Annual Report 2023

WULFF

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2023 IN BRIEF

A YEAR OF DEVELOPMENT AND STRENGTHENING OPERATIONS

In 2023, general economic uncertainty and price inflation persisted, affecting Wulff's operations. Wulff responds to changes promptly while ensuring high-quality customer experience. Although revenue slightly fell short of expectations in 2023, positive development of profitability towards the end of the year indicates that Wulff's strategy – A better world, one workplace at a time – is effective. We believe that 2024 will be another year of growth for Wulff!

In 2023, Wulff achieved numerous milestones. Following a significant corporate acquisition, the company successfully integrated systems and optimized operations efficiently. The implementation of a unified domestic workplace products and service management system, introduced in the later part of the year, represents a significant investment in the company's future performance. Integration efforts will continue in 2024 with the streamlining of assortment management and material flows.

A YEAR OF STRENGTHENING SALES CULTURE

Wulff's most important assets are caring, value-driven, and strategy-committed personnel. Commercial success is made possible by understanding the customers, and the desire to positively impact the customer's business. Part of Wulff's sales approach involves presenting responsible alternatives and actions to customers, ultimately contributing to the development of their businesses in a more responsible manner. The sales culture and a clear shared direction were strengthened throughout the year in various collective meetings among Wulff employees.

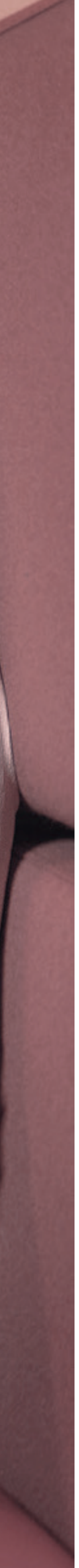
TOGETHER WITH CUSTOMERS

Wulff's competitive advantages lie in personalized service, sales expertise, and multichannel capabilities. After the pandemic, face-to-face interactions with customers have resumed in sales meetings, events, and trade shows. Wulff will persist in prioritizing direct, personalized service going forward, as face-to-face encounters are valued, and in addition to developing its online services.

” A Year of Strengthening Sales Culture

#TOGETHER Wulff Business Forum 2023 brought together over 300 individuals interested in workplace development at Helsinki Olympic Stadium. The event featured top speakers including Elina Gustafsson, Anu Hälvä, Markku "Rive" Kanerva, and Antti-Jussi Niemi.

The year 2023 was a year of strengthening competitiveness and achieving goals for Wulff.



CEO's Review

A BETTER WORLD, ONE WORKPLACE AT A TIME, IS DONE TOGETHER

Elina Rahkonen
CEO
Wulff Group Plc

TOGETHER WITH OUR CUSTOMERS
Warm thanks to our customers, partners, and employees: Wulff's 2023 was marked by achievements, challenges, learning opportunities, and, above all, numerous successes. Post-pandemic, we have once again had the opportunity to meet our customers face-to-face in sales meetings, events, and trade shows. A significant portion of the over 200,000 annual encounters with Wulff's customers now take place in person, fostering meaningful connections.

The theme in 2023 for us at Wulff and for our customers was #TOGETHER, and it was evident in our actions and communications. Thanks to everyone who participated in our events and shared their Wulff experiences on our social media channels and customer stories on our website.

STRENGTHENING COMPETITIVENESS
One of our biggest achievements in 2023 was the integration of Staples Finland Oy's operations. We worked diligently to unify our systems and operational models. A common domestic workplace products and services ERP system was implemented at the end of 2023. This was a significant step towards more efficient and competitive operations. Integration work continues with the optimization of product range management and streamlining material flows, and we are pleased with the smooth progress.

Sales culture and a common clear direction were strengthened through various joint meetings throughout the year. Unified operating models and integrated systems serve us well when we have shared goals to which we are committed. The everyday compass of a solution-oriented sales company is found in our values of customer experience, responsibility, entrepreneurship, and effectiveness. They are meaningful to all of us at Wulff, and it is gratifying to see how they also influence our customers' choices.

WHAT DO WULFF'S CUSTOMERS VALUE?
In 2023, we conducted an extensive customer satisfaction survey, the results of which were pleasing. Sustainable products, comprehensive sustainability reporting and expertise, as well as initiatives to

Key Figures 2023

93.8 meur
Net sales 2023

3.5 meur
Comparable operating profit 2023

0.15 €/per share
Dividend 2023

IN 2023

Wulff's equity ratio increased to **45.5%**:n (40.5% year 2022).

