

## PONSSE'S FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2021

- Net sales amounted to EUR 750.0 (Q1-Q4/2020 636.6) million.
- Q4 net sales amounted to EUR 226.6 (Q4/2020 205.2) million.
- Operating result totalled EUR 75.0 (Q1-Q4/2020 57.1) million, equalling 10.0 (9.0) per cent of net sales.
- Q4 operating result totalled EUR 18.7 (Q4/2020 13.7) million, equalling 8.3 (6.7) per cent of net sales.
- Profit before taxes was EUR 73.2 (Q1-Q4/2020 39.6) million.
- Cash flow from business operations was EUR 102.4 (74.8) million.
- Earnings per share were EUR 1.97 (1.15).
- Equity ratio was 60.7 (54.3) per cent.
- Order books stood at EUR 439.8 (174.9) million.
- The Board of Directors' proposal for the distribution of profit is EUR 0.85 (0.60) per share.
- Group's euro-denominated operating result in 2022 is estimated to be on a par with 2021.

### PRESIDENT AND CEO JUHO NUMMELA:

The year 2021 was a time of growth for Ponsse. We had a record-breaking order flow, and our order book reached a historical high. Every business area experienced significant growth and our cash flow was strong throughout the year. Our company's solvency is at a good level.

Our customers' work situation was good throughout the year. The upward trend in demand for PONSSE forest machines started in the last quarter of 2020. In the first quarter of 2021, demand accelerated rapidly and increased our volume of orders significantly. It was soon clear that we could run our Vieremä factory at full capacity for the whole year, component availability and COVID-19 measures permitting. The market situation was good everywhere, especially in Russia, which reclaimed its position as the largest market in the world for Cut-to-Length forest machines.

The very strong demand and the success of our sales network swelled our order book very quickly and, by the end of the year, it had reached a record-breaking EUR 439.8 (174.9) million.

The healthy market conditions were also reflected in our service business. After sales services grew more than expected as our customers had busy work schedules. The continuous development of our service business yielded excellent results as our service business network was able to keep our customers' machines in production use worldwide. Our used machine business saw decent growth and we kept a good stock of trade-in machines.

The fastest-growing business area was Epec Oy, our technology company, which is now reaping the rewards of a change in strategy. The shifting of our operating environment towards increasingly eco-friendly technologies has created excellent opportunities for cutting-edge Epec and Ponsse technology.

Ponsse experienced very strong growth and our net sales in 2021 reached EUR 750.0 (636.6) million, growing by 18 per cent.

This growth required immense effort even in the stable market conditions. The other side of high demand were the challenges in the availability of components and parts. Rapid demand for device and machine manufacturing was a challenge for already vulnerable production networks. High

demand together with logistical issues affected the availability of components and parts and triggered intense inflation in prices and other operating expenses. Both our service business and supply chain suffered as a result. Even so, we managed to manufacture every PONSSE forest machine as planned and delivered them to our customers all over the world. The problems with the availability of components and parts have put considerable stress on the people of our company and production network. We are proud of their superb performance that has allowed our service business network and factories to keep running. In August, the Vieremä factory finished the 17,000th PONSSE forest machine.

Our net operating profit was EUR 75.0 (57.1) million and our operating profit margin was 10.0 (9.0) per cent. The growth of our relative net profit was hampered by the inflation of product costs. Due to this inflation and increases in operating expenses, more work will be required in the coming years to achieve our relative profitability target of 12 per cent. Cash flow from business operations was excellent at EUR 102.4 (74.8) million. We succeeded in managing our working capital in 2021 and maintained a very good ratio of working capital to net sales.

We focus on the continuous and appropriate development of Ponsse. Our distribution and service network is developing quickly around the world. In 2021, we announced an arrangement whereby the functions of dealer FC Ventas Y Servicios will be transferred to a new subsidiary, Ponsse Chile SpA, in Q1/2022. We are developing our distribution network and its operations systematically and seek to expand to new areas as required by our customers. We are investing continuously in our manufacturing network to increase the capacity and quality of our production. Our product technology development is proceeding quickly, and we will be investing more in R&D and new technologies. As a rule, all our investments are aimed at improving added value for customers.

