

**PONSSE'S HALF-YEAR REPORT FOR 1 JANUARY – 30 JUNE 2021**

- Net sales for the period under review amounted to EUR 350.8 (276.4) million.
- Operating result for the period under review totalled EUR 36.3 (21.8) million, equalling 10.3 (7.9) per cent of net sales.
- Profit before taxes for the period under review was EUR 35.9 (7.0) million.
- Cash flow from business operations for the period under review was EUR 25.1 (-14.3) million.
- Earnings per share were EUR 0.89 (0.11) for the period under review.
- Equity ratio was 59.5 (47.9) per cent at the end of period under review.
- Order books stood at EUR 355.5 (179.3) million at the end of period under review.
- Net sales for the second quarter amounted to EUR 187.4 (131.9) million.
- Operating result for the second quarter totalled EUR 19.5 (8.4) million, equalling 10.4 (6.4) per cent of net sales.

**PRESIDENT AND CEO JUHO NUMMELA:**

The forest machine market continued its very positive development during the second quarter of the year. The good situation in the forest industry and among our customers was reflected favourably in all our business areas. Ponsse's order flow totalled EUR 236.3 million for the second quarter, increasing our order books to EUR 355.5 million. Our factory operated efficiently during the period under review, and we manufactured all the PONSSE forest machines included in our production programme as planned.

Demand for forest machines remained excellent in nearly all of our market areas. During the second quarter, we grew strongly and all our business areas developed positively. The steady work situation of our customers has been evidenced by the strong growth of our maintenance services. In addition, demand for trade-in machines has been high, and the rotation of our trade-in machine stock has developed in a positive direction. Our trade-in machine stock is showing slight growth driven by the strong invoicing for new machines. Nevertheless, our working capital has remained at a good level and our cash flow has been very strong considering the period.

The availability of parts and components continues to be a challenge due to high demand for machine and equipment manufacturing. Our organisation has cooperated excellently with our supplier and manufacturing network, and we have been able to secure the availability of parts for PONSSE forest

machines. Our manufacturing lines were on schedule when our Vieremä factory was closed for summer holidays in July. Pressures related to increasing the costs of parts and components continue to be high. What makes this challenging for Ponsse is that these increased costs cannot be transferred as a whole directly to our customers. This is affected by the far-reaching order books in our production, the pricing of already agreed machine deals and our customers' challenges in their business operations amidst increasing harvesting costs. Together with our suppliers, we are continuously seeking sustainable solutions to curb cost increases.

Ponsse's personnel have worked remotely since the outbreak of the coronavirus pandemic, apart from our production, sales and maintenance service personnel. We also started this autumn by working remotely to protect our production and maintenance service network. It is vital to keep our personnel healthy and serve our customers at full efficiency.

## NET SALES

Consolidated net sales for the period under review amounted to EUR 350.8 (276.4) million, which is 26.9 per cent more than in the comparison period. International business operations accounted for 79.0 (76.0) per cent of net sales.

Net sales were regionally distributed as follows: Northern Europe 35.2 (42.9) per cent, Central and Southern Europe 20.9 (22.8) per cent, Russia and Asia 19.2 (11.5) per cent, North and South America 24.3 (22.1) per cent and other countries 0.4 (0.7) per cent.

## PROFIT PERFORMANCE

The operating result amounted to EUR 36.3 (21.8) million. The operating result equalled 10.3 (7.9) per cent of net sales for the period under review. Consolidated return on capital employed (ROCE) stood at 21.2 (4.8) per cent.

Staff costs for the period totalled EUR 51.4 (42.9) million. Other operating expenses stood at EUR 28.0 (24.0) million. The net total of financial income and expenses amounted to EUR -0.4 (-14.8) million. Exchange rate gains and losses with a net effect of EUR -0.1 (-13.5) million were recognised under financial items for the period. The parent company's receivables from subsidiaries stood at EUR 70.7 (111.1) million net. Their reduction and the moderate change in exchange rates have resulted in a significantly reduced impact on financial items for the period under review. The unrealised exchange rate losses for the comparison period mainly consist of the assessment of inter-company accounts payable for Ponsse Latin America Ltda and OOO Ponsse.

