

Ponsse Plc  
Interim report  
23 April 2024, 9:00 a.m.

## **Ponsse's Interim Report for 1 January – 31 March 2024**

January-March:

- Net sales amounted to EUR 169.7 (201.7) million
- Operating profit totalled EUR 1.2 (16.6) million, equalling 0.7 (8.2) per cent of net sales
- Net result was EUR -3.4 (14.0) million
- Earnings per share were EUR -0.12 (0.50)
- Order books stood at EUR 226.0 (336.9) million at the end of period under review
- Cash flow from business operations was EUR 8.5 (2.4) million (continuing and discontinued operations)
- Equity ratio was 57.6 (56.8) per cent at the end of period under review (continuing and discontinued operations)
- Ponsse published a new profit guidance on 19 April 2024: The company's euro-denominated operating profit is estimated to be slightly weaker in 2024 than in 2023 (EUR 47.2 million).

### **PRESIDENT AND CEO JUHO NUMMELA:**

The first quarter of the year was challenging for Ponsse. A brief market recovery at the beginning of the year faded towards the end of the reporting period. Orders received amounted to EUR 163.5 million and the company's order book stood at EUR 226.0 (336.9) million at the end of the period.

Our turnover decreased by approximately 16% to EUR 169.7 (201.7) million. Ponsse was significantly affected by the political strikes that took place in Finland at the beginning of the year. Export deliveries of new machines were interrupted by the strikes in March and machine invoicing remained weak. Turnover in service sales remained at a normal level thanks to the relatively good working conditions of our customers. Turnover at Ponsse's technology company, Epec, also fell due to the general slowdown in machine building. We were pleased to see an increase in our used machine sales, and we were able to deliver used machines to our customers well. The factory operated partly in one shift during the period under review but is returning to two shifts in the second quarter. Our Vieremä factory is running very well and there are no problems with the availability of parts.

Our operating profit was poor in the first quarter and our relative profitability was 0.7 (8.2) percent. The weak operating profit was affected by poor invoicing of new machines and by challenges at Ponsse's Brazilian subsidiary, Ponsse Latin America Ltda. The full-service contract that underlies the challenges at our Brazilian subsidiary is moving in the right direction, but patient development work is needed to correct the challenging situation.

Cash flow for the period amounted to EUR 8.5 (2.4) million. In particular, cash flow improved due to an improvement in the turnover of materials and supplies and a slight decrease in the stock of used machines. Some of our capital is still tied up in raw material inventories and in the used machines stock, which increases our working capital. The company's solvency has remained at a very good level.

The change in Ponsse's operating model, published on 20 February 2024, is progressing and has been at its most intense at the end of the quarter. The change is important for Ponsse's long-term

development, but at the same time it is hard for the company's staff. The global organisational structure that will come into force on 1 June 2024 brings new development opportunities for the staff, improves the efficiency of the group's operations, and allows the sales and services of our country-organisations to focus more on serving our customers. It is important to Ponsse that this change is promoted respecting the company's strong values and culture.

## NET SALES

Consolidated net sales for the period under review amounted to EUR 169.7 (201.7) million, which is 15.9 per cent less than in the comparison period. International business operations accounted for 71.2 (75.9) per cent of net sales.

Net sales were regionally distributed as follows: Northern Europe 50.4 (42.4) per cent, Central and Southern Europe 19.7 (21.3) per cent, North and South America 27.8 (33.5) per cent and other countries 2.1 (2.8) per cent.

	1-3/24	1-3/23
Net sales from continuing operations	169,659	201,729
Net sales from discontinued operations	0	1,535
Net sales total	169,659	203,264

## PROFIT PERFORMANCE

The operating profit amounted to EUR 1.2 (16.6) million. The operating profit equalled 0.7 (8.2) per cent of net sales for the period under review.

	1-3/24	1-3/23
Operating profit from continuing operations	1,247	16,619
Operating profit from discontinued operations	0	558
Operating profit total	1,247	17,177

Consolidated return on capital employed (ROCE) stood at -0.8 (17.6) per cent.

Staff costs for the period totalled EUR 27.8 (28.1) million. Other operating expenses stood at EUR 22.1 (19.5) million. The net total of financial income and expenses amounted to EUR -3.8 (0.6) million. Exchange rate gains and losses due to currency rate fluctuations were recognised under financial items, having a net impact of EUR -2.7 (1.4) million. During the period under review, EUR 0.3 million of revaluation gains on interest rate swaps were recognised in the result. The parent company's receivables from subsidiaries stood at EUR 119.2 (81.8) million net. Receivables from subsidiaries mainly consist of trade receivables.