Effective dividend yield **7.7%** /share (4.3% year 2022)

encourage and guide towards carbon-neutral operations through optimized deliveries, are valued. Wulff's strengths lie in our personalized approach to service, sales expertise, and multi-channel capabilities. On areas for development, we agree with our customers: sustainability will be even more emphasized in the future. An encouraging read for the future of our planet!

A WORKPLACE EXPERT WITH OVER 130 YEARS OF EXPERIENCE

Today, we serve our Nordic customers with over 40,000 different products. Our operations began in 1890 with an innovative business model: a paper store that served quality supplies to businesses, prominent individuals of the time, as well as ordinary people. At Wulff, it was ensured that everyone had access to excellent tools for work and self-improvement. Much of the same is true of our operations today. Companies of all sizes, sole entrepreneurs, consumers, municipalities, cities, and various communities are welcome as our customers. As a domestic publicly listed company, we are a reliable and sought-after partner. As an example of this, towards the end of 2023, we won a significant school supply contract, which strategically brings us procurement power and

WULFF 'S FINANCIAL OBJECTIVES

15-20% annual net sales growth on average

Rising comparable operating margin

Rising dividend per share

increases revenue by approximately 4-5 million euros for 2024. This strengthens our position in the industry and gives us the opportunity to expand even further in the future.

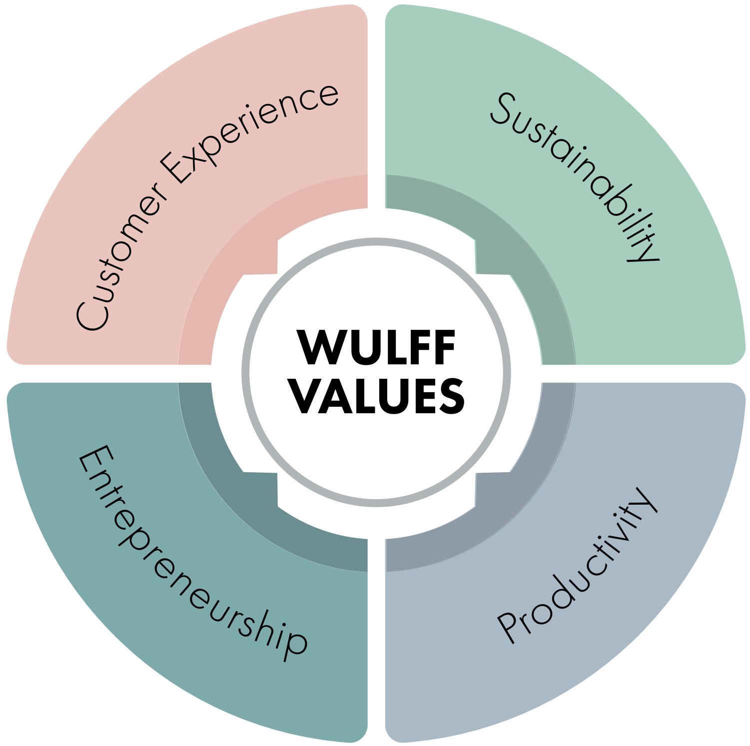
TOWARDS A YEAR OF GROWTH IN 2024

I am delighted that we can propose an increased dividend, for the sixth consecutive time. We started 2024 with news of a rapid start in a new business area for us, as our new staffing company Wulff Works began its operations nationwide. We will continue to grow our successful accounting and financial management business both organically and through acquisitions, and in mid-February 2024, we announced our expansion of the accounting market in East Uusimaa by acquiring accounting office Lundström Oy and Sandström & Lundström Oy Ab. This acquisition will increase the annual turnover of accounting and financial management services in the group to approximately 3 million euros. In addition to responsible products, I believe that the share of services will increase significantly in Wulff's turnover in the future.

What feeling do I take from 2023 into 2024? Gratitude. I have the privilege of working with great people and leading a growth-oriented group in a vibrant market, in the prosperous Nordics.

Thank you!

Elina Rahkonen



Happy Wulffians

Responsible supply chain

Carbon Neutral Wulff

WULFF'S SUSTAINABILITY OBJECTIVES

INFLUENCES OF THE INDUSTRY

Wulff believes it can influence the business environment by shaping the industry from within: redefining what workplace products and services entail. Good examples of this include its investments in accounting and financial management services, as well as its latest venture into personnel leasing.