The effective tax rate for the period under review is affected by a tax expense posted in full of Ponsse Latin America related to the valuation of a parent company net investment posted by the group in the financial statements 2020 and completed by the subsidiary in the period under review. The finality of the tax expense will be decided by the authorities. The parent company's receivables from subsidiaries mainly consist of trade receivables. The unposted tax assets of unrealised exchange rate losses for unhedged items related to the trade receivables' valuation impacted the group's effective tax rate for the comparison period.

Result for the period under review totalled EUR 24.8 (2.9) million. Diluted and undiluted earnings per share (EPS) came to EUR 0.89 (0.11).

## STATEMENT OF FINANCIAL POSITION AND FINANCING ACTIVITIES

At the end of the period under review, the total consolidated statements of financial position amounted to EUR 461.4 (484.8) million. Inventories stood at EUR 170.4 (174.8) million. Trade receivables totalled EUR 48.4 (38.5) million, while cash and cash equivalents stood at EUR 58.7 (103.3) million. Group shareholders' equity stood at EUR 266.1 (229.5) million and parent company shareholders' equity (FAS) at EUR 212.4 (215.7) million. The amount of interest-bearing liabilities was EUR 55.0 (165.0) million. The company has ensured its liquidity by credit facility limits and commercial paper programs, which are not used at the end of the period under review. Group's loans from financial institutions are non-collateral bank loans without financial covenants. Consolidated net liabilities totalled EUR -3.7 (61.7) million, and the debt-equity ratio (net gearing) was -1.4 (26.9) per cent. The equity ratio stood at 59.5 (47.9) per cent at the end of the period under review.

Cash flow from operating activities amounted to EUR 25.1 (-14.3) million. Cash flow from investment activities came to EUR -11.1 (-7.2) million.

## IMPACT OF THE COVID-19 PANDEMIC

The company has recovered from the impacts of Covid-19-pandemic on the demand for products faster than expected. However, the coronavirus pandemic has caused changes in the company's operating environment. The company's management is actively monitoring the development of the pandemic. The coronavirus pandemic may have a major impact on the availability of components. The company will continue its enhanced cost control and careful execution of investments going forward.

Coronavirus restrictions have been felt by company operations across the world. Decisions have been made to ensure the health and safety of the company's customers and all Ponsse employees. The company's white-collar employees continue teleworking, while manufacturing units and the sales and service business network continue to operate as normal.

In terms of financing, the company has carried out all measures necessary to ensure business continuity. The company has analysed credit risks related to trade receivables, as well as credit loss provisions, and concluded that there are sufficient provisions at the end of the period under review. The company has not had any signs of decreases in goodwill or the value of activated development costs.

## ORDER INTAKE AND ORDER BOOKS

Order intake for the period totalled EUR 535.7 (217.4) million, while period-end order books were valued at EUR 355.5 (179.3) million.

## DISTRIBUTION NETWORK

The subsidiaries included in the Ponsse Group are Ponsse AB, Sweden; Ponsse AS, Norway; Ponsse S.A.S., France; Ponsse UK Ltd, the United Kingdom; Ponsse Machines Ireland Ltd, Ireland; Ponsse North America, Inc., the United States; Ponsse Latin America Ltda, Brazil; Ponsse Uruguay S.A., Uruguay; OOO Ponsse, Russia; Ponsse Asia-Pacific Ltd, Hong Kong; Ponsse China Ltd, China

and Epec Oy, Finland. The Group includes also the property company Ponsse Centre, Russia. Sunit Oy, Finland, is an associate in which Ponsse Plc has a holding of 34 per cent.

## R&D AND CAPITAL EXPENDITURE

Group's R&D expenses during the period under review totalled EUR 11.5 (10.9) million, of which EUR 3.9 (4.4) million was capitalised.

Capital expenditure totalled EUR 11.3 (7.2) million. It consisted in addition to capitalised R&D expenses of investments in buildings and ordinary maintenance and replacement investments for machinery and equipment.

## MANAGEMENT

The following persons were members of the Management Team: Juho Nummela, President and CEO, acting as the chairman; Petri Härkönen, Deputy CEO, CFO; Juha Inberg, Technology and R&D Director; Marko Mattila, Sales and Marketing Director; Tapio Mertanen, Service Director; Paula Oksman, HR Director; Miika Soininen, Director of IT and Digital Services and Tommi Väänänen, Director of Delivery Chain Process. The company management has regular management liability insurance.