Result for the period under review totalled EUR -3.4 (14.0) million. Diluted and undiluted earnings per share (EPS) came to EUR -0.12 (0.50).

## 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 557.2 (592.8) million. Inventories stood at EUR 234.8 (239.1) million. Trade receivables totalled EUR 53.3 (63.5) million, while cash and cash equivalents stood at EUR 55.2 (61.7) million. Group shareholders' equity stood at EUR 319.5 (334.3) million and parent company shareholders' equity (FAS) at EUR 290.6 (245.8) million. The amount of interest-bearing liabilities was EUR 100.5 (93.8) 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 45.4 (28.2) million, and the debt-equity ratio (net gearing) was 14.2 (8.4) per cent. The equity ratio stood at 57.6 (56.8) per cent at the end of the period under review.

Cash flow from operating activities amounted to EUR 8.5 (2.4) million. Cash flow from investment activities came to EUR -5.9 (-9.6) million.

## ORDER INTAKE AND ORDER BOOKS

Order intake for the period totaled EUR 163.5 (184.9) million, while period-end order books were valued at EUR 226.0 (336.9) million.

## DISTRIBUTION NETWORK AND GROUP STRUCTURE

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; Ponsse Asia-Pacific Ltd, Hong Kong; Ponsse China Ltd, China; Ponsse Chile SpA, Chile; Ponsse Czech s.r.o., Czech Republic, and Epec Oy, Finland.

The Group includes also the EAI PON1V Holding Oy in Finland and Sunit Oy in Finland, which is Ponsse Plc's associate with a holding of 34 per cent, and Bram Engineers B.V. in the Netherlands, which was acquired by Epec Oy on 11 November 2023.

## R&D AND CAPITAL EXPENDITURE

Group's R&D expenses during the period under review totalled EUR 5.7 (6.7) million, of which EUR 2.2 (2.5) million was capitalised.

Investments during the period under review totalled EUR 6.0 (9.9) million. In addition to capitalised R&D expenses, they consisted of investments in buildings and ordinary maintenance and replacement investments for machinery and equipment.

## MANAGEMENT

Janne Loponen has been appointed as the new Managing Director of Ponsse Latin America Ltda, effective 1 February 2024. Janne Loponen will be based in Brazil and will report to Marko Mattila, Chief Sales, Service & Marketing Officer of the Ponsse Group. Fernando Campos Passos, the former Managing Director of Ponsse Latin America Ltda, held the position since 2018.

## PERSONNEL

The Group had an average staff of 2,116 (2,050) during the period and employed 2,114 (2,054) people at the end of the period.

## SHARE-BASED INCENTIVE PLANS

The Board of Directors of Ponsse Plc approved two new Ponsse Group's share-based incentive plans

in 2023. A stock exchange release regarding the incentive plans was published on 3 March 2023. During the period under review, the cost effect of the share-based incentive plans was approximately EUR 0.2 million. For the restriction periods that started in 2023, the total cost effect of the share-based incentive plans is estimated to be around EUR 1.3 million in the years 2023-2025.

## 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 March 2024 totalled 194,664, accounting for 0.7 per cent of the total number of shares. Share turnover amounted to EUR 4.5 million, with the period's lowest and highest share prices amounting to EUR 22.35 and EUR 24.3, respectively.

At the end of the period, shares closed at EUR 23.60, and market capitalisation totalled EUR 660.8 million.

At the end of the period under review, the company held 21,562 treasury shares.

## ANNUAL GENERAL MEETING

Ponsse Plc's Annual General Meeting was held on Tuesday 9 April 2024. The Annual General Meeting approved the consolidated financial statements and the company's financial statements for the financial year 1 January – 31 December 2023 and discharged the members of the Board of Directors and CEO from liability. The Annual General Meeting decided that a dividend of EUR 0.55 per share will be paid for the financial year of 1 January – 31 December 2023. The Annual General Meeting decided that a maximum of EUR 100 profit bonus per person per working month is to be paid for the financial year 2023 to the personnel employed by the group. The Annual General Meeting approved the remuneration report and the remuneration policy for the company's governing bodies for financial year 2023.