Ponsse employees have been telecommuting since the start of the COVID-19 pandemic with the exception of our production, sales and service personnel. The office workers of the Vieremä factory will continue to work from home to protect the continuity of our production. We will also maintain the utmost precautions at our other locations to avoid COVID-19 infections. It is vital to keep our people healthy and maintain optimal customer service efficiency.

## NET SALES

Consolidated net sales for the period under review amounted to EUR 750.0 (636.6) million, which is 17.8 per cent more than in the comparison period. International business operations accounted for 80.4 (79.6) per cent of net sales.

Net sales were regionally distributed as follows: Northern Europe 33.3 (39.6) per cent, Central and Southern Europe 18.2 (23.6) per cent, Russia and Asia 22.2 (14.6) per cent, North and South America 25.9 (21.7) per cent and other countries 0.4 (0.5) per cent.

## PROFIT PERFORMANCE

The operating result amounted to EUR 75.0 (57.1) million. The operating result equalled 10.0 (9.0) per cent of net sales for the period under review. Consolidated return on capital employed (ROCE) stood at 20.7 (12.4) per cent.

Staff costs for the period totalled EUR 102.8 (85.7) million. Other operating expenses stood at EUR 63.6 (47.8) million. The net total of financial income and expenses amounted to EUR -1.8 (-17.7)

million. Exchange rate gains and losses with a net effect of EUR -1.0 (-15.2) million were recognised under financial items for the period. The parent company's receivables from subsidiaries stood at EUR 37.3 (42.2) 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.

Result for the period under review totalled EUR 55.1 (32.3) million. Diluted and undiluted earnings per share (EPS) came to EUR 1.97 (1.15).

#### 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 512.6 (474.0) million. Inventories stood at EUR 167.4 (142.1) million. Trade receivables totalled EUR 43.5 (35.4) million, while cash and cash equivalents stood at EUR 120.9 (123.6) million. Group shareholders' equity stood at EUR 297.3 (255.0) million and parent company shareholders' equity (FAS) at EUR 226.8 (197.3) million. The amount of interest-bearing liabilities was EUR 54.8 (114.5) 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 -66.1 (-9.1) million, and the debt-equity ratio (net gearing) was -22.2 (-3.6) per cent. The equity ratio stood at 60.7 (54.3) per cent at the end of the period under review.

Cash flow from operating activities amounted to EUR 102.4 (74.8) million. Cash flow from investment activities came to EUR -24.1 (-20.0) 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 covid-19 pandemic has caused changes in the company's operating environment. The company's management is actively monitoring the development of the pandemic. The covid-19 pandemic has had a major impact on the availability of components.

Covid-19 pandemic 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 have mainly been teleworking, while manufacturing units and the sales and service business network are operating 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 and 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.

#### Impact on financial reporting

Based on the company's impairment calculations, there was no need to reduce the goodwill of any cash-generating unit at the end of the financial period.

The company analysed credit risks related to trade receivables, as well as credit loss provisions, and concluded that there were enough provisions at the end of the financial period.

## ORDER INTAKE AND ORDER BOOKS

Order intake for the period totalled EUR 1,019.6 (581.7) million, while period-end order books were valued at EUR 439.8 (174.9) million.

## DISTRIBUTION NETWORK

The subsidiaries included in the Ponsse Group are Ponsse AB, Sweden; Ponsse AS, Norway; Ponssé 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; Ponsse Chile SpA, Chile (as of 4 November 2021) and Epec Oy, Finland. The Group includes also the OOO Ponsse wholly-owned property company Ponsse Centre in Russia and Sunit Oy in Finland, which is Ponsse Plc's associate with a holding of 34 per cent.

## R&D AND CAPITAL EXPENDITURE

Group's R&D expenses during the period under review totalled EUR 23.8 (21.3) million, of which EUR 9.2 (9.2) million was capitalised.

Capital expenditure totalled EUR 24.9 (20.3) million. It consisted in addition to capitalised R&D expenses of investments in buildings and ordinary maintenance and replacement investments for machinery and equipment.

## ANNUAL GENERAL MEETING

Annual General Meeting was held in Vieremä, Finland 7 April 2021. 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 2020 financial period.

The AGM decided to pay a dividend of EUR 0.60 per share for 2020 (dividends totaling EUR 16,800,000). The dividend payment record date was 9 April 2021, and the dividends were paid on 16 April 2021.