The area director organisation of sales is led by Marko Mattila, the Group's sales and marketing director, and Tapio Mertanen, service director. Area directors report to Jussi Hentunen, Ponsse retail network manager. Managing directors of subsidiaries and Jussi Hentunen report to Marko Mattila, Ponsse Plc's sales and marketing director.

The geographical distribution and the responsible persons are presented below:

Northern Europe:

Jani Liukkonen (Finland),  
Carl-Henrik Hammar (Sweden, Denmark and Norway) and  
Tarmo Saks (the Baltic countries).

Central and Southern Europe:

Tuomo Moilanen (Germany and Austria),  
Clément Puybaret (France),  
Janne Tarvainen (Spain and Portugal),  
Gary Glendinning (United Kingdom and Ireland),  
Antti Räsänen (Hungary, Italy, Romania, Slovenia, Croatia, Serbia and Bulgaria) and  
Tarmo Saks (Poland, Czech Republic and Slovakia).

Russia and Asia:

Jaakko Laurila (Russia and Belarus),  
Janne Tarvainen (Australia and South Africa) and  
Risto Kääriäinen (China and Japan).

North and South America:

Pekka Ruuskanen (the United States),  
Eero Lukkarinen (Canada),

Fernando Campos (Brazil) and  
Martin Toledo (Uruguay, Chile and Argentina).

## PERSONNEL

The Group had an average staff of 1,912 (1,771) during the period and employed 1,935 (1,777) people at period-end.

## SHARE PERFORMANCE

The company's registered share capital consists of 28,000,000 shares. The trading volume of Ponsse Plc shares for 1 January – 30 June 2021 totalled 690,444, accounting for 2.5 per cent of the total number of shares. Share turnover amounted to EUR 26.2 million, with the period's lowest and highest share prices amounting to EUR 29.15 and EUR 45.85, respectively.

At the end of the period, shares closed at EUR 42.40, and market capitalisation totalled EUR 1,187.2 million.

At the end of the period under review, the company held 227 treasury shares.

## ANNUAL GENERAL MEETING

A separate release was issued on 7 April 2021 regarding the authorizations given to the Board of Directors and other resolutions at the AGM.

## 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 the Code of Governance that complies 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 Code of Governance is available on Ponsse's website in the Investors section.

## RISK MANAGEMENT

Risk management is based on the company's values, as well as strategic and financial objectives. Risk management aims to support the achievement of the objectives specified in the company's strategy, as well as to ensure the financial development of the company and the continuity of its business.

Furthermore, risk management aims to identify, assess and monitor business-related risks which may influence the achievement of the company's strategic and financial goals or the continuity of its business. Decisions on the necessary measures to anticipate risks and react to observed risks are

made on the basis of this information.

Risk management is a part of regular daily business, and it is also included in the management system. Risk management is controlled by the risk management policy approved by the Board.

A risk is any event that may prevent the company from reaching its objectives or that threatens the continuity of business. On the other hand, 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. Methods of risk management include avoiding, mitigating and transferring risks. Risks can also be managed by controlling and minimising their impact.

## SHORT-TERM RISK MANAGEMENT

The insecurity in the world economy may result in a decline in the demand for forest machines and the availability of components. The unexpectedly swift recovery of the world economy and rapid growth in demand have resulted in availability problems in certain component groups. The quick economic fluctuation may affect availability, but also cause rapid inflation in the component market. The uncertainty may also be increased by the volatility of developing countries' foreign exchange markets. The geopolitical situation, in particular, will increase the uncertainty through financial market operations and sanctions. Changes taking place in the fiscal and customs legislation in countries to which Ponsse exports may hamper the company's export trade or its profitability.

The effects of the COVID-19 pandemic are described in section "IMPACT OF THE COVID-19 PANDEMIC" of this release.

The parent company monitors the changes in the Group's internal and external trade receivables and the associated risk of impairment.

The key objective of the company's financial risk management policy is to manage liquidity, interest and currency risks. The company ensures its liquidity through credit limit facilities agreed with a number of financial institutions. The effect of adverse changes in interest rates is minimised by utilising credit linked to different reference rates and by concluding interest rate swaps. The effects of currency rate fluctuations are partly mitigated through derivative contracts.