The Annual General Meeting confirmed that the Board of Directors consists of seven (7) members. Jarmo Vidgren, Mammu Kaario, Terhi Koipijärvi, Matti Kylävaio, Ilpo Marjamaa, Juha Vanhainen, and Jukka Vidgren were re-elected as members of the Board of Directors. In its constitutive meeting convening right after the Annual General Meeting, the Board of Directors decided to elect Jarmo Vidgren as Chairperson of the Board of Directors and Mammu Kaario as the Deputy Chairperson of the Board of Directors. The Annual General Meeting resolved on an annual compensation of EUR 48,000 for the Chairperson of the Board of Directors, EUR 45,000 for the Deputy Chairperson of the Board of Directors, and EUR 38,000 for the ordinary members of the Board of Directors. Travel expenses will be reimbursed in accordance with the company's travel policy.

The Annual General Meeting resolved to re-elect the authorized Public Accountant KPMG Oy Ab as the company's auditor. The Annual General Meeting resolved that the remuneration of the auditor will be paid according to a reasonable invoice as approved by the Board of Directors. KPMG Oy Ab has announced that Ari Eskelinen, Authorized Public Accountant, will continue to act as the principal auditor. Authorized Public Accountant KPMG Oy Ab will also act as the sustainability reporting assurance provider of the company until the end of the next Annual General Meeting. The auditor will also be paid remuneration for services rendered for sustainability reporting assurance according to a reasonable invoice approved by the Board of Directors.

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 authorization is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2025.

The Annual General Meeting resolved to authorize the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. The number of shares to be issued based on the authorization may in total amount to a maximum of 250,000 shares (including shares issued based on options or special rights), corresponding to approximately 0.89 % of all the shares in the company. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2025.

## SUSTAINABILITY

We have defined our key sustainability goals, the realisation of which we promote through annual, activity-specific targets and actions as part of the company's strategy process. We want to improve the well-being of our people, innovate sustainable solutions that respect nature, develop our operations in a way that respects the natural environment, and be a reliable partner for whom community is an asset.

During the first quarter, Ponsse published a separate sustainability report for the year 2023 together with the company's annual report on 13 March 2024. In the company's annual report, also an extensive report on non-financial information, including a taxonomy report based on the six environmental objectives defined in the Taxonomy Regulation, was published. The company completed a climate risk assessment and a human rights impact assessment early in the year, the results of which were published in the above-mentioned reports.

Ponsse is preparing for the EU's Corporate Sustainability Reporting Directive (CSRD), which came into force at the beginning of 2024, by analysing its readiness to report in accordance with the EU's Sustainability Reporting Standards (ESRS). Ponsse will be one of the first companies to report under the CSRD and will publish its first sustainability report under the new reporting requirements in 2025. There are two key obligations for companies subject to the regulation. Companies will be required to report on sustainability issues in a separate section of their annual report (sustainability statement) in accordance with the European Reporting Standards (ESRS) and their sustainability reporting will have to be verified by an auditor or an independent assurance body as defined by the Directive.

As part of its reporting capability, the company completed a double materiality assessment during the first quarter. The assessment identified and prioritised the economic, social, and environmental sustainability issues that have the greatest impact and strategic value for our operations, both in the short and long term. The material impacts, risks and opportunities identified in the third-party supported assessment form the basis of Ponsse's 2024 Sustainability Reporting. As a result of the double materiality assessment, Ponsse will report in accordance with ESRS 2, ESRS E1, ESRS E4, ESRS E5, ESRS S1, ESRS S3 and ESRS S4.

The company added safety objectives as part of the remuneration schemes for Finnish employees from the beginning of February 2024. At the Annual General Meeting held on 9 April 2024, the company's remuneration policy, which also takes into account responsibility-related indicators in its performance measures, was approved.

In addition, the company started its first value chain (Scope 3) emissions calculation, which considers all emission categories relevant to the company. The first calculation will be cost-based, and the results will be available by the end of H1/2024. At the same time, we have identified the most relevant emission categories for our operations and defined data collection and reporting policies for them.

## 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

Our major short-term risks are related to the global geopolitical situation, sudden economic fluctuations, and to the interest rate level that has remained high. The geopolitical situation increases uncertainty through financial market operability, sanctions, and growing cybersecurity threats.

The risks in the financial market may also increase the volatility of developing countries' foreign exchange markets. The continued instability of the world economy and growing financing costs may also reduce demand for forest machines. Additionally, if the industrial action measures in Finland continue, Ponsse could suffer significant financial losses. These financial risks relate in particular to the functionality of the production and supply chains.

