balance sheet. The Group has made use of an easement allowed in the standard according to which short-term leases of assets with minor value do not need to be recognised on the balance sheet. For non-fixed-term leases, the Group only recognises on the balance sheet leases with a term of notice longer than 12 months that do not include a significant sanction related to the termination of the lease agreement.

Group as lessor

Leases where the Group has not substantially transferred the risks and benefits of ownership of the asset to the lessee are included in tangible assets or inventories on the balance sheet. Lease income is recognised through profit or loss in equal instalments over the lease period.

TANGIBLE ASSETS

(1,000 EUR)	Land and water	Buildings	Machinery and equipment	Prepayments and unfinished acquisitions	Total
Acquisition cost 1 Jan 2025	3,743	140,343	148,103	2,879	295,068
Increase	0	10,311	11,452	3,426	25,189
Decrease	0	-303	-2,299	-5,465	-8,066
Exchange rate difference	-158	-1,115	-1,409	-52	-2,734
Acquisition cost 31 Dec 2025	3,585	149,236	155,847	789	309,456
Accumulated depreciation and impairment 1 Jan 2025	0	-65,989	-112,896	0	-178,885
Depreciation and amortisation	0	-7,991	-12,303	0	-20,294
Accumulated depreciation on decrease and transfers	0	116	677	0	793
Exchange rate difference	0	379	1,024	0	1,404
Accumulated depreciation and impairment 31 Dec 2025	0	-73,484	-123,498	0	-196,981
Book value 1 Jan 2025	3,743	74,354	35,207	2,879	116,183
Book value 31 Dec 2025	3,585	75,752	32,349	789	112,475
Acquisition cost 1 Jan 2024	3,215	134,356	141,711	3,135	282,416
Increase	472	8,184	9,039	3,692	21,386
Decrease	0	-2,722	-854	-3,992	-7,568
Exchange rate difference	56	525	-1,793	45	-1,167
Acquisition cost 31 Dec 2024	3,743	140,343	148,103	2,879	295,068
Accumulated depreciation and impairment 1 Jan 2024	0	-61,028	-102,372	0	-163,399
Depreciation and amortisation	0	-8,333	-13,178	0	-21,511
Accumulated depreciation on decrease and transfers	0	3,544	2,481	0	6,025
Exchange rate difference	0	-173	174	0	1
Accumulated depreciation and impairment 31 Dec 2024	0	-65,989	-112,896	0	-178,885
Book value 1 Jan 2024	3,215	73,328	39,339	3,135	119,017
Book value 31 Dec 2024	3,743	74,354	35,207	2,879	116,183

BALANCE SHEET VALUES OF RIGHT-OF-USE ASSETS INCLUDED IN TANGIBLE ASSETS

(1,000 EUR)	Machinery and equipment		Total
	Buildings		
Book value 1 Jan 2025	9,538	3,574	13,112
Increase	2,817	2,200	5,017
Depreciation and amortisation	-2,807	-2,362	-5,169
Exchange rate difference	-3	151	147
Book value 31 Dec 2025	9,544	3,563	13,107

Book value 1 Jan 2024	8,041	3,755	11,796
Increase	4,527	2,944	7,471
Depreciation and amortisation	-2,906	-2,618	-5,524
Exchange rate difference	-124	-507	-631
Book value 31 Dec 2024	9,538	3,574	13,112

LEASE LIABILITIES, BALANCE SHEET VALUES

(1,000 EUR)	2025	2024
Book value 1 Jan	13,377	12,107
Exchange rate difference	-378	-975
Increase	5,017	7,471
Interest expense	446	486
Lease payments	-5,214	-5,712
Decrease	0	0
Book value 31 Dec	13,247	13,377
Non-current lease liabilities	8,703	8,541
Current lease liabilities	4,544	4,836
Total	13,247	13,377

Maturity of lease liabilities is presented in note 5.5, section Due dates and reconciliation of lease liabilities.

AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

(1,000 EUR)	2025	2024
Depreciation charge of right-of-use assets	5,169	5,524
Interest expense	446	486
Expense relating to leases of low-value assets or short-term leases	1,392	2,283
Expense relating to variable lease payments not included in lease liabilities	52	976
Total	7,059	9,269

The Group made use of an easement allowed in the standard according to which short-term leases of assets with minor value do not need to be recognised on the balance sheet. For non-fixed-term leases, the Group recognises on the balance sheet leases with an estimated lease term of more than 12 months.

The rents are discounted using the interest rate of the additional credit. The interest rate of the additional credit refers to the interest rate which the lessee concerned would have to pay when borrowing for an equivalent period and with equivalent guarantees the money required to acquire an asset with a value equivalent to that of the right-of-use asset in a similar economic environment.

4.2 Intangible assets and goodwill

ACCOUNTING PRINCIPLES

Intangible assets

An intangible asset item is only recognised in the balance sheet at original cost if its acquisition cost can be reliably determined and it is probable that the expected economic benefit from the item will be to the Group's advantage.

Intangible assets with a limited useful life are recognised as expenses through profit or loss by straight-line amortisation over their known or estimated useful life. The Group does not have any intangible assets with an unlimited useful life.

The amortisation periods for intangible assets are the following:

Capitalised development expenditure	3 to 10 years
Patents	5 years
Computer software	5 years
Other intangible assets	5 to 10 years

The residual value, useful life and depreciation and amortisation method of asset items are reviewed at least upon each closing of accounts and adjusted, if necessary, to reflect any changes in the expected economic benefit.

Depreciation and amortisation of intangible assets begins when the asset item is ready for use, i.e. when it is in such a location and condition that it can function in the manner intended by management.

R&D expenditure

Research costs are recognised as expenses through profit or loss. Development costs arising from the design of new or more advanced products are capitalised as intangible assets in the balance sheet starting from the time the product is technically feasible, it can be utilised commercially, and future economic benefit is expected from the product. Capitalised development expenditure consists of the costs of materials, labour and testing arising directly from the preparation of an asset for its intended use. Development costs previously recognised as expenses will not be subsequently capitalised.

Amortisation is booked on an item starting from the time it is ready for use. An item that is not yet ready for use is tested annually for impairment. After initial recognition, capitalised development expenditure is measured at original cost less accumulated amortisation and impairment. The useful life of capitalised development expenditure is from three to ten years, during which the capitalised expenditure will be recognised as expenses by straight-line amortisation.

Goodwill

Goodwill arising on business combinations is recognised to the extent that the aggregate of the consideration transferred, the non-controlling share of the acquisition, and the previously held share exceeds the fair value of the net assets acquired. Goodwill represents the value of unidentified intangible assets and expected future benefits that do not meet the definition of an asset and expected synergies. Goodwill is measured at original cost less impairment losses. Impairment losses are recognised in the income statement. Goodwill is written off when the subsidiary is sold.

No amortisation is booked on goodwill but it is tested annually for impairment. For this purpose, goodwill is allocated to cash-generating units. The recoverable amount of cash by cash-generating units is determined on the basis of a value-in-use calculation. The value in use is determined by calculating the present value of the projected net cash flows of the cash-generating unit under test. The discount rate used for value-in-use calculations is the weighted average pre-tax cost of capital, which takes into account the market's view of the time value of money and the specific risks associated with the unit under test.

Impairment testing

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.

INTANGIBLE ASSETS

(1,000 EUR)	Development expenditure	Patent costs	Intangible rights	Other intangible assets	Prepayments and unfinished acquisitions	Total
Acquisition cost 1 Jan 2025	83,452	3,748	4,717	25,434	15,333	132,684
Increase	7,722	519	60	609	5,284	14,193
Decrease	0	0	0	0	-4,499	-4,499
Exchange rate difference	0	0	-66	-5	0	-71
Acquisition cost 31 Dec 2025	91,174	4,267	4,710	26,038	16,118	142,308
Accumulated depreciation and impairment 1 Jan 2025	-59,947	-2,803	-3,884	-17,874	0	-84,507
Depreciation and amortisation	-11,410	-341	-214	-2,942	0	-14,906
Accumulated depreciation on decrease and transfers	0	0	0	0	0	0
Exchange rate difference	0	0	23	0	0	23
Accumulated depreciation and impairment 31 Dec 2025	-71,357	-3,144	-4,075	-20,815	0	-99,391
Book value 1 Jan 2025	23,505	946	833	7,561	15,333	48,177
Book value 31 Dec 2025	19,817	1,123	635	5,223	16,118	42,917
Acquisition cost 1 Jan 2024	73,065	3,488	4,557	23,199	18,416	122,726
Increase	10,387	260	125	2,263	6,768	19,803
Decrease	0	0	0	0	-9,856	-9,856
Exchange rate difference	0	0	34	-28	4	10
Acquisition cost 31 Dec 2024	83,452	3,748	4,717	25,434	15,333	132,684
Accumulated depreciation and impairment 1 Jan 2024	-49,288	-2,470	-3,615	-14,617	0	-69,991
Depreciation and amortisation	-10,659	-332	-256	-3,275	0	-14,522
Accumulated depreciation on decrease and transfers	0	0	0	0	0	0
Exchange rate difference	0	0	-13	19	0	6
Accumulated depreciation and impairment 31 Dec 2024	-59,947	-2,803	-3,884	-17,874	0	-84,507
Book value 1 Jan 2024	23,777	1,018	942	8,582	18,416	52,736
Book value 31 Dec 2024	23,505	946	833	7,561	15,332	48,177

Intangible rights include computer software licence fees, among others. Other intangible assets include fees for computer software tailored for the Group, among others. Prepayments and unfinished acquisitions include R&D expenditure, patent application expenses and computer software acquisition costs.

ALLOCATION OF GOODWILL

(1,000 EUR)	2025	2024
Goodwill is allocated to the following cash-generating units:		
Nordic countries and the Baltics segment: Epec Oy	3,440	3,440
Nordic countries and the Baltics segment: Business in Norrbotten region, Sweden	342	322
Central and Southern Europe segment: Czech	1,925	1,852
Central and Southern Europe segment: the Netherlands	920	920
Total	6,627	6,535

The recognised goodwill value is the amount of acquisition cost exceeding the fair value of identifiable assets and liabilities of the acquired companies at the time of purchase. The goodwill includes intangible assets such as business expertise, customer relationships and synergy values.

Impairment testing

For impairment testing, the recoverable amounts have been determined on the basis of value in use. The cash flow forecast is based on three-year forecasts approved by management. The applicable discount rate before tax is 7.8–13.3%. The discount rate before tax is determined on the basis of weighted average cost of capital (WACC). Cash flows following the forecast period approved by management have been extrapolated with a country-specific growth factor which considers the operating environment in the entities concerned. The growth factor applied does not exceed long-term realised growth of the sectors in question.

The essential variables used for the calculation of value in use are the following:

1. Budgeted EBITDA – Determined on the basis of forecast EBITDA for the next three years. The value of the variable is based on realised development.
2. Forecast residual value – Determined on the basis of the last budgeted year 2028 and adjusted by a country-specific growth factor which considers the local operating environment. The residual value is not expected to change substantially as continuous product development and anticipated intensification of competition are considered.
3. Discount rate – Determined on the basis of the weighted average cost of capital (WACC) method representing the total cost of equity and liabilities taking into account any specific risks associated with the assets and the sector of business.

Sensitivity analysis for impairment testing

As part of Ponsse's impairment testing, sensitivity analyses have been performed on key assumptions based on two different scenarios. The changes tested in the calculations are, in the first scenario, the increase in the discount rate and how high the discount rate could rise before indicating impairment. The second scenario tested how much turnover could fall to cause an impairment. Sensitivity analyses were performed for all cash-generating units recognised as goodwill and did they not indicate impairment.

R&D EXPENDITURE

(1,000 EUR)	2025	2024
R&D expenditure in total	26,879	24,578
Share activated in the balance sheet	8,769	9,603

4.3 Depreciation, amortisation and impairment

ACCOUNTING PRINCIPLES

Impairments to tangible and intangible assets

On each closing date of a reporting period, the Group estimates whether there is evidence that the value of an asset may have been impaired. If there is such evidence, the amount recoverable from the asset will be estimated. Furthermore, the recoverable amount will be estimated annually for the following assets regardless of whether there is evidence of impairment: goodwill and unfinished intangible assets. The need for impairment is reviewed at the level of cash-generating units, which refers to the lowest level of unit that is mainly independent of other units and whose cash flows can be separated from other cash flows.

The recoverable amount equals the fair value of an asset deducted by costs arising from its sale, or value in use if this is higher. Value in use refers to estimated future net cash flows available from the asset or the cash-generating unit discounted to present value. The applicable discount rate is a rate determined before tax that reflects the market opinion on the time value of money and the specific risks associated with the asset.

An impairment loss is recognised when the book value of an asset exceeds its recoverable amount. Impairment losses are immediately recognised through profit or loss. If an impairment loss is attributable to a cash-generating unit, it is first allocated to reduce the goodwill attributable to the cash-generating unit and then to reduce other asset items within the unit on a pro rata basis. In connection with the recognition of an impairment loss, the useful life of the asset subject to depreciation or amortisation is reassessed. Impairment losses on assets other than goodwill will be reversed if there is a change in the estimates used for determining the recoverable amount from the asset. However, any impairment loss reversal may not exceed the amount that would be the book value of the asset item if the impairment loss were not recognised. Impairment losses recognised on goodwill are not to be reversed under any circumstances.

KEY ESTIMATES AND JUDGEMENTS

Capitalisation of R&D expenditure

On the date of the reporting period, the Group assesses whether the new product is technically feasible, whether it can be commercially utilised and whether future economic benefits will be received from the product, which makes it possible to capitalise development expenditure arising from the design of new or advanced products on the balance sheet as intangible assets.

DEPRECIATION, AMORTISATION AND IMPAIRMENT

(1,000 EUR)	2025	2024
Intangible assets		
Capitalised development expenditure	11,410	10,659
Patents	341	332
Intangible rights	214	256
Other intangible assets	2,942	3,275
Total	14,906	14,522
Tangible assets		
Buildings	7,991	8,333
Machinery and equipment	12,303	13,178
Total	20,294	21,511
Total	35,200	36,033

4.4 Inventories

ACCOUNTING PRINCIPLES

Inventories are valued at acquisition cost or a lower net realisable value. The Average Cost method is used as a basis for calculating the value of materials and supplies in stock. The acquisition cost of finished and unfinished products comprises raw materials, direct expenses due to work performed, other direct expenses, and the appropriate proportion of the variable and fixed overheads of manufacturing at the normal utilised capacity. The inventory of second-hand machines is valued at acquisition cost or a lower probable net realisable value. Net realisable value refers to an estimated sales price available through normal business operations less the estimated costs of finishing the product and the costs of sale.

KEY ESTIMATES AND JUDGEMENTS

On the date of the financial statements, the Group recognises impairment losses according to its best judgement, particularly with regard to trade-in machines. The assessment takes into account the age structure of the trade-in machine stock and the likely selling prices.

INVENTORIES

(1,000 EUR)	2025	2024
Raw materials and consumables	103,671	108,119
Work in progress	15,220	15,767
Finished products/goods	49,958	37,672
Other inventories	71,171	57,565
Total	240,019	219,123

During the financial year, EUR 9.2 million was recognised as an expense item, which was used to reduce the book value of inventories to correspond to the net realisable value (EUR 4.5 million in 2024).

4.5 Trade receivables and other receivables

KEY ESTIMATES AND JUDGEMENTS

Trade receivables

On the date of the financial statements, the Group recognises a credit loss on receivables for which no payment will probably be received according to its best judgement.

The Group applies the general model specified in IFRS 9 on recognising expected credit losses.

To determine the expected credit losses, the trade receivables from each customer were grouped on the basis of the probability of credit risk and lateness of payment. The credit loss risk is deemed to have increased significantly if the payment is more than 30 days overdue. A customer-specific assessment of the expected credit loss is made on that basis. The sold machine serving as security is taken into account when determining the credit loss.

The estimates are based on systematic and continuous review of receivables as part of credit risk control. The assessment of credit risks is based on previously realised credit losses, amount and structure of the receivables and short-term financial events and conditions.

RECEIVABLES (NON-CURRENT)

(1,000 EUR)	2025	2024
Other receivables	296	254
Accrued income	32	42
Total	328	296

There are no significant concentrations of credit risk associated with the receivables.