## OUTLOOK FOR THE FUTURE

Group's euro-denominated operating result in 2021 is expected to be slightly higher than in 2020.

The impact of the coronavirus pandemic on Ponsse's business, financial standing, operational performance and liquidity is constantly monitored.

Sustainable solutions to address the availability of parts and components, as well as increasing costs, are being sought in cooperation with the supplier network. The company will continue its enhanced cost control and careful investment execution.

PONSSE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	IFRS 1-6/21	IFRS 1-6/20	IFRS 1-12/20
NET SALES	350,792	276,408	636,627
Increase (+)/decrease (-) in inventories of finished goods and work in progress	23,286	17,577	-6,424
Other operating income	1,189	928	3,521
Raw materials and services	-247,488	-194,189	-418,400
Expenditure on employment-related benefits	-51,408	-42,851	-85,726
Depreciation and amortisation	-12,039	-11,998	-24,631
Other operating expenses	-28,047	-24,041	-47,821
OPERATING RESULT	36,286	21,836	57,146
Share of results of associated companies	34	-60	86
Financial income and expenses	-423	-14,764	-17,671
RESULT BEFORE TAXES	35,896	7,011	39,561
Income taxes	-11,110	-4,064	-7,277
NET RESULT FOR THE PERIOD	24,786	2,947	32,284
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:			
Translation differences related to foreign units	3,025	2,793	-968
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	27,811	5,740	31,316
Diluted and undiluted earnings per share*	0.89	0.11	1.15

	IFRS 4-6/21	IFRS 4-6/20
NET SALES	187,410	131,905
Increase (+)/decrease (-) in inventories of finished goods and work in progress	6,747	-4,892
Other operating income	768	458
Raw materials and services	-127,791	-82,158
Expenditure on employment-related benefits	-27,772	-20,224
Depreciation and amortisation	-6,146	-5,964
Other operating expenses	-13,697	-10,721
OPERATING RESULT	19,519	8,405
Share of results of associated companies	-51	-40
Financial income and expenses	1,155	213
RESULT BEFORE TAXES	20,623	8,577
Income taxes	-4,635	-2,445
NET RESULT FOR THE PERIOD	15,989	6,133
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	954	950
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	16,942	7,082

Diluted and undiluted earnings per share\* 0.57 0.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)

	IFRS 30 Jun 21	IFRS 30 Jun 20	IFRS 31 Dec 20
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	39,771	34,843	36,709
Goodwill	3,806	3,792	3,808
Property, plant and equipment	111,328	110,686	112,183
Financial assets	371	370	371
Investments in associated companies	800	685	832
Non-current receivables	901	1,119	839
Deferred tax assets	4,195	3,870	3,076
<b>TOTAL NON-CURRENT ASSETS</b>	<b>161,172</b>	<b>155,365</b>	<b>157,818</b>
<b>CURRENT ASSETS</b>			
Inventories	170,448	174,805	142,137
Trade receivables	48,367	38,486	35,384
Income tax receivables	2,056	421	1,849
Other current receivables	20,717	12,338	13,165
Cash and cash equivalents	58,682	103,348	123,611
<b>TOTAL CURRENT ASSETS</b>	<b>300,269</b>	<b>329,398</b>	<b>316,146</b>
<b>TOTAL ASSETS</b>	<b>461,441</b>	<b>484,763</b>	<b>473,964</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7,000	7,000	7,000
Other reserves	3,460	3,460	3,460
Translation differences	7,456	8,192	4,431
Treasury shares	-2	-2	-2
Retained earnings	248,138	210,812	240,149
<b>EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS</b>	<b>266,052</b>	<b>229,462</b>	<b>255,038</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	50,885	48,176	50,470
Deferred tax liabilities	812	1,075	1,137
Other non-current liabilities	90	48	41
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>51,787</b>	<b>49,299</b>	<b>51,648</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	4,141	116,874	64,055
Provisions	4,739	4,135	4,979
Tax liabilities for the period	2,565	1,210	1,312
Trade creditors and other current liabilities	132,158	83,784	96,932
<b>TOTAL CURRENT LIABILITIES</b>	<b>143,602</b>	<b>206,002</b>	<b>167,278</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>461,441</b>	<b>484,763</b>	<b>473,964</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)**