In the challenging situation, Ponsse's strong financial position is important. In terms of financing, Ponsse has carried out all measures necessary to ensure business continuity, and financial situation is regularly evaluated. The key objective of the company's financial risk management policy is to manage liquidity, interest, and currency risks. The company's financial position and liquidity have remained strong due to binding credit limit facilities agreed with several financial institutions. The effect of adverse changes in interest rates is minimized by utilizing credit linked to different reference rates and by concluding interest rate swaps. The effects of currency rate fluctuations are partly mitigated through derivative contracts.

The parent company monitors the changes in the Group's internal and external trade receivables and the associated risk of impairment. The company has long-term and extensive service contracts, which may involve operational risks.

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. Global supply chain disruptions can make it more difficult to manage PONSSE forest machine production schedules and it may tie up more capital in the company's supply chain and increase the risks related to working capital management.

In order to strengthen cybersecurity, Ponsse has clarified its software update policy and user manuals. We will improve our ability to detect and react to abnormal activity on our networks, and we regularly test our digital services with our partners against cyber-attacks.



## OUTLOOK FOR THE FUTURE

The company's euro-denominated operating profit is estimated to be slightly weaker in 2024 than in 2023 (EUR 47.2 million).

Due to the uncertainty in the markets, the company will carefully consider its investments, continues to monitor its costs, and develops its operative model in order to improve competitiveness. The company monitors changes in the operating environment and customers operating conditions closely.

Ponsse Latin America Ltda -subsidiary's situation is monitored in an enhanced manner and the company takes measures to improve the situation.

## EVENTS AFTER THE PERIOD

Ponsse cut its profit guidance in the profit warning release that was published on 19 April 2024. According to the new guidance, the company's euro-denominated operating profit is estimated to be slightly weaker in 2024 than in 2023 (EUR 47.2 million).

Demand for forest machines continued low during the first quarter of the year. In addition, industrial actions in Finland lowered the net sales. Due to the poor development of turnover and the profitability of Ponsse's subsidiary, Ponsse Latin America Ltda, having fallen clearly short of expectations, the operating result (EBIT) for the first quarter is expected to decrease significantly from the comparative period.

In the financial statements for 2023, published on 20 February 2024, Ponsse has assessed the profit outlook for 2024 as follows: "The company's euro-denominated operating profit in 2024 is expected to be on par with the operating profit in 2023 (EUR 47.2 million)."

The planning of Ponsse's new operating model and the related cooperation negotiations were concluded in Finland on 3 April 2024. The new global operating model will enter into force on 1 June 2024.

A shift to a global organisational structure and reporting lines is a key part of the new operating model. This renewal ensures even better customer service, strengthens competitiveness, increases cost effectiveness, and improves operational efficiency through shared practices.

The new operating model enables a customer-driven organisation focused on sales and maintenance services, divided into five market areas. From 1 June 2024, the company's market areas will be: 1) Nordic countries and the Baltics; 2) Europe; 3) South America; 4) North America; and 5) Asia, Australia and Africa. The changes related to the new operating model are led by Ponsse Group's Leadership Team which will continue with its current members under President and CEO Juho Nummela.

The updated operating model and related changes in positions and employment terms were discussed during the cooperation negotiations. As a result of the updated operating model, part of the company's current positions will cease to exist, and new positions will be established. The potential impact on the personnel will be known in May when the number of employees who have found new roles within the organisation is known. Additionally, it was agreed that salaried and senior salaried employees in Finland could potentially face two-week layoffs during 2024 if the company's operating environment so requires.

## PONSSE GROUP

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

	1-3/24	1-3/23	1-12/23
NET SALES	169,659	201,729	821,800
Increase (+)/decrease (-) in inventories of finished goods and work in progress	6,978	2,291	-3,545
Other operating income	1,662	946	5,593
Raw materials and services	-118,419	-132,949	-534,497
Expenditure on employment-related benefits	-27,836	-28,148	-115,262
Depreciation and amortisation	-8,727	-7,779	-31,337
Other operating expenses	-22,070	-19,470	-95,599
OPERATING PROFIT	1,247	16,619	47,153
Share of results of associated companies	119	-1	255
Financial income and expenses	-3,781	564	-4,459
RESULT BEFORE TAXES	-2,415	17,182	42,949
Income taxes	-1,024	-3,146	-12,924
NET RESULT FROM THE CONTINUING OPERATIONS	-3,439	14,036	30,026
Net result from the discontinued operations	0	492	-11,149
NET RESULT FOR THE PERIOD	-3,439	14,528	18,877
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:			
Translation differences related to foreign units	986	-1,941	3,001
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	-2,454	12,587	21,878
Diluted and undiluted earnings per share from continuing operations			
	-0.12	0.50	1.07
Diluted and undiluted earnings per share from discontinued operations			
	0	0.02	-0.40
Diluted and undiluted earnings per share			
	-0.12	0.52	0.67