OPERATING ENVIRONMENT

> *The value of shared and collaborative encounters are emphasized. For this reason, we desire to invest in spaces where colleagues, clients, and partners can meet. These should be as stimulating and functional as possible.*

DYNAMIC OPERATING ENVIRONMENT

We live in a rapidly evolving world. For instance, when measuring technological progress, we've advanced more in the last 30 years than in the preceding 300 years combined. We also live in a world where significant and irreversible changes can quickly occur in our business environment. Climate change brings damage from extreme weather events closer to Wulff's operating environment. The coronavirus pandemic and Russia's attack on Ukraine are examples of events that started quickly and affected the entire world and the global economy. We know that the operating environment will constantly change in the future as well.

MARKET SIZE

According to Wulff's estimate, the market size for workplace products and services has remained the same for several years. The company estimates the market size to be approximately 400 million euros in Finland, 700 million euros in Sweden, 450 million euros in Norway, and 400 million euros in Denmark. Wulff has also started operations in the accounting and financial management market, which has a size of nearly 1.5 billion euros in Finland, and, as of the beginning of 2024, in the staffing- lease sector in Finland. The personnel leasing market in Finland is approximately 2.5 billion euros. Both new markets for Wulff have been growing in recent years.

COMPANY PURCHASING POWER

The general economic and market development and the employment rate have a significant impact on the demand for workplace products and services. The development of the global and local economies is influenced by rising prices and monetary policy decisions aimed at taming inflation.
The immediate recession caused by the coronavirus pandemic in Wulff's operating countries was smaller than estimated, but the Russian invasion of Ukraine has brought new challenges and uncertainties to the general economic development. The current situation may further weaken the conditions for economic growth, investments may continue to decline, and the recovery of the labor markets may be delayed.

Although the rapid inflation that occurred in 2022 has slowed down in 2023, economic recovery is still affected by uncertainty about the future, as well as rising prices and interest rates. However, growth is expected in Finland in the coming years: according to the forecasts of the Bank of Finland, the gross domestic product will contract in 2023 and 2024, but growth is expected to return to the long-term average level thereafter. Economic growth of 1.5 percent is forecasted for 2025 and 1.3 percent for 2026. A significant challenge is the widespread nature of economic growth, which is reflected in an increase in household savings instead of consumption and a significant decrease in investments, especially in housing construction. Soon, the overall economic situation in the Nordic countries will also be affected by the change in the demographic dependency ratio due to the aging of the population. These factors, among others, also affect Wulff's long-term growth prospects.

WULFF – A STRONG INFLUENCER IN A FRAGMENTED MARKET

The Nordic markets are very similar in terms of the number of customers, purchasing behavior, and product demand. The industry´s market has traditionally been very fragmented. There are many small companies in the industry because entry into the market is easy. Every year, numerous companies enter and exit the industry. Over the past decade, there have also been mergers and acquisitions in the industry. Wulff believes that the future of the industry lies in the hands of companies like itself and larger players. Mergers and acquisitions are expected to continue, according to Wulff's estimate, and consolidation is expected to be strong. Wulff is a pioneer in industry acquisitions and a strong player and influencer in the fragmented market. In 2021, the company made a significant move in Finland by acquiring its strong competitor, Staples Finland (formerly Oy Lindell Ab). Wulff is expected to make acquisitions in the future as well, and has a continuous readiness to do so. The company believes that it can also influence the operating environment by shaping the industry from within: redefining what workplace products and services entail. Good examples of this include its investments in accounting and financial management services, as well as its latest venture into personnel leasing.

OPERATING ENVIRONMENT OF WORKPLACE PRODUCTS AND SERVICES

Remote work and digital colleagues

The operating environment of workplace products and services has been in transition for a long time, and we are now experiencing a new type of work life: a landscape characterized by remote work and diverse work settings. Megatrends such as environmental consciousness and its improvement, population aging and diversification, technology integration into all operations, and the transformation of work and consumption practices, significantly affect Wulff's operating environment.

Presential work done in multiple locations - Conducted from home offices or vacation properties, has seen a surge in popularity, with a growing number of individuals, particularly in knowledge-intensive professions, opting to work remotely most of the time. Teams collaborate across multiple locations, utilizing spaces that best serve their needs at any given moment.