Annual General Meeting authorised the Board of Directors to decide on the acquisition of treasury shares so that a maximum of 250,000 shares can be acquired in one or several instalments. The maximum amount corresponds to approximately 0.89 per cent of the company's total shares and votes.

The shares will be acquired in public trading organised by Nasdaq Helsinki ("the Stock Exchange"). Furthermore, they will be acquired and paid according to the rules of the Stock Exchange and Euroclear Finland Ltd.

The Board may, pursuant to the authorisation, only decide upon the acquisition of the treasury shares

using the company's unrestricted shareholders' equity.

The authorisation is required to support the company's growth strategy and for use in the company's potential corporate acquisitions or other arrangements. In addition, shares can be distributed to the company's current shareholders, used for increasing shareholders' ownership value by invalidating shares after their acquisition or used in personnel incentive systems. The authorisation includes the right of the Board to decide upon all other terms and conditions in the acquisition of treasury shares.

The authorisation is valid until the next Annual General Meeting; however, no later than 30 June 2022. The previous authorisations are cancelled.

The AGM authorised the Board of Directors to decide on the assignment of treasury shares held by the company in one or more tranches for payment or without payment so that a maximum of 250,000 shares will be issued on the basis of the authorisation. The maximum amount corresponds to approximately 0.89 per cent of the company's total shares and votes.

The authorisation includes the right of the Board to decide upon all other terms and conditions of the share issue. Thus, the authorisation includes the right to organise a special issue in deviation of the shareholders' subscription rights under the conditions prescribed by law.

The authorisation is used in supporting the company's growth strategy in the company's potential corporate acquisitions or other arrangements. In addition, the shares can be issued to the company's current shareholders, sold through public trading or used in personnel incentive systems. A directed share issue may only be free of charge if there is a particularly weighty economic reason for this considering the company, taking into account the interests of the company and all of its shareholders.

The authorisation is valid until the next Annual General Meeting; however, no later than 30 June 2022. The previous authorisations are cancelled.

Annual General Meeting authorised the Board of Directors to decide on a directed share issue and to issue special rights entitling to shares as referred to in Section 10(1) of the Finnish Limited Liability Companies Act, in one or more tranches, for payment or without a payment.

Based on the authorisation, a maximum of 200,000 shares can be issued, which is approximately 0.7 per cent of the current total number of shares in the company. Shares can be issued as part of the company's share-based incentive plans. The Board of Directors will decide on all the terms and conditions for the granting of special rights entitling to shares in the share issue. Based on the authorisation, a derogation from the pre-emptive subscription right of shareholders (directed issue) may be granted for the special rights entitling to shares. A directed issue may only be free of charge if there is a particularly weighty economic reason for this considering the company, taking into account the interests of the company and all of its shareholders.

The authorisation is valid until the next Annual General Meeting, however no later than 30 June 2022.

#### BOARD OF DIRECTORS AND THE COMPANY'S AUDITORS

Jarmo Vidgrén acted as Chairman of the Board and Mammu Kaario as Vice Chairman of the Board. Members of the Board were Matti Kylävainio, Juha Vanhainen, Janne Vidgrén, Juha Vidgrén and Jukka Vidgrén.

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

The Board of Directors convened eleven times during the period under review. The attendance rate was 97.4 percent.

During the period under review, KPMG Oy Ab acted as the company auditor with Ari Eskelinen, Authorised 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, 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 (Hungary, Romania, Slovenia, Croatia and Serbia until 28 February 2021; United Kingdom and Ireland),  
Antti Räsänen (Hungary, Italy, Romania, Slovenia, Croatia, Serbia and Bulgaria starting 1 March 2021) 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 1,954 (1,782) during the period and employed 2,072 (1,845) 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 – 31 December 2021 totalled 1,351,899, accounting for 4.8 per cent of the total number of shares. Share turnover amounted to EUR 54.4 million, with the period's lowest and highest share prices amounting to EUR 29.15 and EUR 48.8, respectively.

At the end of the period, shares closed at EUR 42.20, and market capitalisation totalled EUR 1,181.6 million.

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

## CERTIFIED MANAGEMENT SYSTEMS

Ponsse Plc is committed to observing the following standards: ISO 9001 for quality management systems, ISO 14001 for environmental management systems, and ISO 45001 for occupational health and safety management systems. The purpose of management systems is to standardise our group's operations and ensure our company's continuous development.