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

ASSETS	31 Mar 24	31 Mar 23	31 Dec 23
<b>NON-CURRENT ASSETS</b>			
Intangible assets	52,517	50,885	52,736
Goodwill	6,643	5,754	6,698
Property, plant and equipment	119,004	116,370	119,017
Financial assets	375	375	374
Investments in associated companies	1,084	812	1,067
Non-current receivables	3,226	60	3,229
Deferred tax assets	8,021	4,466	8,446
<b>TOTAL NON-CURRENT ASSETS</b>	<b>190,870</b>	<b>178,721</b>	<b>191,569</b>
<b>CURRENT ASSETS</b>			
Inventories	234,837	239,133	240,837
Trade receivables	53,260	63,455	69,129
Income tax receivables	1,451	1,610	1,249
Other current receivables	21,615	27,186	29,225
Cash and cash equivalents	55,178	61,654	74,002
<b>TOTAL CURRENT ASSETS</b>	<b>366,342</b>	<b>393,039</b>	<b>414,443</b>
Assets related to assets held for sale	0	21,005	0
<b>TOTAL ASSETS</b>	<b>557,212</b>	<b>592,765</b>	<b>606,011</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	16,688	10,760	15,702
Treasury shares	-463	-274	-463
Retained earnings	292,772	313,402	296,101
<b>EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS</b>	<b>319,457</b>	<b>334,349</b>	<b>321,799</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	67,611	50,144	66,637
Deferred tax liabilities	-178	556	1,120
Other non-current liabilities	6,238	80	6,284
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>73,670</b>	<b>50,780</b>	<b>74,041</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	32,934	43,652	52,816
Provisions	15,319	11,085	14,690
Tax liabilities for the period	453	2,756	1,257
Trade creditors and other current liabilities	115,379	149,197	141,407
<b>TOTAL CURRENT LIABILITIES</b>	<b>164,085</b>	<b>206,690</b>	<b>210,171</b>
Liabilities related to assets held for sale	0	947	0
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>557,212</b>	<b>592,765</b>	<b>606,011</b>

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)  
Continuing and discontinued operations

	1-3/24	1-3/23	1-12/23
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net result for the period	-3,439	14,528	18,877
Adjustments:			
Financial income and expenses	3,781	-592	16,647
Change in provisions	708	294	3,677
Share of the result of associated companies	-119	1	-255
Depreciation and amortisation	8,727	7,780	31,402
Income taxes	1,024	3,240	13,115
Other adjustments	-476	1,397	1,304
Cash flow before changes in working capital	10,206	26,648	84,767
Change in working capital:			
Change in trade receivables and other receivables	23,076	-3,483	-17,531
Change in inventories	5,159	-8,615	-10,166
Change in trade creditors and other liabilities	-25,077	-5,738	-4,451
Interest received	114	112	960
Interest paid	-1,835	-589	-3,927
Other financial items	-224	113	-294
Income taxes paid	-2,918	-6,046	-18,966
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>	<b>8,501</b>	<b>2,403</b>	<b>30,391</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Investments in tangible and intangible assets	-6,023	-9,926	-35,892
Proceeds from sale of tangible and intangible assets	98	306	1,282
Acquisition of subsidiaries	0	0	-1,458
<b>NET CASH FLOWS USED IN INVESTMENT ACTIVITIES (B)</b>	<b>-5,925</b>	<b>-9,619</b>	<b>-36,068</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Withdrawal/Repayment of current loans	-20,219	-10,255	14,121
Withdrawal of non-current loans	0	8,000	10,000
Withdrawal/Repayment of finance lease liabilities	-1,192	-889	-4,066
Dividends paid	0	0	-16,794
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>-21,411</b>	<b>-3,143</b>	<b>3,261</b>
<b>Change in cash and cash equivalents (A+B+C)</b>	<b>-18,834</b>	<b>-10,360</b>	<b>-2,416</b>
Cash and cash equivalents on 1 Jan	74,002	76,545	76,545
Impact of exchange rate changes	11	-631	-127
Cash and cash equivalents on 30Mar/31 Dec	55,178	65,554	74,002