TRADE RECEIVABLES AND OTHER RECEIVABLES (CURRENT)

(1,000 EUR)	2025	2024
Trade receivables	63,472	54,107
VAT receivables	6,583	8,426
Other receivables	5,907	7,492
Accrued income	15,521	7,010
Derivative contracts held for trading	663	939
Total	92,146	77,974

Item trade receivables and other receivables (current) include EUR 11.2 million (EUR 4.3 million in 2024) of receivables related to financing arrangements for machine sales, of which around 10% is not under credit insurance. The parent company typically has a liability to the financing company in the amount agreed in the financing arrangements and this liability is presented under other liabilities. Other receivables include an equivalent amount due from a customer to the parent company which may be realised in the event of default. In addition, other current receivables include a receivable of EUR 3 million related to the sales price of the Russian subsidiary. The payment arrangements are being clarified in cooperation with the authorities and financial institutions.

Definition established of expected credit losses is described in note 5.6. The fair value of receivables is presented in note 5.7.

TRADE RECEIVABLES BY AGE AND ITEMS RECOGNISED AS A CREDIT LOSS

(1,000 EUR)	Non-matured	Matured less than 30 days	Matured 30–90 days	Matured 91–180 days	Matured 181–360 days	Matured more than 360 days	Total
2025							
Gross book value of trade receivables	40,693	16,888	4,092	1,460	1,233	888	65,252
Deductible item concerning expected loss	0	0	-223	-535	-135	-888	-1,781
Net book value of trade receivables	40,693	16,888	3,869	925	1,098	0	63,472
2024							
Gross book value of trade receivables	36,347	12,305	2,697	1,802	1,153	645	54,949
Deductible item concerning expected loss	0	0	0	-120	-77	-645	-842
Net book value of trade receivables	36,347	12,305	2,697	1,682	1,076	0	54,107

DEDUCTION THROUGH PROFIT AND LOSS FOR THE LOSS ASSOCIATED WITH TRADE RECEIVABLES:

(1,000 EUR)	2025	2024
Change in the deduction for the expected loss associated with trade receivables	939	177
Final credit losses	1,245	315
Cancelled final credit losses	-2	-218
Total	2,181	274

RECONCILIATION OF THE DEDUCTION FOR EXPECTED LOSS ASSOCIATED WITH TRADE RECEIVABLES:

(1,000 EUR)	2025	2024
At the beginning of the financial year	842	665
Change in the deduction for the expected loss associated with trade receivables	939	177
At the end of the financial year	1,781	842

4.6 Trade creditors and other liabilities

TRADE CREDITORS AND OTHER LIABILITIES

(1,000 EUR)	2025	2024
Trade creditors	77,068	63,859
Advances received	3,198	5,375
Other liabilities	20,081	16,308
Accruals and deferred income		
Accrued staff expenses	30,552	28,703
Interest accruals	287	513
Liabilities based on sales contracts	3,585	4,086
Income tax liability	633	1,569
Other accruals	5,016	6,676
Derivative contracts held for trading	543	1,448
Total	140,962	128,537

4.7 Provisions

ACCOUNTING PRINCIPLES

A provision is recognised when the Group has a legal or factual obligation based on a previous event, the realisation of a payment obligation is probable and the amount of the obligation can be reliably estimated. The amount of the provisions is measured on each closing date and modified according to the best estimate at the time of assessment. Changes in provisions are recognised in the income statement at the same amount as the initial recognition of the provision.

A guarantee provision is recognised upon the sale of a product subject to a guarantee condition. The amount of guarantee provision is based on empirical data on actual guarantee costs.

Other provision is recognised when Group is found to have an onerous contract. An existing obligation under the contract is recognised and measured as a provision.

KEY ESTIMATES AND JUDGEMENTS

Guarantee provision

The guarantee provision is based on realised guarantee expenses. The guarantee period granted for the products is 12 months or 2,000 hours, and defects in the products observed during the guarantee period are repaired at the company's cost. The guarantee provision is based on failure history recorded in the previous years. The guarantee provisions are expected to be used during the next year.

Other provisions

The group has recognised 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.

PROVISIONS

(1,000 EUR)	Guarantee provision	Other provisions	Total
31 Dec 2024	5,620	13,618	19,238
Increase	1,548	2,806	4,354
Decrease	-1,042	-9,997	-11,039
31 Dec 2025	6,125	6,427	12,552

5. Capital structure and financial risks

5.1 Notes on shareholders' equity

ACCOUNTING PRINCIPLES

Share capital is presented as the nominal value of ordinary shares. Expenses associated with the issuance or purchase of equity instruments are presented as an equity reduction item.

The dividend distribution to shareholders proposed by the Board of Directors is recognised as a deduction of shareholders' equity in the period during which the general meeting of shareholders has approved the dividend.

Treasury shares

If the Group buys the company's own shares, the consideration paid for the shares and any expenses directly resulting from the purchase are deducted from the capital attributable to equity holders until the shares are cancelled or reissued. The value date of treasury shares is their actual date of purchase.

If the shares are reissued, any consideration paid for them will be included in the capital attributable to equity holders, less the amount of direct transaction costs incurred.

The following table is a presentation of the effects of changes in the numbers of shares and equity.

	Number of shares (1,000 pcs)	Share capital (1,000 EUR)	Other reserves (1,000 EUR)	Treasury shares (1,000 EUR)
31 Dec 2024	28,000	7,000	3,824	-47
Share-based incentive plan	0	0	638	-88
31 Dec 2025	28,000	7,000	4,462	-135

The maximum number of shares is 48 million (48 million in 2024). The nominal value of each share is EUR 0.25, and the Group's maximum share capital is EUR 12 million (EUR 12 million in 2024). The number of issued shares is 28 million (28 million in 2024). All issued shares have been paid in full.

All shares are of the same series and each share entitles its holder to one vote at shareholders' meetings and gives an equal right to dividends.

Ponsse Plc has no outstanding convertible notes or bonds with warrants.

The Ponsse Plc Board of Directors is not currently authorised to increase the share capital or issue convertible notes or bonds with warrants.

The Ponsse Plc Board of Directors is authorised by AGM to decide upon the acquisition of the treasury shares using the company's unrestricted shareholders' equity and to decide on the assignment of treasury shares.

Below are descriptions of the equity reserves:

Treasury shares

The company holds 5,046 treasury shares.

Translation differences

The translation differences reserve comprises translation differences arising from the translation of financial statements of foreign units.

Other reserves

Other reserves comprises increase for the issue of the treasury shares related to the share based incentive plan.

Dividends

In 2025, a dividend of EUR 0.50 was paid per share, for a total of EUR 14.0 million (in 2024, EUR 0.55 per share, for a total of EUR 15.4 million). After the end of the financial year, the company's Board of Directors has decided to propose to the Annual General Meeting that a dividend of EUR 0.55 per share shall be paid for 2025. The dividend distribution totals EUR 15.4 million.

5.2 Financial income and expenses

ACCOUNTING PRINCIPLES

Dividends

Dividend income is recognised once the dividend becomes vested.

Exchange rate gains and losses

The principles for recognising the exchange rate gains and losses are presented in the notes section 1. Accounting principles, Foreign currency translation.

FINANCIAL INCOME

(1,000 EUR)	2025	2024
Dividend income from the investment of non-current assets	2	2
Interest income from loans and receivables	1,214	1,705
Exchange rate gains, unrealised	1,077	0
Change in fair value of currency derivatives	1,047	0
Other financial income	731	231
Total	4,071	1,937

FINANCIAL EXPENSES

(1,000 EUR)	2025	2024
Interest expenses for financial loans	2,175	3,830
Exchange rate losses, realised	2,499	1,835
Exchange rate losses, accruals	0	8,758
Change in fair value of currency derivatives	0	1,077
Change in fair value of interest rate derivatives	417	966
Other financial expenses	336	893
Total	5,427	17,358
Financial income and expenses in total	-1,356	-15,421

The exchange rate accruals mainly consist of the revaluation of intra-group items.

5.3 Other financial assets

OTHER FINANCIAL ASSETS

(1,000 EUR)	Other investments
Acquisition cost 31 Dec 2024	377
Increase	0
Decrease	0
Acquisition cost 31 Dec 2025	377

Other financial assets mainly contain unquoted shares in enterprises serving the company's operations.

5.4 Cash and cash equivalents

CASH AND CASH EQUIVALENTS

(1,000 EUR)	2025	2024
Cash in hand and at banks	58,149	83,590
Total	58,149	83,590

5.5 Interest-bearing liabilities

ACCOUNTING PRINCIPLES

Interest-bearing liabilities

Interest-bearing liabilities are classified as short-term liabilities unless the Group has the unconditional right to postpone the payment of the liabilities by at least 12 months from the end of the reporting period.

INTEREST-BEARING LIABILITIES

(1,000 EUR)	2025	2024
Non-current interest-bearing liabilities		
Loans from financial institutions	52,517	55,373
Other liabilities	0	0
Lease liabilities	8,703	8,541
Total	61,221	63,914
Current interest-bearing liabilities		
Loans from financial institutions	12,933	18,020
Other liabilities	0	161
Lease liabilities	4,544	4,836
Total	17,477	23,017

The fair values for commitments is presented in Note 8.1.

The fair values for liabilities is presented in Note 5.7. The Group has both floating rate and fixed rate non-collateral bank loans. EUR 13,335 thousand of all liabilities have a fixed interest rate (EUR 13,765 thousand in 2024). Other loans EUR 65,363 thousand (EUR 73,166 thousand in 2024) have a variable interest rate.

DUE DATES AND RECONCILIATION OF LEASE LIABILITIES

(1,000 EUR)	2025	2024
Lease liabilities - total amount of minimum rents		
Within less than twelve months	4,985	5,293
Within one to five years	7,003	7,517
After more than five years	2,845	1,262
Total	14,834	14,072
Lease liabilities - present value of minimum rents		
Within less than twelve months	4,544	4,836
Within one to five years	6,189	7,313
After more than five years	2,514	1,228
Total	13,247	13,377
Financial expenses to be accrued in the future	1,587	695
Total lease liabilities	14,834	14,072

5.6 Management of financing risks

The Group is exposed to several financing risks in its normal course of business. The objective of the Group's risk management is to minimise the adverse effects of changes in the financial markets on the Group's earnings. The primary types of financing risks are foreign exchange risk and interest rate risk. The Group uses forward exchange agreements, foreign currency loans and interest rate swaps for risk management. The general principles of the Group's risk management are approved by the Board of Directors of the parent company, and the Group management with the business operations is responsible for their practical implementation. The Group management will identify and assess the risks, and acquire the instruments required for hedging against risks in close cooperation with operating units.

The Group operates internationally and is therefore exposed to transaction risks arising from different foreign exchange positions, as well as risks arising from the conversion of investments in different currencies to the parent company's operating currency. The most important currencies for the Group are the United States dollar (USD), the Swedish krona (SEK), the British pound (GBP), and the Brazilian real (BRL) of which USD, SEK and GBP are hedged according to the Group's hedging policy.

Foreign exchange risks arise from commercial transactions, monetary balance sheet items and net investments in foreign subsidiaries. The equity of the Group subsidiaries is EUR 86.4 million (EUR 74.9 million in 2024), including a dividend of EUR 0.0 million (EUR 0.5 million in 2024) paid to the parent company.

The Group processes foreign currency denominated receivables and liabilities at net amounts for hedging purposes, and hedges them with forward exchange agreements. Hedging transactions are carried out in accordance with written risk management principles approved by Group management. Hedge accounting in accordance with IFRS 9 is not applied to these items.

The functional currency of the parent company is the euro. Foreign currency assets and liabilities, including intra-group items, translated into euro at the exchange rate at the reporting date are as follows:

NOMINAL VALUES 31 DEC 2025

(1,000 EUR)	USD	SEK	GBP	BRL	Total
Receivables in foreign currency	37,109	14,858	10,271	0	62,238
Liabilities in foreign currency	-2,298	0	0	-37,311	-39,608
Foreign currency derivatives	-34,824	-19,513	-9,584	0	-63,920
Net position	-13	-4,655	687	-37,311	-41,291

NOMINAL VALUES 31 DEC 2024

(1,000 EUR)	USD	SEK	GBP	BRL	Total
Receivables in foreign currency	46,337	10,167	10,272	0	66,776
Liabilities in foreign currency	-3,032	-5,099	0	-43,584	-51,715
Foreign currency derivatives	-26,757	-7,953	-8,047	0	-42,757
Net position	16,548	-2,885	2,225	-43,584	-27,697

The following table is a presentation of the strengthening or weakening of the euro against the United States dollar, the Swedish krona, the British pound, and Brazilian real, with all other factors remaining unchanged. The total net position of the aforementioned currencies is -41.3 million euros (-27.7 million euros in 2024). The change percentages reflect average volatility during the previous 12 months. The sensitivity analysis is based on foreign currency assets and liabilities on the balance sheet date. The sensitivity analysis also takes into consideration the effects of currency derivatives, which offset the effects of exchange rate changes. Under these assumptions, the changes would be mainly due to exchange rate changes in trade receivables and liabilities denominated in foreign currencies.

(1,000 EUR)	2025			
Change in EUR exchange rate	Strengthening	Weakening		
Effect on profit after taxes				
USD	8%	1	5%	0
SEK	2%	75	4%	-135
GBP	3%	-18	3%	17
BRL	4%	1,088	2%	-679

(1,000 EUR)	2024			
Change in EUR exchange rate	Strengthening	Weakening		
Effect on profit after taxes				
USD	4%	-535	3%	452
SEK	2%	42	3%	-67
GBP	2%	-37	1%	20
BRL	8%	2,832	10%	-3,494

Interest rate risk

The Group's short-term money market investments expose its cash flow to interest rate risk, but the overall effect is not significant. The Group's income and operational cash flows are mainly independent of market interest rate fluctuations. The Group is mainly exposed to interest rate risk associated with the non-current loan portfolio. The Group hedges the interest rate risk associated with future cash flows by interest rate swaps. The degree of hedging is about 59% of all floating rate loans.

(1,000 EUR)	Sensitivity analysis for floating interest loans:	
Change percentage	+1%	-1%
Floating interest loans	-523	523
Interest rate swaps	311	-311
Net effect on profit after tax	-212	212

Credit risk

The Group's policy defines creditworthiness requirements for customers, investment transactions and counterparties to derivatives, as well as investment principles. The Group does not have any significant concentrations of credit risk on receivables because its customer base is wide and geographically diversified. The Group aims at cautious and secured credit granting. As a rule, the sold machine is a guarantee for trade receivables until the purchase price has been paid. The Group's maximum credit risk corresponds to the book value of financial assets at period-end. Trade receivables are presented by age in Note 4.5.

The Group applies the IFRS 9 general model for measuring expected credit losses, according to which probable credit losses are recognised from trade receivables over 30 days overdue and over EUR 10 thousand. To determine the credit loss, the overdue trade receivables are grouped based on payment delay, probability of payment default and secure of the trade receivable. The credit loss risk is deemed to have increased significantly if the payment is more than 30 days overdue. A customer-specific assessment of the expected credit loss is made on that basis. The sold machine serving as security is taken into account when determining the credit loss.

Liquidity risk

The Group aims to continuously estimate and monitor the amount of financing required for business operations in order to maintain sufficient liquid assets for financing the operations and repaying any loans falling due. Group management has not identified significant liquidity risk concentrations in financial assets or sources of financing.

The availability and flexibility of financing is ensured through credit facilities and other financial instruments, as well as through cooperation with several banks. The amount of unused credit facilities on 31 December 2025, was EUR 140.0 million, which equals 93% of the total credit facilities (2024, EUR 135.0 million, 90%). The credit limit facilities mainly mature for renewal every four years. In 2024, the Group renewed its committed credit facilities. The Group has available an EUR 100 million corporate paper programme, of which EUR 0 has been taken out. In addition, the Group has EUR 3 million of bank account limits available.

The average maturity of the bank loans was 3.2 years (2024, 3.8 years) at the end of the financial year. In 2024, EUR 21 million of new credit agreements were signed to refinance maturing loans.

The following is a presentation of a contractual maturity analysis regarding financial liabilities. The figures are non-discounted and include both interest payments and repayment of capital including discontinued operations.