Our management systems were audited by LRQA in 2021, and we also carried out a statutory compliance audit of our production. Internal audits mandated by our operating processes were carried out in the group according to the normal audit programme. Due to the COVID-19 pandemic, only select critical audits were performed in our supplier network.

Ponsse Uruguay S.A, part of Ponsse Group, has been ISO 9001 and ISO 45001 certified since 2020. Ponsse Latin America Ltda, our Brazilian subsidiary, was ISO 9001 certified in 2021. Ponsse's Finnish subsidiary Epec Oy was awarded ISO 27001 certification for its information security management system in 2021. Epec develops and produces Ponsse data system solutions. Epec Oy also has the following certifications: ISO 9001 for quality management systems, ISO 14001 for environmental management systems, and ISO 45001 for occupational health and safety management systems.

## SUSTAINABLE DEVELOPMENT

Our management systems steer the implementation of Ponsse's sustainable development principles and responsible leadership. At Ponsse, sustainable development means taking the economic, social and ecological points of view and the principles related to them equally into account in the company's operations.

According to the point of view of ecological sustainability we want to avoid and minimise the negative impacts of our products, services, operations and decisions on biodiversity, the ecosystem and sufficiency of natural resources.

We evaluate the lifetime environmental impacts of our products according to the life cycle assessment specified in ISO 14040. Our investments in minimising the fuel consumption and emissions of our products, as well as the damage they can cause to trees and the soil, and the continuous development of our service processes also influence the sustainability of our customers' operations.

To maintain social sustainability, we ensure people's occupational health and safety, exercise equal and fair treatment, and support employment and the development of a skilled workforce.

In economical sustainability, we focus on profitability, cash flow from business operations, and growth to ensure our company's financial performance in the long term. This brings stability and continuity to local communities and society all across our global field of operations.

## 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.

## NON-FINANCIAL INFORMATION REPORTING

The non-financial information reporting is available at the annual report, in section Corporate social responsibility and also 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.

## 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 utilises 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 balance sheet date.

### 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 general model specified in IFRS 9 is applied when recognising provision for expected credit losses.

### Inventories

On the date of the financial statements, the Group recognises 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 realised guarantee expenses and on failure history recorded in the previous years. In addition, company may prepare provision for possible individual warranty obligations, if needed.

### 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 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.

### Accounting of configuration or customisation costs in a cloud computing arrangement

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 when an intangible asset in relation to the configuration or customisation of application software can be recognized. 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 analysed the impact on the accounting principles applied to the deployment costs of cloud services. Based on this analysis, it was concluded that the IFRIC agenda decision has an impact on the earlier accounting treatment related to costs in cloud computing arrangements. As a result of the analysis, Group has expensed cloud computing related costs which clearly do not give rise to an intangible asset. This recognition has an EUR 0.2 million impact on the fourth quarter result. The analysis will be continued during 2022 for items under consideration recorded in advance payments (EUR 0.4 million) in order to confirm the final accounting treatment.

### EVENTS AFTER THE PERIOD

Ponsse Group will be independently responsible for its sales, spare parts and maintenance services in the Czech Republic. On 4 February 2022, Ponsse signed a deed of sale, in which it agrees to purchase all shares in KŘENEK FOREST SERVICE s.r.o, its PONSSE forest machine and service dealer in the Czech Republic. The aim is that PONSSE services in the Czech Republic will transfer to Ponsse Group by 1 April 2022. The company will operate as a subsidiary wholly owned by Ponsse.

### OUTLOOK FOR THE FUTURE

Group's euro-denominated operating result in 2022 is estimated to be on a par with 2021.

Sustainable solutions to address the availability of parts and components, as well as increasing costs, are being sought in cooperation with the supplier network. High rate of infections caused by the covid-19 pandemic can cause significant challenges to supplier network and Ponsse's own operations. The company will continue its enhanced cost control and careful investment execution.

### ANNUAL GENERAL MEETING

Ponsse Plc's Annual General Meeting will be held on 7 April 2022, starting at 11:00 a.m. at the place and in a way to be announced later.

## BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF PROFIT

The parent company Ponsse Plc had 185,322,440.64 euros of distributable funds on 31 December 2021.