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 2024	7,000	3,460	15,702	-463	296,101	321,799
Comprehensive result:						
Net result for the period					-3,439	-3,439
Other items included in total comprehensive result:						
Translation differences			986			986
Total comprehensive result for the period			986		-3,439	-2,453
Direct entries to retained earnings					110	110
Transactions with shareholders						
Share Plan						
Transactions with shareholders in total						
Other changes						
SHAREHOLDERS' EQUITY 31 MAR 2023	7,000	3,460	16,888	-463	292,772	319,457
SHAREHOLDERS' EQUITY						
1 JAN 2023	7,000	3,460	12,701	-274	298,926	321,813
Comprehensive result:						
Net result for the period					14,528	14,528
Other items included in total comprehensive result:						
Translation differences			-1,941			-1,941
Total comprehensive result for the period			-1,941		14,528	12,587
Direct entries to retained earnings					-67	-67
Transactions with shareholders						
Share Plan					16	16
Transactions with shareholders in total					16	16
Other changes						
SHAREHOLDERS' EQUITY 31 MAR 2023	7,000	3,460	10,760	-274	313,402	334,349

## NOTES TO THE RELEASE FOR THE INTERIM REPORT

The stock exchange release for the interim report has been prepared observing the recognition and valuation principles of IFRS, but some of the IAS 34 requirements have not been complied with. The interim report has been prepared applying the same accounting principles as for the annual financial statements dated 31 December 2023.

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.

Ponsse has classified the Russian operations subject to trade as assets held for sale and reported them as discontinued operations in 2023. Unless otherwise specified, the figures presented in the interim report refer to continuing operations.

Ponsse is preparing for the adoption of Pillar 2 minimum tax rules and is currently assessing its impacts.

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.

	31 Mar 24	31 Mar 23	31 Dec 23
1. LEASING COMMITMENTS (EUR 1,000)	1,183	1,116	964
2. CONTINGENT LIABILITIES (EUR 1,000)	31 Mar 24	31 Mar 23	31 Dec 23
Responsibility of checking the VAT deductions made on real property investments	5,349	5,800	5,349
Other commitments	191	206	139
TOTAL	5,540	6,006	5,488
3. PROVISIONS (EUR 1,000)	Guarantee provision	Other provisions	Total
1 January 2024	4,395	10,295	14,690
Provisions added	754	0	754
Provisions cancelled	-46	0	-46
Exchange rate difference	0	-79	-79
31 March 2024	5,103	10,216	15,319

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.

KEY FIGURES	31 Mar 24	31 Mar 23	31 Dec 23
R&D expenditure, MEUR	5.7	6.7	29.5
Capital expenditure, MEUR	6.0	9.9	35.9
as % of net sales	3.5	4.9	4.4
Average number of employees	2,116	2,050	2,016
Order books, MEUR	226.0	336.9	232.1
Equity ratio, %	57.8	56.8	53.3
Diluted and undiluted earnings per share (EUR), continuing operations	-0.12	0.50	1.07
Diluted and undiluted earnings per share (EUR), discontinued operations	0.00	0.02	-0.40
Diluted and undiluted earnings per share (EUR)	-0.12	0.52	0.67
Equity per share (EUR)	11.41	11.94	11.49
Order intake, MEUR	159.7	184.9	697.6

#### FORMULAE FOR FINANCIAL INDICATORS

Return on capital employed, % (including discontinued operations):  
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 from continuing operations. The calculation has been adjusted for part-time employees.

Net gearing, % (including discontinued operations):  
Interest-bearing financial liabilities – cash and cash equivalents

-----  
Shareholders' equity \* 100

Equity ratio, % (including discontinued operations):  
Shareholders' equity + Non-controlling interests

-----  
Balance sheet total - advance payments received \* 100

Earnings per share, continuing operations:  
Net result from continuing operations for the period - Non-controlling interests

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

Earnings per share, discontinued operations:  
Net result from discontinued operations for the period - Non-controlling interests

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

Earnings per share (including discontinued operations):  
Net result for the period - Non-controlling interests

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

Equity per share (including discontinued operations):  
Shareholders' equity

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

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

Vieremä, 23 April 2024

PONSSE PLC

Juho Nummela  
President and CEO

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