The rapid changing pace of digitalization is reshaping the world as we know it, especially in the realm of knowledge work. What roles will humans play in the future, and what tasks will be automated by artificial intelligence? At the same time, the value of common face-to-face interaction has become more emphasized. The pandemic era made us realize the importance of interpersonal connections, highlighting the immeasurable value of being physically present in the same space. Such interactions foster a sense of belonging, enhance well-being, promote engagement, and boost productivity. Additionally, tacit knowledge and information is more easily exchanged through informal conversations. Consequently, there is a growing emphasis on creating stimulating and functional spaces where colleagues, clients, and partners can meet.

At Wulff, we acknowledge the ongoing transformation of the operating environment and actively monitor these changes, viewing them primarily as opportunities. For example, there is a growing need for ergonomic workstations and tools that maintain and enhance well-being in the workplace. Investing in high-quality tools and equipment for both communal workspaces and home offices is becoming increasingly important as employers seek the best and most productive talent. Moreover, many seniors wish to continue working in roles that they find meaningful for as long as they are able, and Wulff is well-positioned to support their well-being at work. We consider environmental responsibility, particularly the preservation and improvement of a sustainable climate and environment, to be the most impactful megatrend shaping both our operating environment and our own operations. There is a rising trend in Value-based decision-making, evident both in individual product purchases and in partner selection. We at Wulff believe that responsible thinking and embracing sustainability will be the most profound strength for our competitiveness in the future.

COMPETITORS

Wulff competes in all market areas, with numerous unlisted, small, and medium-sized specialized retail companies. In Finland, Wulff Group faces around ten significant competitors, including Lyreco and RCK Finland. In the Scandinavian contract customer markets, Wulff Supplies competes with Lyreco. In expert sales, companies such as Canncolor Group and Oy Rahmqvist Ab compete for market share in Finland.

CONSTRUCTION OPERATING ENVIRONMENT

In Finland and Scandinavia, construction plays a significant role in Wulff's operating environment within the sales of lamination and protective solutions. Business opportunities are influenced by the status of residential and commercial construction, and the economic uncertainty makes forecasting challenging. Before the pandemic, the construction sector in Wulff's operating countries experienced slow but stable growth. In 2022, the rapid rise in construction prices affected projects in 2023, with a significant portion either delayed or not initiated at all. For instance, new construction in Finland is estimated to have decreased in 2023 almost half of previous years, with no growth expected for 2024.However, the rate of construction price increases is expected to slow down. Positive developments in the general economic situation also have a favorable impact on construction.

TRADE SHOW OPERATING ENVIRONMENT

The trade show sector faced exceptional circumstances during the pandemic, with many international and domestic trade events canceled or postponed due to the COVID-19 pandemic. The trade fair environment is recovering from the pandemic, and the 2024 exhibition calendar is already resembling pre-pandemic times. The possibility of organizing international trade fairs is still partly affected by Russia's invasion of Ukraine. Wulff assesses that the trade show environment has significantly changed from pre-pandemic times: there is a need to organize trade show encounters and other events remotely while maintaining high quality and providing an immersive experience.

Competitors in the Group's international trade show services, remote meeting solutions, and office space planning services are event production and marketing agencies, exhibition service providers, and stand builders. They are mainly located in the Nordic countries, the Netherlands, Germany, and Eastern European countries.

PRINTING OPERATING ENVIRONMENT

According to Wulff, the operating environment of printing and document management services is most significantly affected by sustainable thinking. The company believes that the most

successful companies in the industry are those offering the most responsible solutions. Wulff estimates that the printing market is showing signs of stabilization, with the industry's focus shifting towards companies providing top-notch services and established, trustworthy brands. In Finland, the Group provides services through Canon Business Center in the capital region.

ACCOUNTING AND FINANCIAL MANAGEMENT OPERATING ENVIRONMENT

Wulff perceives that there is room in the Nordic markets for a new expert in the field of accounting and financial management who serves locally and personally: Wulff. The industry has been profitable and growing steadily for a long time, and Wulff now seeks a share of this growth in Finland. Currently, the largest players in the industry in Finland are Accountor, Talenom, and Rantalainen, with Wulff's operations still relatively small.