The company's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.85 per share shall be paid for the year 2021. 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 be paid for 2021 to the personnel employed by the Group.

## PONSSE GROUP

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	IFRS 1-12/21	IFRS 1-12/20
<b>NET SALES</b>	<b>749,998</b>	<b>636,627</b>
Increase (+)/decrease (-) in inventories of finished goods and work in progress	12,502	-6,424
Other operating income	3,573	3,521
Raw materials and services	-499,351	-418,400
Expenditure on employment-related benefits	-102,835	-85,726
Depreciation and amortisation	-25,251	-24,631
Other operating expenses	-63,615	-47,821
<b>OPERATING RESULT</b>	<b>75,021</b>	<b>57,146</b>
Share of results of associated companies	19	86
Financial income and expenses	-1,836	-17,671
<b>RESULT BEFORE TAXES</b>	<b>73,204</b>	<b>39,561</b>
Income taxes	-18,131	-7,277
<b>NET RESULT FOR THE PERIOD</b>	<b>55,073</b>	<b>32,284</b>
<b>OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:</b>		
Translation differences related to foreign units	3,916	-968
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>58,989</b>	<b>31,316</b>
Diluted and undiluted earnings per share*	1.97	1.15
	IFRS 10-12/21	IFRS 10-12/20
<b>NET SALES</b>	<b>226,569</b>	<b>205,202</b>
Increase (+)/decrease (-) in inventories of finished goods and work in progress	-8,406	-28,979
Other operating income	1,479	2,195
Raw materials and services	-142,209	-119,749
Expenditure on employment-related benefits	-30,510	-24,765
Depreciation and amortisation	-6,875	-5,895
Other operating expenses	-21,299	-14,301
<b>OPERATING RESULT</b>	<b>18,748</b>	<b>13,708</b>
Share of results of associated companies	-20	168
Financial income and expenses	-197	2,965
<b>RESULT BEFORE TAXES</b>	<b>18,530</b>	<b>16,841</b>
Income taxes	-2,670	796
<b>NET RESULT FOR THE PERIOD</b>	<b>15,861</b>	<b>17,637</b>
<b>OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:</b>		
Translation differences related to foreign units	490	-2,545
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>16,350</b>	<b>15,092</b>
Diluted and undiluted earnings per share*	0.57	0.63

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)**

	IFRS 31 Dec 21	IFRS 31 Dec 20
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	42,087	36,709
Goodwill	3,801	3,808
Property, plant and equipment	112,127	112,183
Financial assets	373	371
Investments in associated companies	785	832
Non-current receivables	173	839
Deferred tax assets	3,360	3,076
<b>TOTAL NON-CURRENT ASSETS</b>	<b>162,706</b>	<b>157,818</b>
<b>CURRENT ASSETS</b>		
Inventories	167,414	142,137
Trade receivables	43,394	35,384
Income tax receivables	938	1,849
Other current receivables	17,270	13,165
Cash and cash equivalents	120,900	123,611
<b>TOTAL CURRENT ASSETS</b>	<b>349,916</b>	<b>316,146</b>
<b>TOTAL ASSETS</b>	<b>512,622</b>	<b>473,964</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	7,000	7,000
Other reserves	3,460	3,460
Translation differences	8,347	4,431
Treasury shares	-2	-2
Retained earnings	278,462	240,149
<b>EQUITY OWNED BY PARENT COMPANY</b>		
<b>SHAREHOLDERS</b>	<b>297,267</b>	<b>255,038</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing liabilities	49,851	50,470
Deferred tax liabilities	967	1,137
Other non-current liabilities	87	41
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>50,905</b>	<b>51,648</b>
<b>CURRENT LIABILITIES</b>		
Interest-bearing liabilities	4,945	64,055
Provisions	4,550	4,979
Tax liabilities for the period	901	1,312
Trade creditors and other current liabilities	154,054	96,932
<b>TOTAL CURRENT LIABILITIES</b>	<b>164,450</b>	<b>167,278</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>512,622</b>	<b>473,964</b>

