

REMUNERATION REPORT 2025

PONSSE PLC



REMUNERATION REPORT

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INTRODUCTION

Remuneration reporting

The remuneration report sets out the remuneration of the Board of Directors and the President and CEO of Ponsse Plc (“Ponsse” or “the company”) in 2025. The report has been prepared by the Board of Directors of Ponsse. The purpose of the report is to describe the implementation of the company’s remuneration policy clearly and comprehensively. The remuneration policy was adopted by the Annual General Meeting with an advisory resolution in 2024. It replaced the remuneration policy presented in 2020.

This report is based on the requirements outlined in the EU Shareholder Rights Directive and the Corporate Governance Code 2025 issued by the Securities Market Association. The remuneration report is presented annually at the company’s Annual General Meeting for an advisory vote. The company evaluates and develops its remuneration reporting annually based on feedback from shareholders, for example. The 2025 report introduces new tables on the President and CEO’s short-term and long-term remuneration.

Remuneration principles in 2025

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

The Board of Directors regularly monitors the effectiveness of the performance indicators used in remuneration to ensure that they support Ponsse’s strategy.

The remuneration policy is based on the following key principles:

1. The interests of shareholders, the Board of Directors, the CEO and employees are aligned
2. Remuneration is based on performance and transparency
3. Remuneration attracts and commits employees to the company
4. Remuneration is linked to sustainability as part of the company’s strategy

The remuneration policy describes the principles of remuneration and the decision-making process. The possible different forms of remuneration are described in the section concerning the Board of Directors’ remuneration. The key terms and conditions applicable to the service relationship, the short- and long-term performance indicators and the remuneration practices in recruitment and promotions are described with regard to the President and CEO.

No deviation from the remuneration policy was made during the 2025 financial year, and there were no situations in which it would have been necessary to recover any fees or either postpone or not make any payments. At the 2025 Annual General Meeting, there was no advisory vote on the remuneration report that would have needed to be taken into account in the remuneration report.

Remuneration and Ponsse's financial performance during the last five years

The table sets out the paid compensation for the last five years for the members of the Board of Directors, the President and CEO and the average Ponsse employee, as well as the company's financial performance during the same period. The development is presented in accordance with the average trend of key figures.

	2021	2022	2023	2024	2025
Board of Directors, taxable annual fee (EUR thousand)	283	311	296	277	283
Change from the previous year (%)	+7.2%	+9.9%	-4.8%	-6.4%	+2.2%
President and CEO, taxable income (EUR thousand)	517	628	772	924	859
Change from the previous year (%)	-35.5%	+21.5%	+22.9%	+19.7%	-7.0%
Personnel's average taxable income (EUR thousand) ¹ :					
Parent company	53	53	53	53	56
Change from the previous year (%)	+15.2%	+0.0%	+0.0%	+0.0%	+5.7%
Subsidiaries	33	33	35	34	38
Change from the previous year (%)	+22.2%	+0.0%	+6.1%	-2.9%	+11.8%
Ponsse Group's financial development:					
Net sales, MEUR ²	608.3	755.1	821.8	750.4	749.9
Change from the previous year (%)	+8.4%	+24.1%	+8.8%	-8.7%	-0.1%
Operating result, % of net sales	8.2	6.2	5.7	4.9	5.6
Operating result, EUR million ³	50.0	46.6	47.2	36.8	41.6
Change from the previous year (%)		-6.8%	+1.3%	-22.0%	+13.3%

¹ Remuneration paid to the personnel is presented by indicating the total remuneration amount paid by the company.

² The information about 2021–2025 covers continuing operations.

³ The information about 2021–2025 covers continuing operations.

REMUNERATION OF THE MEMBERS OF THE BOARD IN 2025

The Annual General Meeting decides on the remuneration of the members of the Board of Directors. The shareholders of Ponsse, representing in total more than 50% of the company's shares and votes, made a proposal to the Annual General Meeting held on 8 April 2025 regarding the remuneration of the Board of Directors. The Annual General Meeting decided on 8 April 2025 that the annual remuneration of the Chair of the Board would be EUR 48,000, that of the Vice Chair of the Board EUR 45,000, and that of the other members of the Board EUR 38,000. The Board members' travel expenses will be reimbursed in accordance with the company's travel policy.