(1,000 EUR)	Balance sheet value	Cash flow*	Within less than one year	Within one to five years	After more than five years
31 Dec 2025					
Loans from financial institutions	65,451	75,498	14,833	60,665	0
Other liabilities	0	0	0	0	0
Lease liabilities	13,247	14,834	4,985	7,003	2,845
Trade creditors and other liabilities	78,851	78,851	78,851	0	0
Liabilities from currency derivatives					
Currency forwards, outgoing cash payments	41,344	41,344	41,344	0	0
Currency forwards, incoming cash payments	-40,894	-40,894	-40,894	0	0
Liabilities from currency derivatives, net	450	450	450	0	0
Liabilities from interest derivatives					
	93	93	19	74	0
Off-balance sheet liabilities**					
	0	8,272	8,272	0	0

(1,000 EUR)	Balance sheet value	Cash flow*	Within less than one year	Within one to five years	After more than five years
31 Dec 2024					
Loans from financial institutions	73,393	83,812	20,807	63,005	0
Other liabilities	161	162	162	0	0
Lease liabilities	13,377	14,072	5,293	7,517	1,262
Trade creditors and other liabilities	67,135	67,135	67,135	0	0
Liabilities from currency derivatives					
Currency forwards, outgoing cash payments	48,116	48,116	48,116	0	0
Currency forwards, incoming cash payments	-46,830	-46,830	-46,830	0	0
Liabilities from currency derivatives, net	1,286	1,286	1,286	0	0
Liabilities from interest derivatives					
	162	162	32	130	0
Off-balance sheet liabilities**					
	0	8,615	8,615	0	0

* Contractual cash flow from contracts cleared in gross values.
 ** Maximum cash flow based on off-balance sheet agreements, not taking into account the probability of the payment being realised. Detailed information in Note 8.1

Capital management

The purpose of the Group's capital management is to support business through an optimum capital structure by ensuring normal operating conditions and to increase shareholder value with the aim of providing the best possible return. An optimum capital structure also ensures smaller capital costs.

The capital structure can be affected through e.g. dividend distribution. The Group can change and adjust the dividends paid to shareholders or the amount of capital returned to them or the number of new issued shares or decide on selling assets held for sale in order to reduce liabilities.

The Group's interest-bearing net liabilities at the end of 2025 were EUR 20.5 million (31 Dec 2024: EUR 3.3 million) and net gearing was 6.1% (31 Dec 2023: 1.0%). For calculating net gearing, interest-bearing net financial liabilities were divided by the amount of equity. Net liabilities include interest-bearing liabilities deducted by interest-bearing receivables and liquid assets.

(1,000 EUR)	2025	2024
Interest-bearing liabilities	78,698	86,931
Interest-bearing receivables	0	0
Cash and cash equivalents	-58,149	-83,590
Net liabilities	20,549	3,341
Total shareholders' equity	338,193	327,193
Net gearing	6.1%	1.0%

(1,000 EUR)	Financing liabilities			Other assets		Total
	Loans	Leases	Sub total	Cash and cash equivalents	Liquid investments	
Net liabilities 1 Jan 2025	-73,554	-13,378	-86,932	83,590	0	-3,341
Cash flow effects	8,107	5,214	13,321	-26,513	0	-13,192
Acquisition - leases	0	-5,017	-5,017	0	0	-5,017
Exchange rate adjustments	-3	-66	-69	1,071	0	1,002
Net liabilities 31 Dec 2025	-65,451	-13,247	-78,698	58,149	0	-20,549
Net liabilities 1 Jan 2024	-107,343	-12,111	-119,454	74,002	0	-45,451
Cash flow effects	33,745	5,712	39,457	9,114	0	48,571
Acquisition - leases	0	-7,471	-7,471	0	0	-7,471
Exchange rate adjustments	44	491	535	474	0	1,009
Net liabilities 31 Dec 2024	-73,554	-13,378	-86,932	83,590	0	-3,341

5.7 Financial instruments by groups and fair values

ACCOUNTING PRINCIPLES

Financial assets

The Group's financial assets are classified as assets to be recognised at fair value through profit or loss or to be recognised as amortised cost. The classification is based on the purpose of acquiring financial assets and in connection with the original acquisition.

Financial asset items are classified as *Financial assets at fair value through profit or loss* if they are acquired for trading purposes or if they are categorised as assets to be recognised at fair value through profit or loss upon initial recognition. The Group has classified investments and derivatives to be recognised at fair value through profit or loss. The derivatives are included in current assets and liabilities.

Financial asset items are classified as assets to be recognised as amortised cost if both of the following conditions are met: a) financial asset items are held pursuant to a business model aimed at holding financial assets for the purpose of collecting cash flows based on an agreement and b) the terms of contract for an item belonging to financial assets stipulates for cash flows that will be implemented at specific points in time and that solely involve the payment of capital and the remaining interest on such capital. The Group has classified trade receivables, other receivables and cash as financial assets to be classified as assets to be recognised as amortised cost. In terms of their nature, the financial assets recognised as amortised cost are included in current or non-current assets in the balance sheet - to non-current assets if they are due to mature after more than 12 months.

Impairment of financial assets

With regard to a decline in the value of financial assets, an expected credit loss model is applied.

Interest-bearing liabilities

Interest-bearing liabilities are classified as assets to be recognised at fair value through profit or loss or to be recognised as amortised cost. The Group recognises derivative instruments at fair value through profit or loss. Loans from financial institutions, finance leasing liabilities, accounts payable and other liabilities are recognised as amortised cost.

Derivative contracts and hedge accounting

The Group does not apply hedge accounting pursuant to the IFRS 9 Standard. Derivatives are forward contracts and interest rate swaps that are recognised at fair value through profit or loss. The fair value of the derivatives is recognised in other current assets and liabilities.

The Group's items measured at fair value includes unlisted shares and derivative instruments.

Unlisted shares belong to level 3 and derivative instruments belong to level 2 in the fair value hierarchy.

The value of the underlying interest rate derivatives was EUR 38.9 million (EUR 40.9 million in 2024). The fair value of interest rate derivatives at the balance sheet date was EUR -0.4 million (EUR -1.0 million in 2024).

The nominal values of forward agreements were EUR 72.8 million (EUR 57.0 million in 2024). The fair value of the forward foreign exchange position at the balance sheet date was EUR -0.2 million (EUR -1.2 million in 2024), of which the fair value of positively valued contracts was EUR 0.3 million (EUR 0.1 million in 2024) and the fair value of negative contracts was EUR -0.5 million (EUR -1.3 million in 2024).

The following price quotations, assumptions and valuation models have been used for the determination of fair values for financial assets and liabilities presented in the table above:

- The book values of current financial assets and liabilities measured at amortised cost can be considered to be equivalent to fair values.
- The company values unquoted equity investments at fair value. At the closing date, the original book value of the receivables corresponds to their fair value.
- The fair values of forward exchange agreements are determined using the market prices for agreements of similar duration on the balance sheet date. The fair values of interest rate swaps have been determined using the method of present value of future cash flows, supported by market interest rates and other market information on the balance sheet date.
- The fair values of interest-bearing liabilities have been calculated by discounting the cash flows associated with each liability at the market interest rate on the balance sheet date.

(1,000 EUR)				
31 Dec 2025 Balance sheet assets	Level	Assets at fair value through profit or loss	Assets at original amortised cost	Total
Unlisted shares	3	377	0	377
Derivative instruments	2	663	0	663
Trade receivables		0	63,472	63,472
Sales price receivable		0	3,000	3,000
Receivables related to machine sales financing		0	11,178	11,178
Cash and cash equivalents		0	58,149	58,149
Total		1,040	135,799	136,839

31 Dec 2025 Balance sheet liabilities	Level	Liabilities at fair value through profit or loss	Liabilities at original amortised cost	Total
Loans from financial institutions		0	65,451	65,451
Lease liabilities		0	13,247	13,247
Derivative instruments	2	543	0	543
Trade creditors		0	77,068	77,068
Liabilities related to machine sales financing		0	3,629	3,629
Total		543	159,394	159,937

(1,000 EUR)				
31 Dec 2024 Balance sheet assets	Level	Assets at fair value through profit or loss	Assets at original amortised cost	Total
Unlisted shares	3	377	0	377
Derivative instruments	2	939	0	939
Trade receivables		0	54,107	54,107
Sales price receivable		0	3,000	3,000
Receivables related to machine sales financing		0	4,312	4,312
Cash and cash equivalents		0	83,590	83,590
Total		1,316	145,009	146,325

31 Dec 2024 Balance sheet liabilities	Level	Liabilities at fair value through profit or loss	Liabilities at original amortised cost	Total
Loans from financial institutions		0	73,393	73,393
Lease liabilities		0	13,377	13,377
Derivative instruments	2	1,448	0	1,448
Trade creditors		0	63,859	63,859
Liabilities related to machine sales financing		0	6,873	6,873
Total		1,448	157,502	158,950

6. Income taxes

ACCOUNTING PRINCIPLES

Tax based on the taxable income for the period and deferred tax

Tax expenses comprise tax based on the taxable income for the financial period and deferred tax. Taxes are recognised through profit and loss, except if they are directly related to items recognised in equity or comprehensive profit and loss account. In such a case, the tax is also recognised under these items. The tax based on the taxable income for the period is calculated on the basis of taxable income in accordance with the tax rate valid in each country.

Deferred taxes are calculated on temporary differences between book value and the tax base. However, no deferred tax will be recognised if the tax arises from the original recognition of goodwill. Moreover, no deferred tax will be recognised if the tax arises from the original recognition of an asset or liability in accounting, when it is not a question of a business combination and the recognition of such an asset or liability does not affect the profit in accounting or taxable income at the time the transaction is realised.

Deferred tax is recognised in the case of investments in subsidiaries or associated companies, except if the Group is able to determine the time the temporary difference was eliminated and the extent to which the difference will probably not be eliminated during the foreseeable future.

The most substantial temporary differences arise from the depreciation of tangible assets, as well as adjustments at fair value upon acquisitions.

Deferred taxes are calculated at tax rates enacted by the closing date of the reporting period. Said tax rates have in practice been approved by the closing date of the reporting period.

Deferred tax receivables are recognised up to the probable amount of taxable income in the future against which the temporary difference can be utilised. The conditions for recognising a deferred tax liability are estimated in this respect on each closing date of a reporting period.

The Group deducts deferred tax receivables and liabilities from each other only in the case that the Group has a legally enforceable right to set off tax receivables and tax liabilities based on the taxable income for the period against each other and the deferred tax receivables and liabilities are related to income taxes levied by the same tax recipient, either from the same taxpayer or different taxpayers, who intend either to set off the tax receivables and liabilities based on the taxable income for the period against each other, or to realise the receivable and pay the liabilities simultaneously in each such future period during which a significant amount of deferred tax liabilities are expected to be paid or a significant amount of deferred tax receivables are expected to be utilised.

KEY ESTIMATES AND JUDGEMENTS

Income 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 recognised as the result of the differences. The possibilities of utilising a deferred tax asset are estimated and adjusted to the extent that the possibility of utilisation is unlikely.

6.1 Income taxes

INCOME TAXES

(1,000 EUR)	2025	2024
Tax based on the taxable income for the period	7,953	8,862
Taxes from previous financial periods	2,168	452
Deferred taxes	617	-350
Total	9,504	8,964

Reconciliation of tax expenses in the consolidated statement of comprehensive income and taxes calculated at the Group's domestic tax rate (2025: 20.0%, 2024: 20.0%)

(1,000 EUR)	2025	2024
Profit before taxes	39,994	21,469
Tax calculated using the domestic tax rate	7,999	4,294
Effect of the different tax rates used in foreign subsidiaries	2,280	-1,517
Tax-exempt income	-375	-104
Non-deductible expenses	2,559	475
Tax reliefs and supports	-220	-312
Unbooked deferred tax assets	-1,946	6,466
Taxes for previous financial periods	2,168	452
Other items	-2,960	-791
Taxes in the consolidated statement of comprehensive income	9,504	8,964

The Pillar II legislation entered into force in Finland from 1 January 2024. Ponsse applies the exemption in IAS 12 not to recognise or report deferred tax liabilities or assets related to taxes payable under Pillar II. Ponsse has assessed the potential Pillar II income tax expenses, taking into account the OECD Safe Harbour rules and transitional provisions. The Pillar II legislation had no impact on income taxes in the reporting period.

6.2 Deferred tax receivables and liabilities

CHANGES IN DEFERRED TAXES DURING 2025:

(1,000 EUR)	31 Dec 2024	Recognised through profit or loss	Recognised through equity	31 Dec 2025
Deferred tax assets:				
Inventories	5,655	-269	0	5,386
Confirmed losses in taxation	1,129	149	0	1,278
Other items	2,059	539	0	2,598
Tax receivable based on the taxable income for the period	-85	0	0	-85
Total	8,759	419	0	9,177
Deferred tax liabilities:				
Inventories	0	0	0	0
Fixed assets	1,167	-198	0	969
Other items	0	0	0	0
Total	1,167	-198	0	969

CHANGES IN DEFERRED TAXES DURING 2024:

(1,000 EUR)	31 Dec 2023	Recognised through profit or loss	Recognised through equity	31 Dec 2024
Deferred tax assets:				
Inventories	5,559	96	0	5,655
Confirmed losses in taxation	477	652	0	1,129
Other items	2,410	-351	0	2,059
Tax receivable based on the taxable income for the period	0	0	-85	-85
Total	8,446	397	-85	8,759
Deferred tax liabilities:				
Inventories	0	0	0	0
Fixed assets	1,120	47	0	1,167
Other items	0	0	0	0
Total	1,120	47	0	1,167

A deferred tax asset of EUR 1.3 (1.1) million has been recognised for confirmed losses associated with the Group's subsidiaries. No deferred tax asset has been recognised for the parent company's unused depreciation.

7. Group structure

ACCOUNTING PRINCIPLES

Subsidiaries

The consolidated financial statements include the parent company Ponsse Plc and all of its subsidiaries, as well as Epec Oy's subsidiary Epec B.V.. Subsidiaries are entities in which the Group exercises control. A position of control arises when the Group, by being an investor, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Intra-group shareholdings have been eliminated using the acquisition method. The consideration paid and the identifiable assets and obtained liabilities of the acquiree are measured at fair value at the time of acquisition. Acquisition-related expenses, excluding expenses arising from the issuance of debt or equity securities, are recorded as an expense. The consideration paid does not include business operations processed separately from the acquisition. Their effect has been recognised in connection with the acquisition through profit or loss. Processing of the goodwill arising from subsidiary acquisitions is described in the part "Goodwill".

Acquired subsidiaries are included in the consolidated financial statements as of the date the Group acquired a position of control, and divested subsidiaries are included until the date the Group's control is discontinued. All intra-group business transactions, receivables, liabilities, unrealised gains and internal profit distributions are eliminated during the preparation of the consolidated financial statements. Unrealised losses are not eliminated if they are caused by impairment.

In connection with an acquisition that takes place in phases, the previous interest is measured at fair value and the arising profit or loss is recognised through profit or loss. When the Group loses control of a subsidiary, the remaining investment is measured at fair value on the date when control was lost, and the resulting difference is recognised through profit or loss.

Associates

Associates are entities in which the Group exercises significant power. Significant power mainly arises when the Group holds more than 20% of the voting rights in an entity or the Group otherwise has significant power but no position of control.

Associates are consolidated using the equity method. If the Group's share of an associate's loss exceeds the book value of the investment, the investment is recognised in the balance sheet at zero value and loss exceeding the book value is not consolidated unless the Group is committed to the fulfilment of the associate's obligations. An investment in an associate includes the goodwill arising from its acquisition. A share of associate profits corresponding to the Group's share of holding is presented as a separate item after operating profit.