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

	IFRS 1-12/21	IFRS 1-12/20
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net result for the period	55,073	32,284
Adjustments:		
Financial income and expenses	1,836	17,671
Share of the result of associated companies	-19	-86
Depreciation and amortisation	25,251	24,631
Income taxes	18,131	7,277
Other adjustments	-1,016	-58
Cash flow before changes in working capital	99,256	81,719
Change in working capital:		
Change in trade receivables and other receivables	-12,835	9,454
Change in inventories	-22,371	1,965
Change in trade creditors and other liabilities	57,525	-5,743
Change in provisions for liabilities and charges	-429	1,529
Interest received	190	97
Interest paid	-1,062	-1,068
Other financial items	279	-3,100
Income taxes paid	-18,126	-10,063
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>	<b>102,429</b>	<b>74,790</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Investments in tangible and intangible assets	-24,856	-20,270
Proceeds from sale of tangible and intangible assets	776	254
<b>NET CASH FLOWS USED IN INVESTMENT ACTIVITIES (B)</b>	<b>-24,080</b>	<b>-20,016</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Withdrawal/Repayment of current loans	-61,031	28,680
Withdrawal/Repayment of finance lease liabilities	-3,113	-1,268
Dividends paid	-16,800	-8,400
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>-80,943</b>	<b>19,012</b>
Change in cash and cash equivalents (A+B+C)	-2,594	73,786
Cash and cash equivalents on 1 Jan	123,611	48,704
Impact of exchange rate changes	-116	1,121
Cash and cash equivalents on 31 Dec	120,900	123,611

\*) The company has made a retrospective change in comparison period 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
<b>SHAREHOLDERS' EQUITY</b>						
1 JAN 2021	7,000	3,460	4,431	-2	240,149	255,038
Translation differences			3,916			3,916
Result for the period					55,073	55,073
Total comprehensive income for the period			3,916		55,073	58,989
Direct entries to retained earnings					7	7
Share Plan					33	33
Dividend distribution					-16,800	-16,800
<b>SHAREHOLDERS' EQUITY</b>						
31 DEC 2021	7,000	3,460	8,347	-2	278,462	297,267
<b>SHAREHOLDERS' EQUITY</b>						
1 JAN 2020	7,000	3,460	5,399	-2	216,264	232,121
Translation differences			-968			-968
Result for the period					32,284	32,284
Total comprehensive income for the period			-968		32,284	31,316
Dividend distribution					-8,400	-8,400
<b>SHAREHOLDERS' EQUITY</b>						
31 DEC 2020	7,000	3,460	4,431	-2	240,149	255,038
					31 Dec 21	31 Dec 20
1. LEASING COMMITMENTS (EUR 1,000)					751	595
2. CONTINGENT LIABILITIES (EUR 1,000)					31 Dec 21	31 Dec 20
Guarantees given on behalf of others					20	20
Responsibility of checking the VAT deductions made on real property investments					7,272	7,863
Other commitments					112	14
<b>TOTAL</b>					7,404	7,897
3. PROVISIONS (EUR 1,000)				Guarantee provision		
1 January 2021					4,979	
Provisions added					956	
Provisions cancelled					-1,384	
31 December 2021					4,550	

**KEY FIGURES AND RATIOS**

	31 Dec 21	31 Dec 20
R&D expenditure, MEUR	23.8	21.3
Capital expenditure, MEUR	24.9	20.3
as % of net sales	3.3	3.2
Average number of employees	1,954	1,782
Order books, MEUR	439.8	174.9
Equity ratio, %	60.7	54.3
Diluted and undiluted earnings per share (EUR)	1.97	1.15
Equity per share (EUR)	10.62	9.11

**FORMULAE FOR FINANCIAL INDICATORS**

Return on capital employed, %:

Result before taxes + financial expenses

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

Average number of employees:

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

Net gearing, %:

Interest-bearing financial liabilities – cash and cash equivalents

Shareholders' equity \* 100

Equity ratio, %:

Shareholders' equity + Non-controlling interests

Balance sheet total - advance payments received \* 100

Earnings per share:

Net result for the period - Non-controlling interests

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

Equity per share:

Shareholders' equity

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

ORDER INTAKE (EUR million)	1-12/21	1-12/20
Ponsse Group	1,019.6	581.7

The stock exchange release for the annual financial statements 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.

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, 22 February 2022

PONSSE PLC

Juho Nummela  
President and CEO

#### FURTHER INFORMATION

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*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.*