	IFRS 1-6/21	IFRS 1-6/20	IFRS 1-12/20
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net result for the period	24,786	2,947	32,284
Adjustments:			
Financial income and expenses	423	14,764	17,671
Share of the result of associated companies	-34	60	-86
Depreciation and amortisation	12,039	11,998	24,631
Income taxes	11,110	4,064	7,277
Other adjustments	1,619	-303	-58
Cash flow before changes in working capital	49,943	33,531	81,719
Change in working capital:			
Change in trade receivables and other receivables	-19,993	8,626	9,454
Change in inventories	-25,574	-27,829	1,965
Change in trade creditors and other liabilities	34,732	-21,235	-5,743
Change in provisions for liabilities and charges	-240	685	1,529
Interest received	62	41	97
Interest paid	-664	-632	-1,068
Other financial items	-1,625	-1,036	-3,100
Income taxes paid	-11,516	-6,431	-10,063
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>	<b>25,126</b>	<b>-14,281</b>	<b>74,790</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Investments in tangible and intangible assets	-11,273	-7,247	-20,270
Proceeds from sale of tangible and intangible assets	141	2	254
<b>NET CASH FLOWS USED IN INVESTMENT ACTIVITIES (B)</b>	<b>-11,132</b>	<b>-7,245</b>	<b>-20,016</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Withdrawal/Repayment of current loans	-60,119	83,655	28,680
Withdrawal/Repayment of finance lease liabilities	-1,501	-1,302	-1,268
Dividends paid	-16,800	-6,623	-8,400
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>-78,420</b>	<b>75,731</b>	<b>19,012</b>
<b>Change in cash and cash equivalents (A+B+C)</b>	<b>-64,426</b>	<b>54,205</b>	<b>73,786</b>
Cash and cash equivalents on 1 Jan	123,611	48,704	48,704
Impact of exchange rate changes	-503	439	1,121
Cash and cash equivalents on 30 Jun/31 Dec	58,682	103,348	123,611

\*) The company changed over to presenting the change in non-current receivables included in the cash flow statement under item change in trade receivables and other receivables. As a result, previously reported cash flows have been adjusted to allow comparability. The previously reported cash flow from business operations was EUR -14.6 million in the half-year report for 1 January – 30 June 2020. In addition, the company has made a retrospective change between items Other adjustments, Income taxes paid and Change in trade creditors and other liabilities. The change had no effect on Net cash flows from operating activities (A).

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

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

	EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS					
	A	B	C	D	E	F
SHAREHOLDERS' EQUITY						
1 JAN 2021	7,000	3,460	4,431	-2	240,149	255,038
Translation differences			3,025			3,025
Result for the period					24,786	24,786
Total comprehensive income						
for the period			3,025		24,786	27,811
Dividend distribution					-16,800	-16,800
Direct entries to retained earnings					3	3
SHAREHOLDERS' EQUITY						
30 JUN 2021	7,000	3,460	7,456	-2	248,138	266,052
SHAREHOLDERS' EQUITY						
1 JAN 2020	7,000	3,460	5,400	-2	216,264	232,121
Translation differences			2,793			2,793
Result for the period					2,947	2,947
Total comprehensive income						
for the period			2,793		2,947	5,740
Dividend distribution					-8,399	-8,399
SHAREHOLDERS' EQUITY						
30 JUN 2020	7,000	3,460	8,193	-2	210,812	229,462

SEGMENT INFORMATION (EUR 1,000)

OPERATING SEGMENTS

	Northern Europe	Central and Southern Europe	Russia and Asia	North and South America	Total
1-6/2021					
Net sales of the segment	235,837	75,021	67,989	86,654	465,502
Sales between segments	-112,504	-1,765	-511	-1,462	-116,241
Unallocated sales					1,531
NET SALES FROM EXTERNAL CUSTOMERS	123,334	73,257	67,478	85,192	350,792
Operating result of the segment	2,362	10,712	11,652	10,276	35,002
Unallocated items					1,284
OPERATING RESULT	2,362	10,712	11,652	10,276	36,286