	Time	Annual remuneration, EUR
Jarmo Vidgren, Chair	1 January to 31 December 2025	48,000
Mammu Kaario, Vice Chair	1 January to 31 December 2025	45,000
Terhi Koipijärvi	1 January to 31 December 2025	38,000
Matti Kylävainio	1 January to 31 December 2025	38,000
Ilpo Marjamaa	1 January to 31 December 2025	38,000
Juha Vanhainen	1 January to 31 December 2025	38,000
Juha Vidgren	8 April to 31 December 2025	28,500
Jukka Vidgren	1 January to 8 April 2025	9,500
Total		283,000

During 2025, EUR 62,789 was paid to Jarmo Vidgren for consulting tasks related to sales and marketing, and EUR 11,926 was paid to Juha Vidgren for investor relations assignments carried out between 8 April and 31 December 2025.

REMUNERATION OF THE PRESIDENT AND CEO

The President and CEO's remuneration principles

The remuneration of the President and CEO typically includes the following elements:

- A fixed monthly salary (including fringe benefits and other financial benefits) in accordance with the President and CEO's skills, knowledge and experience.
- A short-term performance bonus, the purpose of which is to provide encouragement and remuneration for the achievement of the goals set out in the annual business strategy, and on a non-recurring basis for any other particularly good performance (paid annually).
- A long-term performance bonus, which is usually a share-based bonus. Its purpose is to align the objectives of the shareholders and the CEO to increase the company's long-term value, to engage the CEO in the company, and to offer them a competitive share-based incentive scheme based on earnings and the accrual of shares in the company.
- Supplementary pension, which is a pension benefit in addition to the statutory pension.

Since 1 June 2008, the President and CEO of the company has been Juho Nummela. Under the contract signed between the company and the President and CEO, both parties may terminate the contract with a six-month notice period. If the company terminates the contract, the company pays a remuneration equalling 12 months' salary in addition to the salary and other benefits that have been determined for the period of notice. The contract ends without any period of notice when the President and CEO retires.

The President and CEO may retire at the age of 60, with the pension determined in accordance with the Employees Pensions Act.

In 2025, the President and CEO's fixed monthly salary was EUR 44,303.21 from 1 January to 30 April, EUR 45,320.32 from 1 May to 6 November, and EUR 45,890.32 from 7 November to 31 December. Telephone, car, and bicycle benefits were included in the salary as fringe benefits, along with other one-off personnel benefits of negligible value.

The fixed annual salary paid to the President and CEO in 2025 accounted for 45% of total remuneration, while the short- and long-term performance bonuses constituted 33%. The supplementary pension benefit paid to the President and CEO accounted for around 20% of total remuneration. No other remuneration was paid to the President and CEO in 2025.

The President and CEO's remuneration in 2025

EUR	Salary	Fringe benefits	Short-term incentive schemes (performance bonuses)	Long-term incentive schemes	Supplementary pension	Total remuneration paid
President and CEO	553,460	13,761	109,846	294,668	250,103	1,221,838
Remuneration percentage	45%	1%	9%	24%	20%	100%

Performance

Short-term remuneration of the President and CEO

During the 2025 financial year, the President and CEO was paid EUR 109,846 in performance bonus based on the achievement of the 2024 targets, in accordance with the Board's assessment and decision. This corresponds to 20.2% of the CEO's 2024 salary and 41% of the maximum performance bonus. The annual performance bonus cannot exceed 50% of the salary paid in the previous year.

The performance bonus to be paid based on the 2025 financial year is based on the Board of Directors' assessment and decision regarding the achievement of the targets set for 2025. Based on the 2025 performance, the President and CEO earned a performance bonus of EUR 123,967, corresponding to 22.4% of the 2025 salary and 44.8% of the maximum performance bonus for 2025. The performance bonus will be paid to the President and CEO in March 2026.