The Group's parent and subsidiary relationships are the following:

Name and domicile	Group and parent company share of shares and votes, %
Parent company Ponsse Plc, Vieremä, Finland	
Ponsse AB, Västerås, Sweden	100.00
Ponsse AS, Kongsvinger, Norway	100.00
Ponssé S.A.S., Gondreville, France	100.00
Ponsse UK Ltd., Annan, United Kingdom	100.00
Ponsse Machines Ireland Ltd., Port Laoise, Ireland	100.00
Ponsse North America, Inc., Rhinelander, United States	100.00
Ponsse Latin America Indústria de Máquinas Florestais Ltda, Mogi das Cruzes, Brazil	100.00
Epec Oy, Seinäjoki, Finland	100.00
Epec B.V., Barendrecht, the Netherlands (owned by Epec Oy)	100.00
Ponsse Asia-Pacific Ltd., Hong Kong	100.00
Ponsse China Ltd., Beihai, China (owned by Ponsse Asia-Pacific Ltd.)	100.00
Ponsse Uruguay S.A., Paysandú, Uruguay	100.00
Ponsse Czech s.r.o, Hostinné, Czech	100.00
Ponsse Chile SpA Chillán, Chile	100.00
EAI PON1V Holding Oy, Finland	100.00

EAI PON1V Holding Oy, a member of the Ponsse Group, is engaged in the business of incentive scheme management, buying and selling securities of Ponsse Plc related to incentive schemes and acting as a party to related financing agreements. An arrangement is in place with Allshares Oy whereby the EAI PON1V Holding Oy was established to acquire shares, funded by Ponsse Plc, for distribution to personnel in accordance with the terms of the Ponsse Plc Share Plan. EAI PON1V Holding Oy is legally owned by Allshares Oy, but under the pledge agreement Ponsse Plc effectively controls the arrangement by acting as principal and Allshares Oy acts as agent through the holding company. This contractual control results in EAI PON1V Holding Oy being consolidated in the IFRS consolidated financial statements as a so-called structured entity, thus being included in the list of Group companies.

A list of associated companies is presented in Note 7.2. The Group has no joint ventures.

7.1 Related party transactions

The Group's related parties include the parent company, subsidiaries and associates. Related parties also include significant shareholders, key personnel, close family members of key personnel and specified shareholders, and entities controlled by such persons. Transactions with related parties are conducted on normal commercial terms and at market prices.

7.2 Investments in associated companies

(1,000 EUR)	2025	2024
At beginning of financial period	1,007	1,068
Adjustment for previous periods	9	-94
Dividends received	-95	-102
Share of the result of the financial period	-282	135
At the end of financial period	639	1,007

Information concerning the Group's associated company, its assets, liabilities, net sales and profit:

(1,000 EUR)	2025	2024
Associated company		
Sunit Oy, Kajaani, Finland		
Assets	3,032	4,063
Liabilities	774	993
Net sales	2,423	5,337
Profit for the period	-560	505
Share of ownership	34%	34%

Sunit Oy specialises in telematics and manufactures vehicle computers.

8. Other notes

8.1 Commitments

CONTINGENT LIABILITIES

(1,000 EUR)	2025	2024
Guarantees given on behalf of others	274	2
Responsibility of checking the VAT deductions made on real property investments, returns responsibility	7,760	8,420
Other commitments	237	193
Total	8,272	8,615

(1,000 EUR)	2025	2024
Minimum rents due within a year based on other non-cancellable leases	1,590	1,874

8.2 Climate-related matters

Assessing the potential future financial effects of climate change is challenging, in terms of both the nature and the scope of those impacts. Potential effects on the consolidated financial statements may include, for example, sales revenue from increased demand for sustainable offerings, costs related to climate change and the transition to a low-carbon economy, investments in energy-efficient assets, and the related depreciation. In addition, the values of assets may be exposed to impairment risks as a result of physical damage caused by weather-related events. On the balance sheet date, no single financial effect is considered material for Ponsse. Ponsse continues to assess the impacts, risks and opportunities related to climate change, and these factors are taken into account in the consolidated financial statements as necessary.

8.3 Events after the closing date of the reporting period

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

Parent company's profit and loss account

(1,000 EUR)	Note ¹	2025	2024
Net sales	2	584,331	567,816
Increase (+)/decrease (-) in inventories of finished goods and work in progress		5,368	-1,881
Other operating income	3	3,875	5,202
Raw materials and services	4	-383,728	-382,978
Staff costs	5, 6, 7	-70,745	-64,181
Depreciation, amortisation and impairment	8	-23,044	-23,855
Other operating expenses		-97,031	-72,795
Operating profit		19,026	27,327
Financial income and expenses	10	-1,453	1,048
Profit before extraordinary items		17,573	28,375
Appropriations	11	0	0
Income taxes	12	-4,800	-7,055
Net profit for the period		12,773	21,321

¹ The note refers to the Notes to the Accounts on pages 164 - 172.

Parent company's balance sheet

(1,000 EUR)	Note ¹	2025	2024
ASSETS			
Non-current assets			
Intangible assets	13	32,345	40,444
Tangible assets	13	58,495	59,492
Financial assets	14	30,823	17,112
Total non-current assets		121,663	117,047
Current assets			
Inventories	15	114,973	104,528
Non-current receivables	16	8,052	9,892
Current receivables	16	154,595	143,005
Cash in hand and at banks		34,356	54,612
Total current assets		311,976	312,037
TOTAL ASSETS		433,640	429,084
LIABILITIES			
Shareholders' equity 17, 18			
Share capital		7,000	7,000
Revaluation reserve		841	841
Other reserves		3,458	3,458
Retained earnings		259,532	252,201
Net profit for the period		12,773	21,321
Total shareholders' equity		283,604	284,821
Appropriations 19			
Provisions for liabilities and charges 20		6,445	5,945
Creditors			
Non-current creditors	21	41,000	41,000
Current creditors	22	102,590	97,319
Total creditors		143,590	138,319
TOTAL LIABILITIES		433,640	429,084

¹ The note refers to the Notes to the Accounts on pages 164-172.

Parent company's cash flow statement

(1,000 EUR)	2025	2024
Cash flows from operating activities		
Operating profit	19,026	27,327
Depreciation, amortisation and impairment	23,044	23,855
Change in provisions	-371	1,721
Other adjustments	-40	-217
Cash flow before changes in working capital	41,659	52,686
Change in working capital:		
Increase [-]/decrease [+] in current non-interest-bearing receivables	-19,945	20,587
Increase [-]/decrease [+] in inventories	-10,445	11,240
Increase [+] /decrease [-] in current non-interest-bearing liabilities	12,824	-15,977
Cash flow from operations before financial items and income taxes	24,094	68,536
Interest received		
Interest received	3,116	3,236
Interest paid		
Interest paid	-1,332	-3,088
Dividends received		
Dividends received	95	602
Other financial items		
Other financial items	194	-2,144
Direct taxes paid		
Direct taxes paid	-14,008	-7,000
Net cash flows from operating activities (A)	12,160	60,142
Cash flows used in investing activities		
Investments in tangible and intangible assets	-13,949	-10,373
Proceeds from sale of tangible and intangible assets	0	53
Net cash flows used in investing activities (B)	-13,949	-10,320
Cash flows from financing activities		
Withdrawal of current loans	40,000	56,000
Repayment of current loans	-45,322	-86,792
Increase [+] /decrease [-] in non-current loans	161	0
Increase [-] /decrease [+] in non-current receivables	684	537
Dividends paid and other distribution of profit	-13,990	-15,400
Net cash flows from financing activities (C)	-18,467	-45,655
Increase [+] /decrease [-] in liquid assets (A+B+C)	-20,256	4,167
Cash and cash equivalents on 1 Jan	54,612	50,445
Cash and cash equivalents on 31 Dec	34,356	54,612

NOTES TO THE PARENT COMPANY'S ACCOUNTS

1. Accounting policies

Ponsse Plc's financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS). The information in the financial statements is given in thousands of euro and is based on original acquisition costs unless otherwise stated in the accounting policies.

Non-current assets

Non-current assets are recognised in the balance sheet at immediate cost less planned depreciation and amortisation. Planned depreciation and amortisation has been calculated on a straight-line basis over the useful life of the assets. Depreciation and amortisation has been calculated starting from the month during which the asset was taken into use.

The depreciation and amortisation periods are:

R&D expenses	3 to 10 years
Intangible rights	5 years
Other intangible assets	5 years
Buildings and structures	20 years
Machinery and equipment	5 to 10 years

Investments

Subsidiary shares and other shares and participations in the investments of non-current assets are measured at the original acquisition cost or the lower fair value.

Inventories

Inventories are valued at acquisition cost or a lower probable net realisable value. The Weighted Average Cost method is used as a basis for calculating the value of materials and supplies in stock. The acquisition cost of finished and unfinished products comprises raw materials, direct expenses due to work performed, other direct expenses, and the appropriate proportion of the variable and fixed overheads of manufacturing at the normal utilised capacity. The inventory of second-hand machines is valued at acquisition cost or a lower probable net realisable value. Net realisable value refers to an estimated sales price available through normal business operations less the estimated costs of finishing the product and the costs of sale.

Guarantee provision

Probable guarantee expenses in respect of products delivered are booked under provisions for liabilities and charges.

Recognition of sales

Sales are recognised upon the delivery of performance. Items such as indirect taxes and discounts granted have been

deducted from the sales revenue before calculating net sales. Exchange rate differences in sales are recognised in financial items.

Leasing expenses

Leasing payments have been recognised as expenses.

R&D expenditure

Development costs that fulfil the capitalisation requirements of Chapter 5, Section 8 of the Accounting Act have been booked under intangible assets in the balance sheet and are subject to amortisation. Research costs are recognised directly as annual expenses.

Pensions

Statutory pension cover for Group employees has been arranged through pension insurance companies and there are no outstanding pension liabilities. Pension insurance contributions have been allocated to match the wages and salaries booked on an accrual basis in the annual accounts.

Derivatives

Derivatives of the parent company include currency derivatives and interest rate swaps. The fair values of the currency derivatives are capitalised and the change of fair values is recognised through profit or loss for the financial period. The fair values of interest rate swaps are presented in notes to the off-balance sheet.

Income taxes

Income taxes have been recognised according to Finnish tax legislation.

Foreign currency items

Business transactions in a foreign currency are recognised at the exchange rate on the transaction date, while receivables and liabilities in the balance sheet are converted at the exchange rate on the balance sheet date. Exchange rate differences arising from the measurement of balance sheet items are booked under financial items in the profit and loss account.

Comparability with the previous financial year

The data for the financial year 1 January to 31 December 2025, is comparable with the previous financial year, with the exception of net sales and other operating expenses. In 2024, net sales were reduced by a EUR 15.3 million item in accordance with the transfer pricing model, which is presented in other operating expenses for the 2025 financial year.

2. Net sales by market area

(1,000 EUR)	2025	2024
Nordic countries and the Baltics	299,488	298,379
Central and Southern Europe	156,595	133,146
North America	71,676	70,216
South America	43,990	53,985
Asia, Australia and Africa	12,582	12,090
Total	584,331	567,816

3. Other operating income

(1,000 EUR)	2025	2024
Sales profits on tangible assets	0	53
Public subsidies	2,149	2,142
Sale of recycled products	167	304
Other	1,559	2,703
Total	3,875	5,202

4. Raw materials and services

(1,000 EUR)	2025	2024
Raw materials and consumables		
Purchases during the financial period	365,939	361,832
Increase (-)/decrease (+) in inventories	5,076	8,359
External services	12,712	12,787
Total	383,728	382,978

5. Average number of staff

Persons	2025	2024
Employees	517	506
Clerical workers	513	477
Total	1,030	983

6. Staff costs

(1,000 EUR)	2025	2024
Salaries and bonuses	58,818	53,664
Pension costs	9,932	9,060
Other social security costs	1,994	1,458
Total	70,745	64,181

7. Management salaries and remunerations

(1,000 EUR)	2025	2024
President and CEO	1,222	1,244
Members of the Board of Directors	364	328
Total	1,586	1,572

8. Depreciation, amortisation and impairment

(1,000 EUR)	2025	2024
Depreciation according to plan	23,044	23,855
Total	23,044	23,855

9. Auditor's remunerations

(1,000 EUR)	2025	2024
	KPMG	KPMG
Auditor's remunerations	102	108
Certificates and statements	56	108
Tax advice	0	2
Other remunerations	0	22
Total	159	241

10. Financial income and expenses

(1,000 EUR)	2025	2024
Dividend income		
From Group companies	0	500
From associated companies	95	102
Dividend income, total	95	602
Interest income and other financial income		
From Group companies	2,226	1,806
Change in the fair value of derivative instruments	3,039	322
From others	4,380	6,714
Interest income and other financial income, total	9,644	8,842
Financial income, total	9,740	9,444
Interest expenses and other financial expenses		
Change in the fair value of derivative instruments	1,628	3,576
To others	9,565	4,819
Interest expenses and other financial expenses, total	11,193	8,396
Financial expenses, total	11,193	8,396
Financial income and expenses, total	-1,453	1,048
The item "Financial income and expenses" includes exchange rate profit/loss (net)	-3,139	-4

11. Appropriations

(1,000 EUR)	2025	2024
Difference between depreciations according to plan and depreciations in taxation	0	0

12. Income taxes

(1,000 EUR)	2025	2024
Income taxes from actual operation	4,800	7,055
Total	4,800	7,055

13. Intangible and tangible assets

INTANGIBLE ASSETS 2025

(1,000 EUR)	Development costs	Patent costs	Intangible rights	Other intangible assets	Prepayments and unfinished acquisitions	Total
Acquisition cost 1 Jan 2025	78,324	3,597	2,363	25,699	9,143	119,125
Increase	6,073	449	0	609	1,760	8,891
Decrease	0	0	0	0	-2,780	-2,780
Transfers between items	0	0	0	0	0	0
Acquisition cost 31 Dec 2025	84,396	4,047	2,363	26,308	8,122	125,235
Accumulated depreciation on 1 Jan 2025	-55,268	-2,743	-2,326	-18,344	0	-78,681
Accumulated depreciation on decrease and transfers	0	0	0	0	0	0
Depreciation for the accounting period	-11,110	-327	-22	-2,750	0	-14,209
Accumulated depreciation on 31 Dec 2025	-66,377	-3,071	-2,347	-21,094	0	-92,890
Book value 31 Dec 2025	18,019	976	15	5,213	8,122	32,345
Book value 31 Dec 2024	23,056	854	37	7,354	9,143	40,444

TANGIBLE ASSETS 2025

(1,000 EUR)	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and unfinished acquisitions	Total
Acquisition cost 1 Jan 2025	1,618	87,299	97,098	230	369	186,614
Increase	0	3,616	3,754	70	651	8,091
Decrease	0	0	0	0	-252	-252
Transfers between items	0	0	0	0	0	0
Acquisition cost 31 Dec 2025	1,618	90,915	100,851	300	769	194,453
Accumulated depreciation on 1 Jan 2025	0	-47,809	-80,154	0	0	-127,963
Accumulated depreciation on decrease and transfers	0	0	0	0	0	0
Depreciation for the accounting period	0	-3,495	-5,340	0	0	-8,836
Accumulated depreciation on 31 Dec 2025	0	-51,305	-85,494	0	0	-136,799
Revaluations	0	841	0	0	0	841
Book value 31 Dec 2025	1,618	40,451	15,358	300	769	58,495
Book value 31 Dec 2024	1,618	40,330	16,944	230	369	59,492
Book value of operating machinery and equipment						
31 Dec 2025			12,662			
31 Dec 2024			14,851			

A revaluation of EUR 841 thousand was made on 31 August 1994 of the parent company's business premises at Vieremä. Depreciation has not been applied to the revaluation. The revaluation was made on the basis of legislation then in effect because the likely sales price of the premises is permanently and substantially higher than the acquisition cost.

14. Financial assets

INVESTMENTS 2025

(1,000 EUR)	Shares in Group companies	Shares in associated companies	Shares, other	Receivables from Group companies	Receivables, other	Total
Acquisition cost 1 Jan 2025	38,000	335	440	0	0	38,774
Increase	6,550	0	0	0	0	6,550
Transfers between items	7,161	0	0	0	0	7,161
Acquisition cost 31 Dec 2025	51,711	335	440	0	0	52,485
Accumulated write-downs 1 Jan 2025	-21,579	0	-84	0	0	-21,663
Decrease	0	0	0	0	0	0
Write-downs	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Book value 31 Dec 2025	30,132	335	356	0	0	30,823
Book value 31 Dec 2024	16,421	335	356	0	0	17,112

During 2025, Ponsse Plc converted EUR 6,550,000 in loan receivables from Group companies into investments.