OPERATING SEGMENTS

	Northern Europe	Central and Southern Europe	Russia and Asia	North and South America	Total
1-6/2020					
Net sales of the segment	189,341	64,350	32,329	62,122	348,142
Sales between segments	-70,603	-1,210	-655	-1,096	-73,563
Unallocated sales					1,830
NET SALES FROM EXTERNAL CUSTOMERS	118,738	63,139	31,675	61,026	276,408
Operating result of the segment	2,329	8,457	996	6,783	18,565
Unallocated items					3,271
OPERATING RESULT	2,329	8,457	996	6,783	21,836

	30 Jun 21	30 Jun 20	31 Dec 20
1. LEASING COMMITMENTS (EUR 1,000)	789	653	595
2. CONTINGENT LIABILITIES (EUR 1,000)	30 Jun 21	30 Jun 20	31 Dec 20
Guarantees given on behalf of others	20	0	20
Responsibility of checking the VAT deductions made on real property investments	7,584	8,217	7,863
Other commitments	32	6	14
TOTAL	7,636	8,223	7,897

3. PROVISIONS (EUR 1,000)	Guarantee provision
1 January 2021	4,979
Provisions added	262
Provisions cancelled	-502
30 June 2021	4,739

4. DIVIDENDS PAID (EUR 1,000)	30 Jun 21	30 Jun 20
Dividends per share EUR 0.60 (EUR 0.30)	16,800	8,400

5. PROPERTY, PLANT AND EQUIPMENT (EUR 1,000)	1-6/21	1-6/20
Increase	8,715	5,354
Decrease	-9,697	-5,519
TOTAL	-982	-165

6. RELATED PARTY TRANSACTIONS	1-6/21	1-6/20
Management's employment-related benefits (EUR 1,000)		
Salaries and other short-term employment-related benefits	2,276	2,247
Benefits paid upon termination of employment	0	0
Pension liabilities, statutory and voluntary pension security	603	673
Compensation of the members of the Board of Directors	142	123

KEY FIGURES AND RATIOS	30 Jun 21	30 Jun 20	31 Dec 20
R&D expenditure, MEUR	11.5	10.9	21.3
Capital expenditure, MEUR	11.3	7.2	20.3
as % of net sales	3.2	2.3	3.2
Average number of employees	1,912	1,771	1,782
Order books, MEUR	355.5	179.3	174.9
Equity ratio, %	59.5	47.9	54.3

Diluted and undiluted earnings per share (EUR)	0.89	0.11	1.15
Equity per share (EUR)	9.50	8.20	9.11

## FORMULAE FOR FINANCIAL INDICATORS

Return on capital employed, %:

Result before taxes + financial expenses

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

Average number of employees:

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

Net gearing, %:

Interest-bearing financial liabilities – cash and cash equivalents

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Shareholders' equity \* 100

Equity ratio, %:

Shareholders' equity + Non-controlling interests

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Balance sheet total - advance payments received \* 100

Earnings per share:

Net result for the period - Non-controlling interests

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

Equity per share:

Shareholders' equity

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

ORDER INTAKE (EUR million)	1-6/21	1-6/20	1-12/20
Ponsse Group	535.7	217.4	581.7

The stock exchange release for the half-year report has been prepared observing the recognition and valuation principles of IFRS, and the requirements of IAS 34 have been complied with. The same accounting principles were observed for the closing of the books as for the annual financial statements dated 31 December 2020.

In April 2021, the IFRS Interpretations Committee published its final agenda decision on the accounting of configuration or customisation costs in a cloud computing arrangement (IAS 38 Intangible Assets). In this agenda decision, the Interpretations Committee determined whether customers recognise an intangible asset in relation to the configuration or customisation of application software by applying the IAS 38 standard and, if no intangible asset is recognised, how customers account for the configuration or customisation costs in question. IFRIC agenda decisions have no date when they enter into force, and they are expected to be applied as soon as possible. Because the Group uses cloud computing arrangements, it has started to analyse whether this agenda decision has any impact on the accounting principles applied to the deployment costs of cloud services. The Group will conduct this analysis during the autumn of 2021, and any impact will be

taken retroactively into account no later than in the 2021 financial statements.

The above figures have not been audited.

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

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

Vieremä, 10 August 2021

PONSSE PLC

Juho Nummela  
President and CEO

#### FURTHER INFORMATION

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#### DISTRIBUTION

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

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