Long-term remuneration of the President and CEO

In 2023, the company's Board of Directors decided on a performance-based shareholding scheme for the CEO for 2023–2027. The aim of the scheme is to align the objectives of the shareholders and the President and CEO to increase the company's long-term value, to retain the President and CEO at the company, and to offer them a competitive incentive scheme based on earning and accumulating shares in the company. In April 2025, the Board of Directors of Ponsse Plc decided on the targets of the President and CEO's share-based incentive scheme for the performance period that began in 2025.

The President and CEO's shareholding scheme consists of five performance periods: the calendar years 2023, 2023–2024, 2023–2025, 2024–2026 and 2025–2027. The conditional rewards will be paid by the end of May 2024, 2025 and 2026. Shares received as conditional rewards may not be transferred during the restriction period ending on 31 December 2025, 31 December 2026 and 31 December 2027. The performance-based reward will be paid by the end of the May following the end of each performance period.

The earning criteria for the earnings periods beginning in 2023 are Ponsse Group's operating result, net sales growth and employee experience. The portion of the maximum reward to be paid to the President and CEO is determined based on the achievement of the targets set for the earning criteria in relation to the investment made by the President and CEO.

In May 2024, a total of 11,457 shares worth EUR 282,226 were paid for the 2023 performance period, with a cost impact of EUR 0.4 million for the company. In 2025, a total of 5,301 shares worth EUR 145,155 were paid for the 2024 performance period, with a cost impact of EUR 0.3 million for the company.

For the 2024–2026 performance period of the President and CEO's performance-based shareholding scheme, the rewards will be based on the Group's operating result, net sales, employee experience and lost time injury frequency rate (LTIF). The rewards to be paid for the 2024–2026 performance periods are estimated to correspond to the value of no more than 50,000 Ponsse Plc shares in total, including the cash portion (gross reward). Shares received as conditional rewards may not be transferred during the restriction period ending on 31 December 2026. The performance-based reward will be paid by the end of May 2027.

For the 2025–2027 performance period of the President and CEO's performance-based shareholding scheme, the rewards will be based on the Group's operating result, net sales, employee experience and lost time injury frequency rate (LTIF). The rewards to be paid for the 2025–2027 performance periods are estimated to correspond to the value of no more than 50,000 Ponsse Plc shares in total, including the cash portion (gross reward). Shares received as conditional rewards may not be transferred during the restriction period ending on 31 December 2027. The performance-based reward will be paid by the end of May 2028.

From the 2023–2025, 2024–2026 and 2025–2027 performance periods, it is possible to earn a total of 175,000 shares, including the cash portion (gross reward).

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

Remuneration arrangements decided after the end of the financial year

On 16 February 2026, Ponsse Plc announced, through a stock exchange release, its decision to introduce a new long-term performance-based matching share plan for the President and CEO for 2026–2030. As the performance period begins after the end of the financial year, no payments were made under the plan in the 2025 financial year.

REMUNERATION REPORT

Short-term remuneration of the President and CEO

Earning criteria	Earning year 2024, paid in 2025			Earning year 2025, will be paid in 2026		
	Weighting	Actual outcome %	Performance bonus, EUR	Weighting	Actual outcome %	Performance bonus, EUR
Working capital %	20%	0%		20%	8%	
Cash flow from operating activities	30%	21%		30%	0%	
Profitability (EBIT, %)	30%	8%		30%	2%	
Employee experience (eNPS)	10%	0%		10%	9%	
Lost time injury frequency (LTIF)	10%	0%		10%	10%	
Weighted total outcome	100%	29%	109,846	100%	28%	123,967

President and CEO's long-term share-based incentive scheme

Performance period		Restriction period ends	Release of shares	Conditional reward payment date	Shares paid as a conditional reward	Payment date of the performance-based reward	Shares paid as a performance-based reward
2023		December 2025	May 2024			May 2024	4,268
2023-2024		December 2025	May 2025			June 2025	658
2023-2025	conditional	December 2025	May 2024	May 2024	7,189		
2023-2025		May 2026	May 2026			May 2026	
2024-2026	conditional	December 2026	June 2024	June 2025	4,643		
2024-2026		May 2027	May 2027			May 2027	
2025-2027	conditional	December 2027	May 2027	May 2026			
2025-2027		May 2028	May 2028			May 2028	

PONSSE PLC

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