GROUP COMPANIES

Name and domicile	Company's share of ownership %
Ponsse AB, Västerås, Sweden	100.00
Ponsse AS, Kongsvinger, Norway	100.00
Ponssé S.A.S., Gondreville, France	100.00
Ponsse UK Ltd., Annan, United Kingdom	100.00
Ponsse Machines Ireland Ltd., Ireland	100.00
Ponsse North America, Inc., Rhinelander, United States	100.00
Ponsse Latin America Indústria de Máquinas Florestais Ltda, Mogi das Cruzes, Brazil	100.00
Epec Oy, Seinäjoki, Finland	100.00
Epec B.V., Barendrecht, the Netherlands (owned by Epec Oy)	100.00
Ponsse Asia-Pacific Ltd., Hong Kong	100.00
Ponsse China Ltd., Beihai, China (owned by Ponsse Asia-Pacific Ltd.)	100.00
Ponsse Uruguay S.A., Paysandú, Uruguay	100.00
Ponsse Czech s.r.o, Hostinné, Czech	100.00
Ponsse Chile SpA, Chillán, Chile	100.00
EAI PON1V Holding Oy, Finland	100.00

All Group companies were consolidated in the parent company's financial statements.

ASSOCIATES

Name and domicile	Company's share of ownership %
Sunit Oy, Kajaani, Finland	34.00

The associate was consolidated in the parent company's financial statements.

15. Inventories

(1,000 EUR)	2025	2024
Raw materials and consumables	60,618	59,953
Work in progress	14,800	15,358
Finished products/goods	9,308	3,320
Other inventories	30,243	25,893
Prepayments	4	4
Total	114,973	104,528

16. Receivables

(1,000 EUR)	2025	2024
Non-current receivables		
Receivables from Group companies		
Loan receivables	7,915	9,760
Other receivables	137	132
Non-current receivables, total	8,052	9,892
Current receivables		
Trade receivables	20,670	21,696
Receivables from Group companies		
Trade receivables	101,282	93,510
Loan receivables	4,149	15,224
Other receivables	251	203
Other receivables	6,871	7,268
Accrued income		
Grants receivable	1,101	1,310
Income tax receivables	7,914	0
Derivative contracts	273	68
Accrued expenses	2,627	2,347
Other accrued income	9,436	1,379
Other accrued income, total	21,351	5,105
Current receivables, total	154,575	143,005
Receivables, total	162,627	152,897

During 2023, Ponsse Plc sold its Russian subsidiary OOO Ponsse and its entire shareholding in Ponsse Centre to the Russian company OOO Bison. The item Other receivables includes a sales price receivable of EUR 3 million, for which payment arrangements are being clarified in cooperation with the authorities and financial institutions.

17. Shareholders' equity

(1,000 EUR)	2025	2024
Equity employed		
Share capital on 1 Jan	7,000	7,000
Scrip issue	0	0
Share capital on 31 Dec	7,000	7,000
Revaluation reserve 1 Jan	841	841
Revaluation of non-current assets, change	0	0
Revaluation reserve 31 Dec	841	841
Equity employed, total	7,841	7,841
Shareholders' surplus		
Other reserves 1 Jan	3,458	3,458
Share-based incentive scheme, change	0	0
Other reserves 31 Dec	3,458	3,458
Retained earnings on 1 Jan	273,522	267,602
Purchase of treasury shares	0	0
Share-based incentive scheme, change	0	0
Dividend distribution	-13,990	-15,400
Retained earnings on 31 Dec	259,532	252,201
Result for the period	12,773	21,321
Shareholders' surplus, total	275,763	276,980
Total shareholders' equity	283,604	284,821

Other reserves includes an increase in the reserve for the transfer of treasury shares related to the Share plan.

18. Distributable funds

(1,000 EUR)	2025	2024
Retained earnings	259,532	252,201
Result for the period	12,773	21,321
Capitalised R&D expenses	-25,264	-30,919
Total	247,042	242,603

Capitalised R&D expenses are deducted from the distributable funds as of 1 January 2016.

Ponsse Plc's registered share capital on 31 December 2025, was EUR 7,000,000 divided into 28,000,000 shares each having a nominal value of EUR 0.25. All shares are of the same series and each share entitles its holder to one vote at shareholder meetings and gives an equal right to a dividend.

Ponsse Plc has no outstanding convertible notes or bonds with warrants. The parent company holds 5,046 treasury shares. The Ponsse Plc Board of Directors is not currently authorised to increase the company's share capital, or issue convertible notes or bonds with warrants.

19. Accumulated appropriations

(1,000 EUR)	2025	2024
Depreciation difference	0	0

20. Provisions for liabilities and charges

(1,000 EUR)	2025	2024
Guarantee provision	6,445	5,945

21. Non-current creditors

(1,000 EUR)	2025	2024
Loans from financial institutions	41,000	41,000
Other loans	0	0
Non-current creditors, total	41,000	41,000

Ponsse Oyj has no debts falling due in more than five years.

22. Current creditors

(1,000 EUR)	2025	2024
Loans from financial institutions	10,000	15,000
Other loans	0	161
Advances received	997	56
Trade creditors	66,859	54,250
Liabilities to Group companies		
Intra-group trade creditors	2,454	1,656
Liabilities to Group companies, total	2,454	1,656
Other liabilities	1,544	1,347
Accruals and deferred income		
Accrued staff expenses	14,385	13,426
Interest accruals	287	513
Income tax liability	0	1,294
Sales financing arrangements	1,845	3,596
Spare parts discount accrual	2,307	2,699
Other accruals and deferred income	1,912	3,319
Accruals and deferred income, total	20,736	24,849
Current creditors, total	102,590	97,319

23. Pledges given, contingent and other liabilities

23.1 Pledges given for own debt

The company has not issued any written security for the external liabilities.

23.2 Leasing commitments

(1,000 EUR)	2025	2024
Leasing payments payable under leasing agreements		
Leasing payments payable during the next financial period	1,435	1,250
Leasing payments payable thereafter	1,853	1,447
Leasing payments payable under leasing agreements, total	3,287	2,697

23.3 Contingent liabilities on behalf of Group companies

(1,000 EUR)	2025	2024
Guarantees given on behalf of companies within the Group	14,376	17,226

The parent company has issued a written security for the external liabilities of its six subsidiaries. In addition, the parent company has committed in writing to support the Brazilian subsidiary financially and operationally in order to ensure the continuity of its operations.

23.4 Pension liabilities

Pension cover for the personnel of the company is arranged with an external pension insurance company.

The company has a supplementary pension plan for the CEO and a limited group of employees with strategic roles, which is a pension benefit paid in addition to the statutory pension.

23.5 Other contingent liabilities

(1,000 EUR)	2025	2024
Guarantees given on behalf of others	1,500	2,921
Repurchase commitments	284	356
Other commitments	4,711	4,915
Other contingent liabilities, total	6,494	8,191

The company is responsible for checking the VAT deductions made on real property investments if the taxable usage of the real property is diminished during the auditing period. The maximum amount of the liability is EUR 4,473,435 (EUR 4,721,572) and the last auditing year is 2035 (2034), and this is included in the above-mentioned Other commitments -section.

23.6 Derivative liabilities

(1,000 EUR)	2025	2024
Forward exchange agreements		
Fair value	-177	-1,224
Value of underlying asset	72,761	57,034
Interest rate derivatives		
Fair value	391	877
Value of underlying asset	28,000	28,000

Derivative contracts are used solely to hedge against foreign exchange and interest rate risks.

24. Related party transactions

Definition of related parties

The company's related parties include its subsidiaries and its associated company, as well as key management personnel comprising the Board of Directors, the President and CEO and the members of the Management Team, along with their close family members and entities over which they have control or significant influence.

Transactions with related parties and related party loans

The company has ordinary business transactions between Group companies related to the sale of forest machines and services, spare parts, software services, maintenance and administrative support services. All transactions have been carried out on market terms.

More detailed information about associates is provided in Note 14 ("Investments").

TRANSACTIONS WITH SUBSIDIARIES

(1,000 EUR)	2025	2024
Sales	248,572	210,788
Purchases	22,254	21,252

Related party loans

The company has granted loans to its subsidiaries in the total amount of EUR 12.1 million in accordance with the normal terms and conditions of Group financing.

The interest rates on the loans are based on a fixed rate determined internally within the Group, taking market terms into account.

The contingent liabilities provided to the subsidiaries are presented in Note 23.3.

Remuneration and benefits for key management personnel

Information about the remuneration of the Board of Directors and the President and CEO is presented in Note 7 ("Management salaries and remuneration").

Remuneration is based on the company's remuneration schemes and does not include any deviating benefits.

The company has no related party loans to key management personnel or their controlled entities.

Non-standard or non-market terms

During the financial year 2025, the Group had no related party transactions conducted on non-standard terms.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF PROFIT AND SIGNATURES

Board of Directors' proposal for the disposal of profit

No such material changes have taken place in the company's financial standing after the end of the financial year. When making its proposal regarding dividends, the Board of Directors has taken into account the impact of distribution of dividends on the Group's solvency as prescribed in Chapter 13, section 2 of the Companies Act.

The parent company's distributable funds total EUR 247,041,678.72, of which the net profit for the period

amounted to EUR 12,773,250.30.

The company's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.55 per share is to be paid for 2025. The dividend distribution totals EUR 15,397,224.70.

A total of EUR 231,644,454.02 will remain in the parent company's non-restricted equity.

Signatures to the financial statements and the Board of Director's Report

The consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole.

The management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face. That the Sustainability Report within management report is prepared in accordance with sustainability reporting standards referred to in Chapter 7 of the Accounting Act and with the Article 8 of Taxonomy Regulation.

Vieremä, 9 March 2026

Jarmo Vidgren
Chairman of the Board

Mammu Kaario

Terhi Koipijärvi

Matti Kylävainio

Ilpo Marjamaa

Juha Vanhainen

Juha Vidgren

Juho Nummela
President and CEO

AUDITOR'S NOTE

A report on the audit carried out has been submitted today.

Helsinki, 9 March 2026

KPMG Oy Ab
Audit Firm

Ari Eskelinen
APA

AUDITOR'S REPORT

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Ponsse Plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ponsse Plc (business identity code 0934209-0) for the year ended 31 December, 2025. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and

we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.4 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
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RECOGNITION OF REVENUE FROM MACHINE AND SERVICE SALES (REFER TO NOTES 2.1 AND 2.2 ON THE CONSOLIDATED FINANCIAL STATEMENTS)	
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<ul style="list-style-type: none"> Machine sales account for the most significant part of the consolidated net sales, 75%, where revenue is recognized at a point in time when control transfers to the customer in accordance with contract terms. Service sales account for 22 % of the consolidated net sales. Revenue from long-term maintenance agreements is recognized over time so that the revenue corresponds with the maintenance services carried out by the Group. The timing of revenue recognition for both machine and service sales involves risk of revenue being recorded either too early or too late. The amount of net sales in the financial statements is addressed as a key audit matter, since the considerable number of sales transactions and risk that revenue is recognized in an incorrect period. 	<ul style="list-style-type: none"> We evaluated the revenue recognition and accounting principles of the company by reference to applicable IFRS standards, focusing on machine and service sales. In respect of net sales, we tested sales-related key controls and performed both analytical and substantive audit procedures. We considered transactions during the financial year by comparing them to invoices, underlying contracts, delivery documents and payments received, on a sample basis. We assessed the inclusion of sales in the appropriate period by comparing recognized sales transactions occurred near 31 December 2025 to invoices, delivery documents and contract terms, and by examining credit invoices issued in early 2026, on a sample basis. Furthermore, we considered the accuracy and adequacy of the disclosures on net sales provided in the consolidated financial statements.
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VALUATION OF INVENTORIES – TRADE-IN MACHINES, INVENTORY OF MATERIALS AND SUPPLIES (REFER TO NOTE 4.4 TO THE CONSOLIDATED FINANCIAL STATEMENTS)	
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<ul style="list-style-type: none"> Group's value of inventories totaled EUR 240 million at year end 2025 accounting for 42% of the total assets. Trade-in machines, materials and supplies account for 73% of the total inventory balance. Inventories are valued at either acquisition cost or probable net realizable value in case it is lower. The cost of materials and supplies is assigned by using the average cost formula. Valuation of trade-in machines, materials and supplies involves judgements made by management for probable net realizable value. Functionality of the IT systems and internal control plays a major role in ensuring the accuracy of inventory reporting (number and unit price). Valuation of inventory is therefore considered a key audit matter. 	<ul style="list-style-type: none"> In respect of valuation of trade-in machines and materials and supplies we tested key controls of the company and performed both analytical and substantive audit procedures. We obtained an understanding of the company's impairment model and principles and assessed the consistency in application of the accounting rules. We considered the adequacy of the impairment losses recorded. We analyzed the valuation principles of trade-in machines. We examined the inventory turnover and compared the carrying amounts of the selected machines to actual resale prices. We have attended stock takings in selected inventory locations and assessed the appropriateness of the stock taking processes.
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We have not identified key audit matters relating to the parent company's financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of

most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other reporting requirements

Information on our audit engagement

Olemme toimineet yhtiökokouksen valitsemana tilintarkastajana 27.5.2020 alkaen yhtäjaksoisesti viisi vuotta.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 9 March 2026
KPMG OY AB
Audit Firm

Ari Eskelinen
Authorized Public Accountant, KHT

ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

This document is an English translation of the Finnish Assurance Report on the Sustainability Report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Ponsse Plc

We have performed a limited assurance engagement on the group sustainability report of Ponsse Plc (business identity code 0934209-0) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Ponsse Plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability report with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of the Authorized Group Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorized Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Ponsse Plc are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Report

Preparing a group sustainability report requires a company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

When reporting forward-looking information in accordance with ESRS standards, a company's management is required to make assumptions about possible future events, and to disclose the company's possible future actions in relation to those events, as well as to prepare the forward-looking information based on these assumptions. Actual results are likely to differ because forecasted events often do not occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

- Our procedures included for ex. the following:
 - We interviewed the company's management and persons responsible for collecting and preparing the information contained in the group sustainability report.
 - Regarding the double materiality assessment process, we assessed the implementation of the process carried out by the company and the information disclosed on the double materiality assessment process in relation to the requirements of the ESRS standards.
 - Through interviews we gained understanding of the group's key processes, controls and information systems related to collecting and consolidating the sustainability information.
 - We got acquainted with the group's internal guidelines and operating principles relevant to the sustainability information disclosed in the group sustainability report.
 - We got acquainted with the background documentation and documents prepared by the company, as applicable, and assessed whether they support the information included in the group sustainability report.
 - We conducted site visits to selected sites.
 - We assessed the information disclosed on material sustainability matters in the group sustainability report in relation to the requirements of the ESRS standards.
 - In relation to the EU taxonomy information, we gained understanding about the process by which the company has defined taxonomy eligible activities and assessed the regulatory compliance of the information provided.

Helsinki 9 March 2026
 KPMG OY AB
 Authorized Sustainability Audit Firm

Anna-Riikka Maunula
Authorized Sustainability Auditor, KRT

CORPORATE GOVERNMENT STATEMENT

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INTRODUCTION

This Corporate Governance Statement of Ponsse Plc ("the company" or "Ponsse") has been prepared in accordance with the Finnish Corporate Governance Code 2025 ("Corporate Governance Code") issued by the Securities Market Association. The Corporate Governance Statement has been issued as a separate report and published simultaneously with the financial statements and the Board of Directors' report. The 2025 Corporate Governance Code is available at <https://www.cgfinland.fi/en/corporate-governance-code/>.

Ponsse is a Finnish public limited company whose shares are publicly traded on Nasdaq Helsinki Ltd (the Helsinki Stock Exchange). In its governance, Ponsse complies with Finnish legislation and the regulations and decrees issued thereunder, the

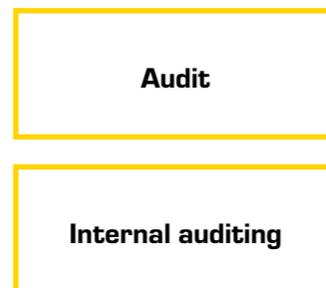
company's Articles of Association, the rules and recommendations of Nasdaq Helsinki insofar as they apply to listed companies, and the regulations and guidelines issued by the Finnish Financial Supervisory Authority. Ponsse follows the recommendations of the Corporate Governance Code without exception.

The company's auditor has verified that this statement has been issued and that its description of the main features of internal control and risk management systems related to the financial reporting process are in line with the financial statements. The statement will be available on Ponsse's website at <https://www.ponsse.com/en/company/investors/corporate-info#/> when the financial statements and the annual report are published.

PONSSE'S GOVERNING BODIES

The company's statutory governing bodies are the Annual General Meeting, the Board of Directors and the President and CEO, whose duties and responsibilities are determined in accordance with the Finnish Limited Liability Companies Act.

In addition, the Management Team, which assists the President and CEO, is responsible for the coordination and operational management of the company's operations.



Annual General Meeting

The Annual General Meeting is the company's highest decision-making body, where shareholders exercise their decision-making power and their rights to speak, ask questions and vote. In accordance with the Limited Liability Companies Act and the Articles of Association, the Annual General Meeting decides on matters falling into its competence, including the following:

- the adoption of the financial statements
- the use of the profit shown on the balance sheet
- the election of the members of the Board of Directors and the decision on their remuneration
- the discharge of the members of the Board of Directors and the President and CEO from liability
- the approval of the remuneration policy and the remuneration report in an advisory manner; and
- the selection of the auditor and sustainability auditor, as well as their remuneration.

The Annual General Meeting is held once a year on a date determined by the company's Board of Directors, however, before the end of June. Meetings are held in Vieremä, Iisalmi or Kajaani. The Annual General Meeting is convened by the company's Board of Directors. A notice of the Annual General Meeting is published on Ponsse's website and, at the discretion of the Board, in a broad-circulation newspaper, no earlier than three (3) months and no later than twenty-one (21) days before the Annual General Meeting. The agenda and other documents related to the Annual General Meeting are made available on the company's website no later than twenty-one (21) days before the Annual General Meeting. To be eligible to participate in the Annual General Meeting, shareholders must notify the company of their intention to attend no later than on the day mentioned in the notice of Annual General Meeting, which may be no earlier than ten (10) days before the meeting. A shareholder may also submit matters for inclusion on the agenda of the Annual General Meeting if the matter falls within the competence of the Annual General Meeting and a written request has been made to the Board of Directors to include the matter on the agenda no later than the date set by the company, which may not be earlier than four weeks before the date of publication of the notice of the meeting. Ponsse's website contains more detailed information about the rights of shareholders to have a matter of concern to them dealt with at the Annual General Meeting, the rights of shareholders to participate in the Annual General Meeting, and other issues related to the Annual General Meeting. An extraordinary general meeting is convened if the Board of Directors deems it necessary, or if it is required by the external auditor or shareholders who collectively hold at least one tenth of all shares.

In 2025, the Annual General Meeting was held in Vieremä on 8 April. A total of 145 shareholders participated in the meeting, either by voting in advance or in person at the meeting venue or represented by a statutory representative or an authorised representative. A total of 21,790,282 shares and votes were represented in the meeting, or around 78% of all shares and votes registered on the record date of the Annual General Meeting. The decisions of the 2025 Annual General Meeting are available on Ponsse's website. No Extraordinary General Meetings were held in 2025.

Board of Directors

Powers, composition and duties

The Annual General Meeting elects a Board of Directors each year. In accordance with the Articles of Association, the Board consists of five to eight members. The term of office of the Board lasts until the end of the next Annual General Meeting. The Board of Directors is elected annually to allow shareholders to regularly evaluate the activities of the Board of Directors and its members. The Board of Directors will appoint a Chair from among its members and convene at the request of the Chair as often as the company's business so requires.

The Board of Directors' powers include the appropriate arrangement of the company's governance and operations, as well as arranging the monitoring of accounting and asset management. Taking the scope and nature of the company's operations into account, the Board is responsible for matters that are financially, operationally or fundamentally important and far-reaching.

The most important tasks of the Board include:

- approving the company's strategy and risk management policy
- approving the annual action plan and budget
- processing and approving half-year and interim reports and the financial statements, including the Board of Directors' reports and sustainability reporting information, as well as the related stock exchange releases
- appointing and, if necessary, dismissing the President and CEO and approving the CEO's financial benefits
- confirming the appointments of members of the Management Team
- monitoring and evaluating the performance of the President and CEO and deciding on their remuneration and benefits
- deciding on the principles of the company's engagement and incentive schemes and the terms and conditions of the distribution of shares or option rights within the framework of the remuneration policy in force, as well as monitoring the implementation of the schemes

- ensuring the adequacy of planning, information and control systems for monitoring results and managing risks in operations
- monitoring and assessing financial audit, sustainability reporting and sustainability reporting assurance
- monitoring and assessing the independence of the auditor and the provider of sustainability reporting assurance, as well as evaluating the acceptability of any non-audit services and services related to sustainability reporting assurance provided by the auditor and the provider of sustainability reporting assurance for the company
- convening and preparing proposals to general meetings
- approving related party transactions that fall outside the company's ordinary course of business or are conducted on non-standard market terms
- approving the key policies and guidelines governing the company's business operations, including the Code of Conduct, the disclosure policy and the insider guidelines, and monitoring their implementation
- deciding on other matters not belonging to day-to-day operations, such as major investments, acquisitions and divestments, and major joint ventures and significant financing agreements.

Election criteria for Board members, and diversity in the Board of Directors

Proposals for Board composition and remuneration are prepared by the shareholders who represent more than fifty per cent (50%) of the company's shares and votes. New Board members will be provided with an induction regarding their tasks to the appropriate extent, considering their background and experience.

The elected members of the Board of Directors must have the competence required for the position and the opportunity to allocate a sufficient amount of time for Board work. The members must be willing to dedicate themselves to Ponsse, and they must conform to the company's values. The provisions of the Limited Liability Companies Act apply to the general eligibility criteria. No special eligibility criteria such as an upper age limit have been set in the Articles of Association for the members.

Overall, the members of the Board of Directors are required to have sufficiently diverse expertise and the ability to carry out their tasks effectively. Key factors include that their education and experience supplement those of other members. When considering the number of members, there is a focus on Ponsse's operational goals and the resulting requirements: the number of members must be relative to the company's size, line of business, market position and development stage. In addition, the shareholders' opinions must be addressed.

Diversity in the Board of Directors promotes an open culture

of discussion and the ability to adopt an open approach to innovative ideas. Diversity is supported by the consideration of the age and gender distribution, educational backgrounds, as well as work and international experience. The aim is to appoint Board members with diverse skills, backgrounds and perspectives. This ensures the development of business operations and sustainability work, as well as good corporate governance. The company's long-term goal is to further increase diversity in the Board of Directors.

The Board of Directors elected at the 2025 Annual General Meeting included representatives of both genders, as in previous years. The Board of Directors had seven members, of whom two (29%) were women and five (71%) were men. The age distribution of the members of the Board varied from 50 to 64 years. In addition to forest and industry expertise, the members' educational and professional backgrounds covered finance, legal affairs, technology, international operations, strategy, sales, marketing and sustainability. The Board members had also worked broadly in other positions of trust. A presentation of the Board members is also available on the company's website.

Ponsse's Board of Directors in 2025 represented sufficient and necessary expertise and experience, as well as diversity, in accordance with the set targets.

Meetings and work

The Board of Directors convenes regularly around ten times a year and at the invitation of the Chair as often as is required for the proper handling of the company's affairs. The Board of Directors constitutes a quorum when more than half its members are present at the meeting. The President and CEO has the right to attend meetings and exercise their right to speak, unless otherwise decided by the Board of Directors. Other members of the company's management may also be invited to attend the meetings.

In addition to being governed by legislation and the company's own Articles of Association, the work and activities of the Board of Directors are also governed by the Board's rules of procedure, which describe, among other things, the duties and meeting practices of the Board of Directors.

The Board of Directors aims to regularly evaluate its own activities and working methods. This assessment can be carried out either as an internal self-assessment or by an external evaluator. The assessment focuses on any problems that may have arisen in the activities of the Board related to matters such as the composition of the Board, the effectiveness of the Board's activities, and the Board's activities as a group. The Board of Directors elected at the 2025 Annual General Meeting conducted a self-assessment in November 2025.

Information about the Board members' attendance at Board meetings is presented in the table below.

Independence of Board members

A majority of the members of the Board of Directors must be independent of the company, and at least two independent members of the Board of Directors must also be independent of the company's major shareholders.

The Board of Directors assesses the independence of the members in accordance with Recommendation 10 of the Corporate Governance Code. To carry out the assessment, the Board members must provide the Board of Directors with sufficient information for the assessment of their independence, report any changes in their circumstances affecting the assessment, and present their own view of their independence. Any changes in the independence of a member during their term of office are published on the company's website. Each candidate for the Board must provide sufficient information and an assessment of their independence to the major shareholders who prepare the proposal for the composition of the Board of Directors.

Of the Board of Directors elected at the 2025 Annual General Meeting, all members were independent of the company except for Jarmo Vidgren and Juha Vidgren. During 2025, they worked as consultants for the company. Five Board members are independent of the company's major shareholders: Mammu Kaario, Terhi Koipijärvi, Matti Kylävainio, Ilpo Marjamaa and Juha Vanhainen. Jarmo Vidgren and Juha Vidgren are major shareholders of the company.

Of the Board members, Mammu Kaario has served on the Board continuously for 16 years. Based on the Board of Directors' overall assessment, the independence of the Board member has not been at risk due to this long-term membership, and no other factors have been identified that would compromise the member's independence.

Committees

The Board of Directors elected at the 2025 Annual General Meeting did not establish any committees.

Board of Directors, 31 December 2025

Board member	Gender	Year of birth	Education	Principal occupation	Member of the Board since	Shareholding on 31 December 2025
Jarmo Vidgren, Chair	male	1975	Commercial College Graduate in Marketing	Ponsse Plc, Chair of the Board	2020	3,684,263 shares
Mammu Kaario, Vice Chair of the Board	female	1963	Master of Law, MBA	Board Professional	2010	4,500 shares
Terhi Koipijärvi	female	1967	M.Sc., Forestry and Forest Products Marketing, Forester	Miltton Oy, Senior Advisor, Corporate responsibility and strategy	2023	0 shares
Matti Kylävainio	male	1974	M.Sc. (Econ.)	Keitele Timber Oy, CEO	2016	0 shares
Ilpo Marjamaa	male	1961	M.Sc., Production Systems and Technologies	Ponsse Plc, Board Member	2022	0 shares
Juha Vanhainen	male	1961	M.Sc., Process Technology	Ponsse Plc, Board Member	2018	0 shares
Juha Vidgren (from 8 April 2025)	male	1970	Master of Pedagogy	Ponsse Plc, Board Member	2025	6,207,000 shares
Jukka Vidgren (until 8 April 2025)	male	1983	Bachelor of Culture and Arts	Mutant Koala Pictures, Managing Director	2011	3,764,778 shares

Attendance of Board members at meetings in 2025 and their independence

Member	Attendance (number of meetings)	Attendance, %	Independence from the company	Independence from significant shareholders
Jarmo Vidgren	10/10	100	No	No
Mammu Kaario	10/10	100	Yes	Yes
Terhi Koipijärvi	10/10	100	Yes	Yes
Matti Kylävainio	10/10	100	Yes	Yes
Ilpo Marjamaa	10/10	100	Yes	Yes
Juha Vanhainen	10/10	100	Yes	Yes
Juha Vidgren (from 8 April 2025)	6/8	75	No	No
Jukka Vidgren (until 8 April 2025)	2/2	100	Yes	No

President and CEO

The Board of Directors appoints and, if necessary, dismisses the President and CEO. The President and CEO carries out the company's daily governance tasks in accordance with Finnish law, corporate governance rules and the instructions issued by the Board of Directors. The President and CEO is responsible for ensuring that the company's accounting complies with the law, and that its asset management has been arranged reliably. In addition to these tasks, the President and CEO:

- is responsible for the operational management of the company's business operations
- provides the Board of Directors and the members of the Board with the information necessary for carrying out their duties
- acts as rapporteur at Board meetings
- is responsible for the implementation of decisions taken by the Board of Directors.

Juho Nummela has served as the President and CEO and Chair of the Management Team since 1 June 2008. The contract signed between the President and CEO and the company may be terminated by either party. The period of notice is six (6) months. If the company terminates the contract, the company pays a remuneration equalling 12 months' salary in addition to the salary and other benefits that have been determined for the period of notice. The President and CEO is within the scope of the performance bonus scheme, with a performance bonus

based on the performance targets approved by the Board.

More information about the remuneration of the President and CEO is available in Ponsse Plc's remuneration report.

Deputy CEO

The CEO's deputy is Petri Härkönen, CFO.

Management Team

The primary task of the Management Team is to assist the President and CEO. The Management Team generally meets weekly, but at least once a month. It assists the President and CEO in the planning and implementation of the company's strategy, in the preparation of the annual action plan, in operational management and in the preparation of matters to be discussed by the Board of Directors. The Management Team's members monitor and review from time to time the company's internal policies and procedures, including reporting, financial management, investments, risk management, insurance policies, information systems, general procurement, industrial property rights, contractual risk management, human resources management, quality, environmental matters, occupational safety, insider guidelines, and communication. The Management Team is responsible for the implementation of the key policies and guidelines approved by the Board of Directors that govern Ponsse's operations.

Management Team, 31 December 2025

Management Team member*	Gender	Position	Education	Management Team member since	With the company since	Shareholding on 31 December 2025
Juho Nummela, b. 1977	male	President and CEO, Chair of the Management Team	Dr. Tech.	2 January 2005	2002	89,349 shares
Petri Härkönen, b. 1969	male	CFO, deputy CEO	M.Sc. (Tech.)	1 October 2009	2009	7,670 shares
Juha Inberg, b. 1973	male	Chief R&D and Technology Officer	Dr. Tech.	1 January 2009	2003	14,950 shares
Tiina Kautonen b. 1973	female	Chief People, Safety & Culture Officer	Bachelor of Business (B.Sc.)	1 January 2023	2023	1,576 shares
Marko Mattila, b. 1973	male	Chief, Sales, Service & Marketing Officer	Forestry Engineer, MBA	1 June 2020	2007	2,332 shares
Tapio Mertanen, b. 1965	male	Chief Service Business Officer	Technician, MTD	3 May 2010	1994	1,200 shares
Katja Paananen, b. 1971	female	Chief Responsibility Officer	MA	16 January 2023	1999	1,918 shares
Miika Soininen, b. 1981	male	Chief Digital Officer	Student of Technology	1 December 2020	2018	1,068 shares
Tommi Väänänen, b. 1973	male	Chief Operations Officer	B. Eng.	1 October 2013	2013	8,152 shares

INTERNAL CONTROL PROCEDURES RELATED TO FINANCIAL REPORTING AND MAIN FEATURES OF RISK MANAGEMENT SYSTEMS

The internal control and risk management systems related to financial reporting are designed to provide adequate assurance regarding the reliability of financial reporting, and they aim to ensure compliance with the applicable laws and regulations. Ponsse's risk management and internal control processes follow the principles of the COSO 2013 (Committee of Sponsoring Organisations) framework where applicable.

Control environment

The starting point for internal control is the control environment. The company's internal control is based on the Limited Liability Companies Act, other regulations applicable to the company, and the company's approved operating principles. Ponsse's core values – we truly care, we work for customers, we are honest and we are open for renewal – form the foundation of all Ponsse's operations. The company's operations are guided by the Group's governance and management structures and by key policies, such as the governance principles, the disclosure policy and the Code of Conduct.

The Board of Directors is responsible for determining and monitoring the principles of internal control related to financial reporting, and assesses the effectiveness of internal control as part of its supervisory duties. The President and CEO is responsible for the organisation and practical implementation of internal control together with the rest of the management.

Internal control covers the procedures and processes used to ensure that the company's operations comply with its corporate governance principles and Code of Conduct, as well as applicable legislation and regulatory guidelines. The objective of internal control is to support the management's decision-making by providing accurate and sufficient information and to ensure the appropriate use of the company's resources and assets.

Risk assessment

The objective of Ponsse's risk management is to support the reliability of the company's financial reporting and to ensure that the financial information disclosed by the company provides a materially true and fair view of its financial position and performance. Risk management is part of the company's internal control and supports the identification, assessment and management of risks related to financial reporting.

In the risk management process, the risks that may affect the accuracy, timeliness and completeness of financial reporting are identified and assessed on a regular basis. The assessment takes into account, among other aspects, the processes related to consolidated reporting and the application of accounting principles and significant accounting estimates, as well as financial management systems and manual work phases. The risk management process includes identifying and assessing risks related to reporting at the function and unit level, as well as incorporating the identified risks into the internal controls related to financial reporting. Risk management is implemented and monitored as part of the reporting practices of financial management and the company's management.

The company's management identifies and assesses key business risks, which are presented to the Board of Directors as part of the strategy process. Internal audit and external audit also assess their observations holistically and may bring identified risks to the attention of the Board of Directors or other management where appropriate action is required. The Board of Directors decides on the objectives and principles of risk management, and confirms the company's key risk management policies. The President and CEO is responsible for organising the implementation of risk management, while the CFO coordinates the risk management process and is responsible for the related reporting.

Ponsse's country organisations implement risk management in accordance with the Group's instructions as part of the financial reporting process. The financial management personnel are responsible for identifying reporting risks for their part and for complying with the company's reporting-related instructions and procedures.

The risk assessment described above concerns the risk management related to financial reporting. A description of the key business risks related to the company's operations and their management is presented in the Board of Directors' report.

Control functions

Control functions are procedures and practices aimed at preventing, detecting and correcting errors and deviations related to financial reporting. Control activities are carried out in the Group at all organisational levels as part of key business and financial management processes.

Internal control is divided into preventive, daily and retrospective control activities, including the definition of policies, operational management and controls, as well as monitoring carried out as part of the reporting and strategy process.

Control activities related to financial reporting include the segregation of duties and responsibilities, approval and authorisation procedures, account reconciliations, logical analyses of

reported figures, and monitoring of financial reports carried out by the Group's management and the management of the business areas. In addition, comparisons between forecasts and reported figures are used in assessing the accuracy of financial reporting.

External control is the responsibility of the company's auditor and the competent authorities.

Summary of the division of responsibilities in internal control

Party	Role of internal control
Board of Directors	Monitors the organisation of internal control and risk management and receives regular updates on the monitoring of financial reporting.
President and CEO	Responsible for the practical implementation of internal control and for ensuring that control activities are incorporated into the company's management and reporting practices.
Management Team	Ensures that the principles and practices of internal control are followed within its respective areas of responsibility.
Financial management	Responsible for the control practices related to financial reporting, such as reconciliations, reporting controls and the review of reported figures.
Internal auditing	Assesses and ensures the effectiveness of the control and governance system and reports its observations to the Board of Directors.

Internal communication and provision of information at Ponsse

Ponsse aims to ensure the openness, transparency, accuracy and timeliness of the company's internal and external communication. These principles also support ensuring the completeness and accuracy of financial reporting.

The company's disclosure policy determines how and when information must be provided and who provides it, as well as the accuracy and completeness of the information provided, so that the company's disclosure obligations are fulfilled. The company also has insider guidelines and a Code of Conduct, which contains guidelines related to Ponsse's business environment, employees, business partners and obligations to society.

Through the whistleblowing channel, employees and external stakeholders can anonymously report any misconduct or suspected misconduct they have detected. A team appointed by the company's Board of Directors investigates all reported cases and, if necessary, reports any identified issues to the Management Team or the Board of Directors, taking into account the regulations on whistleblower protection.

Ponsse's country organisations regularly prepare financial and operational reports for the management, which include analyses and reviews of financial performance and risks. Financial reports are provided to the Board of Directors at least in connection with regular Board meetings.

Monitoring

The effectiveness of the control activities related to the company's financial reporting is monitored by the Board of Directors and the President and CEO as part of the company's regular reporting and monitoring practices. The Board of Directors reviews the interim reports and half-year reports and approves them before their publication. The financial statements and the Board of Directors' report, including the Sustainability Report, are also approved by the Board of Directors. The objective of monitoring is to identify changes in the operating environment and processes that may have an impact on the needs of internal control and risk management.

The monitoring process includes the regular review of monthly financial reports and the review of continuous forecasts and plans, as well as any reports from the auditors. The Board of Directors is also informed about developments in material risk areas and planned actions to reduce risks. This supports the continuous development of risk assessment and control processes.

The Board of Directors or the President and CEO may, when necessary, decide to initiate a separate audit engagement. The scope of the audit is determined on the basis of a risk assessment. Deficiencies identified in internal control are reported to the executive management, and significant or serious deficiencies are further reported to the Board of Directors.

OTHER INFORMATION

Internal auditing

Internal audit operates within the company as an independent assurance and evaluation function, tasked with assessing the effectiveness and appropriateness of the company's internal control, risk management, and governance and management processes. Internal audit supports the Board of Directors in its supervisory role and contributes to the development of the company's operations.

The internal audit function is carried out by an external service provider that is independent of the company. The Board of Directors annually determines the focus areas of internal audit and approves the audit plan. Internal audit regularly reports the results and findings of the audits to the Board of Directors and the Management Team.

Internal audit assesses, among other aspects, the adequacy and effectiveness of the company's internal control and risk management processes, and identifies areas for improvement within the control system.

Audit

The company has one auditor, which must be a public accounting firm authorised by the Central Chamber of Commerce and independent of the company. The auditor is elected by the Annual General Meeting based on a proposal by the Board of Directors. The auditor presents the key findings of the audit to the Board of Directors at least once a year. The auditor presents the auditor's report to the Annual General Meeting.

At the 2025 Annual General Meeting, KPMG Oy Ab was elected as Ponsse Plc's auditor, and Ari Eskelinen, Authorised Public Accountant, acted as the principal auditor.

In accordance with the resolution of the 2025 Annual General Meeting, KPMG Oy Ab served as the company's provider of sustainability reporting assurance, with Authorised Public Accountant, Authorised Sustainability Auditor Anna-Riikka Maunula as the sustainability auditor.

	KPMG Oy Ab	Other audit firms	Total
Audit	232,242	80,614	312,856
Sustainability reporting assurance	45,675	-	45,675
Tax services	-	54,770	54,770
Other services	56,425	68,669	125,094
Total	334,342	204,052	538,394

Insider management

Ponsse complies with the Market Abuse Regulation (MAR) and the insider guidelines of Nasdaq Helsinki Ltd. In addition, the company's Board of Directors has confirmed the company's insider guidelines, which apply to the entire Group, including all members of the Board and the Management Team. The company's insider officer is responsible for coordinating insider administration, with the CFO serving as their deputy.

The members of Ponsse's Board of Directors, the President and CEO, the deputy CEO and the members of the Management Team ("persons discharging managerial responsibilities"), as well as their persons closely associated as defined under the MAR, are required to notify Ponsse of any transactions conducted in the company's financial instruments. The company maintains a list of persons discharging managerial responsibilities and their related parties. Persons discharging managerial responsibilities and their persons closely associated must notify Ponsse and the Finnish Financial Supervisory Authority of all transactions conducted in Ponsse's financial instruments once their total value, without netting, reaches EUR 20,000 within a calendar year. Ponsse will disclose such transactions by means of a stock exchange release in accordance with the MAR.

The company's persons discharging managerial responsibilities may not conduct transactions in Ponsse's financial instruments during the 30-day period preceding the publication of each interim report, half-year report and financial statements release (closed window). In addition, Ponsse applies a trading restriction to all individuals involved in the preparation, drafting and publication of its financial reports (extended closed window). Persons within the scope of the trading restriction are informed of the restrictions and the related obligations.

Ponsse maintains project-specific insider lists of persons who have access to inside information related to a specific project. Individuals entered onto a project-specific insider list are subject to a trading restriction for the duration of the project, and they are notified separately of their inclusion on the list.

Ponsse also maintains a list of permanent insiders who, based on their position or duties, have continuous access to all inside information about Ponsse. Permanent insiders are the members of the Board, the President and CEO and their deputy, the CFO and the secretary to the Board.

Related party transactions

The company's related party transactions are governed by the Finnish Limited Liability Companies Act, International Accounting Standard IAS 24 and the Corporate Governance Code, among other regulations. The company has Group-wide procedures in place for identifying and defining related parties, ensuring that any potential conflicts of interest are appropriately considered in decision-making. The company's related parties are defined in accordance with International Accounting Standard IAS 24.

The Board of Directors monitors and evaluates transactions between the company and its related parties as part of its statutory supervisory duties. The company's Board decides on related-party transactions that do not fall within the company's ordinary course of business or that are not carried out on customary commercial terms.

Ponsse's financial management monitors and supervises related-party transactions as part of the company's normal reporting and monitoring procedures, and reports any related party transactions outside the ordinary course of business to the Board. Decision-making processes are organised to ensure that situations involving disqualification or conflicts of interest are identified and appropriately addressed.

The company discloses significant related party transactions by means of stock exchange releases in accordance with the applicable regulations, and presents related party transactions annually in the notes to the financial statements.

In 2025, the company had no related party transactions deviating from normal business operations or normal commercial terms.

REMUNERATION REPORT

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INTRODUCTION

Remuneration reporting

The remuneration report sets out the remuneration of the Board of Directors and the President and CEO of Ponsse Plc ("Ponsse" or "the company") in 2025. The report has been prepared by the Board of Directors of Ponsse. The purpose of the report is to describe the implementation of the company's remuneration policy clearly and comprehensively. The remuneration policy was adopted by the Annual General Meeting with an advisory resolution in 2024. It replaced the remuneration policy presented in 2020.

This report is based on the requirements outlined in the EU Shareholder Rights Directive and the Corporate Governance Code 2025 issued by the Securities Market Association. The remuneration report is presented annually at the company's Annual General Meeting for an advisory vote. The company evaluates and develops its remuneration reporting annually based on feedback from shareholders, for example. The 2025 report introduces new tables on the President and CEO's short-term and long-term remuneration.

Remuneration principles in 2025

The remuneration of Ponsse's governing bodies is based on the remuneration policy. The purpose of Ponsse's remuneration policy is to align the objectives of shareholders, the Board of Directors, the CEO and the personnel in order to increase shareholder value in the long term. In preparing the remuneration policy, the Board of Directors has taken into account the views of the shareholders and the company's needs to attract, engage and motivate the senior management to implement Ponsse's business strategy.

The Board of Directors regularly monitors the effectiveness of the performance indicators used in remuneration to ensure that they support Ponsse's strategy.

The remuneration policy is based on the following key principles:

1. The interests of shareholders, the Board of Directors, the CEO and employees are aligned
2. Remuneration is based on performance and transparency
3. Remuneration attracts and commits employees to the company
4. Remuneration is linked to sustainability as part of the company's strategy

The remuneration policy describes the principles of remuneration and the decision-making process. The possible different forms of remuneration are described in the section concerning the Board of Directors' remuneration. The key terms and conditions applicable to the service relationship, the short- and long-term performance indicators and the remuneration practices in recruitment and promotions are described with regard to the President and CEO.

No deviation from the remuneration policy was made during the 2025 financial year, and there were no situations in which it would have been necessary to recover any fees or either postpone or not make any payments. At the 2025 Annual General Meeting, there was no advisory vote on the remuneration report that would have needed to be taken into account in the remuneration report.

Remuneration and Ponsse's financial performance during the last five years

The table sets out the paid compensation for the last five years for the members of the Board of Directors, the President and CEO and the average Ponsse employee, as well as the company's financial performance during the same period. The development is presented in accordance with the average trend of key figures.

	2021	2022	2023	2024	2025
Board of Directors, taxable annual fee (EUR thousand)	283	311	296	277	283
Change from the previous year (%)	+7.2%	+9.9%	-4.8%	-6.4%	+2.2%
President and CEO, taxable income (EUR thousand)	517	628	772	924	859
Change from the previous year (%)	-35.5%	+21.5%	+22.9%	+19.7%	-7.0%
Personnel's average taxable income (EUR thousand) ¹ :					
Parent company	53	53	53	53	56
Change from the previous year (%)	+15.2%	+0.0%	+0.0%	+0.0%	+5.7%
Subsidiaries	33	33	35	34	38
Change from the previous year (%)	+22.2%	+0.0%	+6.1%	-2.9%	+11.8%
Ponsse Group's financial development:					
Net sales, MEUR ²	608.3	755.1	821.8	750.4	749.9
Change from the previous year (%)	+8.4%	+24.1%	+8.8%	-8.7%	-0.1%
Operating result, % of net sales	8.2	6.2	5.7	4.9	5.6
Operating result, EUR million ³	50.0	46.6	47.2	36.8	41.6
Change from the previous year (%)		-6.8%	+1.3%	-22.0%	+13.3%

¹ Remuneration paid to the personnel is presented by indicating the total remuneration amount paid by the company.

² The information about 2021–2025 covers continuing operations.

³ The information about 2021–2025 covers continuing operations.

REMUNERATION OF THE MEMBERS OF THE BOARD IN 2025

The Annual General Meeting decides on the remuneration of the members of the Board of Directors. The shareholders of Ponsse, representing in total more than 50% of the company's shares and votes, made a proposal to the Annual General Meeting held on 8 April 2025 regarding the remuneration of the Board of Directors. The Annual General Meeting decided on 8 April 2025 that the annual remuneration of the Chair of the Board would be EUR 48,000, that of the Vice Chair of the Board EUR 45,000, and that of the other members of the Board EUR 38,000. The Board members' travel expenses will be reimbursed in accordance with the company's travel policy.

	Time	Annual remuneration, EUR
Jarmo Vidgren, Chair	1 January to 31 December 2025	48,000
Mammu Kaario, Vice Chair	1 January to 31 December 2025	45,000
Terhi Koipijärvi	1 January to 31 December 2025	38,000
Matti Kylävainio	1 January to 31 December 2025	38,000
Ilpo Marjamaa	1 January to 31 December 2025	38,000
Juha Vanhainen	1 January to 31 December 2025	38,000
Juha Vidgren	8 April to 31 December 2025	28,500
Jukka Vidgren	1 January to 8 April 2025	9,500
Total		283,000

During 2025, EUR 62,789 was paid to Jarmo Vidgren for consulting tasks related to sales and marketing, and EUR 11,926 was paid to Juha Vidgren for investor relations assignments carried out between 8 April and 31 December 2025.

REMUNERATION OF THE PRESIDENT AND CEO

The President and CEO's remuneration principles

The remuneration of the President and CEO typically includes the following elements:

- A fixed monthly salary (including fringe benefits and other financial benefits) in accordance with the President and CEO's skills, knowledge and experience.
- A short-term performance bonus, the purpose of which is to provide encouragement and remuneration for the achievement of the goals set out in the annual business strategy, and on a non-recurring basis for any other particularly good performance (paid annually).
- A long-term performance bonus, which is usually a share-based bonus. Its purpose is to align the objectives of the shareholders and the CEO to increase the company's long-term value, to engage the CEO in the company, and to offer them a competitive share-based incentive scheme based on earnings and the accrual of shares in the company.
- Supplementary pension, which is a pension benefit in addition to the statutory pension.

Since 1 June 2008, the President and CEO of the company has been Juho Nummela. Under the contract signed between the company and the President and CEO, both parties may terminate the contract with a six-month notice period. If the company terminates the contract, the company pays a remuneration equalling 12 months' salary in addition to the salary and other benefits that have been determined for the period of notice. The contract ends without any period of notice when the President and CEO retires.

The President and CEO may retire at the age of 60, with the pension determined in accordance with the Employees Pensions Act.

In 2025, the President and CEO's fixed monthly salary was EUR 44,303.21 from 1 January to 30 April, EUR 45,320.32 from 1 May to 6 November, and EUR 45,890.32 from 7 November to 31 December. Telephone, car, and bicycle benefits were included in the salary as fringe benefits, along with other one-off personnel benefits of negligible value.

The fixed annual salary paid to the President and CEO in 2025 accounted for 45% of total remuneration, while the short- and long-term performance bonuses constituted 33%. The supplementary pension benefit paid to the President and CEO accounted for around 20% of total remuneration. No other remuneration was paid to the President and CEO in 2025.

The President and CEO's remuneration in 2025

EUR	Salary	Fringe benefits	Short-term incentive schemes (performance bonuses)	Long-term incentive schemes	Supplementary pension	Total remuneration paid
President and CEO	553,460	13,761	109,846	294,668	250,103	1,221,838
Remuneration percentage	45%	1%	9%	24%	20%	100%

Performance

Short-term remuneration of the President and CEO

During the 2025 financial year, the President and CEO was paid EUR 109,846 in performance bonus based on the achievement of the 2024 targets, in accordance with the Board's assessment and decision. This corresponds to 20.2% of the CEO's 2024 salary and 41% of the maximum performance bonus. The annual performance bonus cannot exceed 50% of the salary paid in the previous year.

The performance bonus to be paid based on the 2025 financial year is based on the Board of Directors' assessment and decision regarding the achievement of the targets set for 2025. Based on the 2025 performance, the President and CEO earned a performance bonus of EUR 123,967, corresponding to 22.4% of the 2025 salary and 44.8% of the maximum performance bonus for 2025. The performance bonus will be paid to the President and CEO in March 2026.

Long-term remuneration of the President and CEO

In 2023, the company's Board of Directors decided on a performance-based shareholding scheme for the CEO for 2023–2027. The aim of the scheme is to align the objectives of the shareholders and the President and CEO to increase the company's long-term value, to retain the President and CEO at the company, and to offer them a competitive incentive scheme based on earning and accumulating shares in the company. In April 2025, the Board of Directors of Ponsse Plc decided on the targets of the President and CEO's share-based incentive scheme for the performance period that began in 2025.

The President and CEO's shareholding scheme consists of five performance periods: the calendar years 2023, 2023–2024, 2023–2025, 2024–2026 and 2025–2027. The conditional rewards will be paid by the end of May 2024, 2025 and 2026. Shares received as conditional rewards may not be transferred during the restriction period ending on 31 December 2025, 31 December 2026 and 31 December 2027. The performance-based reward will be paid by the end of the May following the end of each performance period.

The earning criteria for the earnings periods beginning in 2023 are Ponsse Group's operating result, net sales growth and employee experience. The portion of the maximum reward to be paid to the President and CEO is determined based on the achievement of the targets set for the earning criteria in relation to the investment made by the President and CEO.

In May 2024, a total of 11,457 shares worth EUR 282,226 were paid for the 2023 performance period, with a cost impact of EUR 0.4 million for the company. In 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.

For the 2024–2026 performance period of the President and CEO's performance-based shareholding scheme, the rewards will be based on the Group's operating result, net sales, employee experience and lost time injury frequency rate (LTIF). The rewards to be paid for the 2024–2026 performance periods are estimated to correspond to the value of no more than 50,000 Ponsse Plc shares in total, including the cash portion (gross reward). Shares received as conditional rewards may not be transferred during the restriction period ending on 31 December 2026. The performance-based reward will be paid by the end of May 2027.

For the 2025–2027 performance period of the President and CEO's performance-based shareholding scheme, the rewards will be based on the Group's operating result, net sales, employee experience and lost time injury frequency rate (LTIF). The rewards to be paid for the 2025–2027 performance periods are estimated to correspond to the value of no more than 50,000 Ponsse Plc shares in total, including the cash portion (gross reward). Shares received as conditional rewards may not be transferred during the restriction period ending on 31 December 2027. The performance-based reward will be paid by the end of May 2028.

From the 2023–2025, 2024–2026 and 2025–2027 performance periods, it is possible to earn a total of 175,000 shares, including the cash portion (gross reward).

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

Remuneration arrangements decided after the end of the financial year

On 16 February 2026, Ponsse Plc announced, through a stock exchange release, its decision to introduce a new long-term performance-based matching share plan for the President and CEO for 2026–2030. As the performance period begins after the end of the financial year, no payments were made under the plan in the 2025 financial year.

Short-term remuneration of the President and CEO

Earning criteria	Earning year 2024, paid in 2025			Earning year 2025, will be paid in 2026		
	Weighting	Actual outcome %	Performance bonus, EUR	Weighting	Actual outcome %	Performance bonus, EUR
Working capital %	20%	0%		20%	8%	
Cash flow from operating activities	30%	21%		30%	0%	
Profitability (EBIT, %)	30%	8%		30%	2%	
Employee experience (eNPS)	10%	0%		10%	9%	
Lost time injury frequency (LTIF)	10%	0%		10%	10%	
Weighted total outcome	100%	29%	109,846	100%	28%	123,967

President and CEO's long-term share-based incentive scheme

Performance period	Restriction period ends	Release of shares	Conditional reward payment date	Shares paid as a conditional reward	Payment date of the performance-based reward	Shares paid as a performance-based reward
2023	December 2025	May 2024			May 2024	4,268
2023–2024	December 2025	May 2025			June 2025	658
2023–2025	December 2025	May 2024	May 2024	7,189		
2023–2025	May 2026	May 2026			May 2026	
2024–2026	December 2026	June 2024	June 2025	4,643		
2024–2026	May 2027	May 2027			May 2027	
2025–2027	December 2027	May 2027	May 2026			
2025–2027	May 2028	May 2028			May 2028	

Information for Shareholders

Ponsse Plc's Annual General Meeting for 2026 will be held on Wednesday 8 April 2026 at the company's registered office at Ponsstentie 22, FI-74200 Vieremä, Finland, commencing at 11:00 a.m. Finnish time.

ELIGIBILITY TO ATTEND

To be eligible to attend the AGM, shareholders must be registered by Wednesday 25 March 2026 in the company's share register maintained by Euroclear Finland Oy. Shareholders who hold shares under their own names are automatically registered in the company's share register. A shareholder with nominee registration can be temporarily added to the company's share register. This must be done by 10 a.m. Finnish time on Wednesday 1 April 2026 for the purpose of attending the AGM. Holders of nominee-registered shares are advised to acquire instructions from their administrator regarding registration in the share register, the issuance of powers of attorney and registration for the AGM in good time.

REGISTRATION

Shareholders wishing to attend the AGM should notify the company of their intention to do so by 4 p.m. Finnish time on Tuesday 31 March 2026, either by writing to Ponsse Plc, Share Register, FI-74200 Vieremä, Finland, by calling +358 (0)20 768 800 or by contacting the company online at www.ponsse.com/yhtiokokous. Written notifications must arrive before the above-mentioned deadline. Please submit any powers of attorney accompanying the advance registration.

DIVIDEND

Ponsse Plc's Board of Directors will propose to the AGM that a dividend of EUR 0.55 per share be paid for 2025. The dividend shall be paid to all shareholders who are listed in the share register maintained by Euroclear Finland Oy as a company shareholder on the record date, 10 April 2026. The dividend shall be paid on 17 April 2026.

SHARE REGISTER

Ponsse Plc's shares and shareholders are listed in the shareholder register maintained by Euroclear Finland Oy. Shareholders are requested to report any change of address and other matters related to their shareholding to the book-entry securities register in which they have a book-entry securities account.

FINANCIAL REPORTS IN 2026

In addition to the financial statements and the Annual Report

for 2025, Ponsse Plc will issue three interim reports. Interim reports for the financial period 2026 will be published as follows:

- January–March 21 April 2026
- January–June 11 August 2026
- January–September 20 October 2026

The interim reports will be published in Finnish and English on the Ponsse website at www.ponsse.com.

ORDERING FINANCIAL PUBLICATIONS

This Annual Report is available in Finnish and English. You may order Annual Reports from the following address:

Ponsse Plc
 Ponsstentie 22
 FI-74200 Vieremä, Finland
 Tel. +358 (0)20 768 800
 Fax +358 (0)20 768 8690
 E-mail: corporate.communications@ponsse.com

INVESTOR RELATIONS

Ponsse maintains a silent period, which begins at the end of each reporting quarter and ends at the publication of the result for the quarter or financial period in question. During the silent period, Ponsse does not comment on the company's financial situation, the market or the outlook. During the period, Ponsse's top management does not meet representatives of capital markets or financial media or comment on matters concerning the company's financial situation or the general outlook.

Should you have any questions regarding Ponsse's business operations, please consult the following people.

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 CFO
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INVESTMENT ANALYSES

The following companies, among others, follow Ponsse as an investment object: DNB Carnegie Investment Bank AB, Finland Branch, Inderes Oy, OP Bank Plc

SHARES AND SHAREHOLDERS

Ponsse Plc's share capital is EUR 7,000,000 divided into 28,000,000 shares. The nominal value of each share is EUR 0.25. All shares are of the same series and each share entitles its holder to one vote at shareholders' meetings and gives an equal right to dividends

Ponsse Plc has no outstanding convertible notes or bonds with warrants.

Treasury shares

The parent company holds 5,046 treasury shares.

The Annual General Meeting authorized 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 authorized 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.

INCREASES IN SHARE CAPITAL 1994 - 2025

Subscription period	Method of increase	Nominal value EUR	Number of new shares	Increase in share capital EUR	New share capital EUR
31 August 1994	Scrip issue	0.84	1,300,000	1,093,221.52	2,489,181.31
9-22 March 1995	Scrip issue	0.84	148,000	124,459.07	2,613,640.38
9-22 March 1995	Rights issue for the general public	0.84	392,000	329,648.34	2,943,288.71
16 March 2000	Split 1:2	0.42	-	0,00	2,943,288.71
16 March 2000	Scrip issue	0.50	-	556,711.29	3,500,000.00
29 November 2004	Scrip issue	0.50	7,000,000	3,500,000.00	7,000,000.00
29 March 2006	Split 1:2	0.25	-	0.00	7,000,000.00

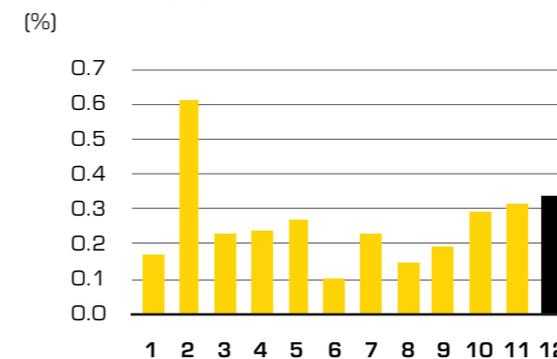
Authorisation to increase share capital

At the end of the financial year, the company's Board of Directors did not have any valid authorisation to increase the share capital or to issue convertible bonds or bonds with warrants.

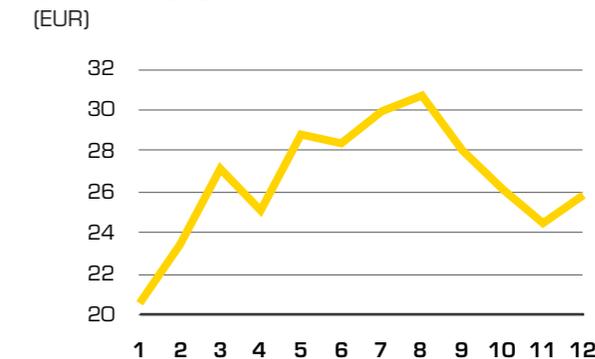
SHARE TURNOVER 1 JANUARY - 31 DECEMBER 2025

Month	Turnover value, EUR	Turnover, number of shares	Lowest, EUR	Highest, EUR	Weighted average share price, EUR	Closing price, EUR	Market capitalisation, EUR	Number of shares	Relative turnover, %
1	990,705	48,173	19.95	21.20	20.57	20.70	579,600,000	28,000,000	0.17
2	4,019,158	171,553	19.55	27.20	23.43	27.20	761,600,000	28,000,000	0.61
3	1,733,742	63,883	25.90	28.20	27.14	26.90	753,200,000	28,000,000	0.23
4	1,697,588	67,628	22.70	27.50	25.10	27.10	758,800,000	28,000,000	0.24
5	2,204,676	76,531	24.90	29.90	28.81	29.80	834,400,000	28,000,000	0.27
6	832,238	29,310	26.80	30.00	28.38	27.10	758,800,000	28,000,000	0.10
7	1,891,887	63,204	26.50	32.00	29.94	32.00	896,000,000	28,000,000	0.23
8	1,315,544	42,900	29.10	31.90	30.71	29.50	826,000,000	28,000,000	0.15
9	1,488,640	53,118	26.10	29.50	28.04	26.60	744,800,000	28,000,000	0.19
10	2,148,061	82,150	24.80	29.10	26.14	25.40	711,200,000	28,000,000	0.29
11	2,099,590	85,745	23.50	26.50	24.48	25.50	714,000,000	28,000,000	0.31
12	2,469,594	95,590	24.70	26.60	25.85	25.90	725,200,000	28,000,000	0.34
2025	22,891,423	879,785	19.55	32.00	26.00	25.90	725,200,000	28,000,000	3.14

RELATIVE SHARE TURNOVER BY MONTH 2025



WEIGHTED AVERAGE SHARE PRICE BY MONTH 2025



SHAREHOLDER PROFILE ON 31 DECEMBER 2025

	Shares, pcs	Percentage of shares and votes, %	Shares of nominee-registered, pcs	Shares of nominee-registered, %	Votes, pcs	Percentage of votes, %
Enterprises	615,829	2.199	0	0	615,829	2.199
Financial institutions and insurance	2,455,182	8.769	867,326	3.098	3,322,508	11.866
Public sector entities	1,191,098	4.254	0	0	1,191,098	4.254
Households	22,121,104	79.004	0	0	22,121,104	79.004
Non-profit organisations	511,031	1.825	0	0	511,031	1.825
Foreign holding	23,715	0.085	214,715	0.767	238,430	0.852
Total	26,917,959	96.136	1,082,041	3.865	28,000,000	100.000

ANALYSIS OF SHAREHOLDERS ON 31 DECEMBER 2025

Shares per shareholder	Number of shareholders	Percentage of shareholders, %	Shares, total, pcs	Percentage of shares and votes, %
1-100	12,350	67.094	405,293	1.447
101-500	4,214	22.893	1,051,949	3.757
501-1,000	933	5.069	720,613	2.574
1,001-5,000	758	4.118	1,609,698	5.749
5,001-10,000	77	0.418	571,079	2.04
10,001-50,000	57	0.31	1,171,806	4.185
50,001-100,000	5	0.027	327,682	1.170
100,001-500,000	7	0.038	2,227,942	7.957
over 500,000	6	0.033	19,913,938	71.121
Total	18,407	100.000	28,000,000	100.000

SHAREHOLDERS ON 31 DEC 2025

Nro	Nimi	Number of shares	Percentage of shares	Percentage of votes
1	Vidgren Juha Einari	6,207,000	22.17	22.17
2	Vidgren Jukka Tuomas	3,764,778	13.45	13.45
3	Vidgren Janne Ilmari	3,691,742	13.18	13.18
4	Vidgren Jarmo Kalle Johannes	3,684,263	13.16	13.16
5	Nordea Nordic Small Cap Fund	1,714,629	6.12	6.12
6	Skandinaviska Enskilda Banken Ab (Publ), Helsinki	851,526	3.04	3.04
7	Ilmarinen Mutual Pension Insurance Company	426,000	1.52	1.52
8	Varma Mutual Pension Insurance Company	389,000	1.39	1.39
9	Einari Vidgren Foundation	388,000	1.39	1.39
10	Elo Mutual Pension Insurance Company	364,925	1.30	1.30
11	Evli Finnish Small Cap Fund	280,685	1.00	1.00
12	Aktia Capital mutual fund	200,000	0.71	0.71
13	Citibank Europe Plc	179,332	0.64	0.64
14	Nummela Juho Aleksis	89,349	0.32	0.32
15	Säästöpankki Kotimaa mutual fund	79,392	0.28	0.28
16	Rinta-Jouppi Jarmo Aulis	57,500	0.21	0.21
17	Randelin Mari Elina	51,141	0.18	0.18
18	Kirkon Eläkerahasto	50,300	0.18	0.18
19	Relander Pär-Gustaf	48,000	0.17	0.17
20	Vidgren Kalle Samuel	41,407	0.15	0.15
21	Mandatum Life Insurance Company Limited	38,617	0.14	0.14
22	Vidgren Henri Eemil	38,084	0.14	0.14
23	Apotrade Consulting Oy	36,000	0.13	0.13
24	S-Bank Finnish Small Companies Equity Fund	35,000	0.13	0.13
25	Suka Oy	34,170	0.12	0.12
26	Outokummum Metall Oy	32,967	0.12	0.12
27	Aro Erkki Arvi Juhani	32,768	0.12	0.12
28	Relander Annette Louise	32,000	0.11	0.11
29	Proprius Partners Micro Finland (Non-Ucits)	30,000	0.11	0.11
30	Niemi Foundation	28,000	0.10	0.10
	Other shareholders	5,103,425	18.23	18.23
Total		28,000,000	100.00	100.00

At year-end 2025, Ponsse Plc had 18,407 shareholders (on 31 December 2024: 18,502).

Management holdings

Members of the Board of Directors, President and CEO, companies under their control and their underage children held a total of 9,985,387 Ponsse Plc shares on 31 December 2025, corresponding to 35.7% of shares and votes in the company.

The section Shares and Shareholders has not been audited.

PONSSE OYJ

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