FOR COMPANIES, ENTREPRENEURS AND COMMUNITIES

Demand for products that enable a smooth working day is constant and not seasonal in nature in the areas of data storing solutions, cafeteria and catering, facility management, toner cartridges, and paper and cleaning products, among others. Demand is influenced by the general economic situation. For example, as large companies hire more staff, consumption increases. Some products have a very long life cycle. For example, ergonomic products are often considered carefully before buying, and they can last for decades. Sales of promotional and gift items have traditionally been seasonal, with an emphasis on the second and fourth quarters of the year. Nowadays, gifts and promotional items are increasingly an integral part of corporate marketing communications and are significant in communicating company values. Gifts or products that reflect the company's activities and values are given to customers and partners when they meet them. This is why traditional Christmas and summer gifts no longer appear in the off-season as the same kind of sales spikes they used to.

The significant change in consumerism seen in the Nordic economy in recent decades also affects how Wulff sees the opportunity to build success and growth. Entrepreneurship and, for example, services produced by so-called 'light entrepreneurs' are becoming more common, and more and more people will employ themselves in the future, selling their own expertise. It is important for Wulff to be a flexible and agile company that responds to market changes, and that it has the courage and capacity to innovate and provide services for companies of all sizes.

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Products and services must do more than just solve everyday problems.

VALUES AND CONTINUOUS CHANGE

Wulff considers the most significant change in its operating environment to be the increasing importance of responsible thinking and value-based partner selection. The company is building its future growth and competitiveness around responsible, ethical, and environmentally friendly products and services. Significant and unexpected changes can still occur rapidly in the operating environment in the future. Therefore, it is important to invest in the ability of the company and its people to react to and adapt to situations beyond their control. Wulff aims to be the most proactive player in its industry. It seeks to develop and transform its own and its customers' operations, and the entire industry, influencing the operating environment and business values. Those who can leverage development and lead change will succeed in the industry.

EVERY CHOICE HAS AN IMPACT

Wulff assesses that the COVID-19 pandemic and the war situation will affect the financial situations of businesses for several years to come. According to Wulff, the pandemic brought a positive change to the values and operations of businesses and organizations: it made us realize how human actions impact the environment and nature. During the pandemic, the environment's performance and resilience improved in some areas in a short time due to a drastic reduction in air pollution or emissions. Human actions, coupled with better choices by businesses and individuals, matter. Significance builds competitiveness. A company is chosen as a partner when its values align. Products and services must do more than just solve everyday problems. For example, the carbon footprint or ethical production methods of a product or service are important decision-making criteria. At Wulff, future success is also built on continuous improvement of customer experience and internal operations.

A better world, one workplace at a time

STRATEGY AND BUSINESS

Values
The guiding values of Wulff's operations are customer experience, responsibility, entrepreneurship, and effectiveness. Good values, like the company's mission, endure over time, and it's important to actively discuss them with employees and stakeholders, making updates and clarifying emphases as needed. In recent years, sustainability has strongly guided the development of Wulff's business - something that we, our customers, and partners are all extremely proud of.

Strategy
Wulff is an expert in Finnish and Nordic work life, with a strategy aimed at making a better world, one workplace at a time. Our goal is to enable the perfect workday – regardless of the current or future methods and locations of remote work.

Through our activities, products and services, we want to make a particular contribution to positive climate action, equality, decent work and economic growth in the world. Read more about sustainability at Wulff on page 18.

Objectives and the future
Wulff aims to be the most recommended and responsible partner and market leader in its markets. The financial target is to increase turnover to EUR 200 million during the strategy period 2022-2026. The growth strategy will be based on the expansion of the product and service portfolio and acquisitions in the Nordic countries. The company is aiming for an average annual growth in turnover of 15- 20%. It also aims to increase its comparable operating profit percentage and dividend per share. The turnover for the year 2023 was 93.8 million euros, just under the slightly over 100 million euros revenue recorded in 2022. Looking ahead to 2024, the company anticipates growth in both revenue and comparable operating profit.

Focusing on what's important
Focus areas help Wulff employees work with purpose and relevance. Quality is always experienced on a personal level, individually. The customer chooses how they want to be served: that is why multi-channel and advanced ways of dealing with the customer are important. At the same time,

Mission
We make the world a better place, one workplace at a time.

Goal
Wulff is the most recommended and responsible partner and employer.

Customer promise
We help companies create better and more sustainable working environments and perfect working days.

Wulff believes that personal service will continue to be a competitive advantage in the future, alongside modern digital service channels. Providing the best customer experience in the industry requires input from all Wulff employees as well as ideas and feedback from customers and partners.

The customer experience is measured, monitored and developed. Immediate feedback is sought and obtained when encountering customers, and in addition, an annual customer satisfaction survey is conducted. Wulff develops its activities on the basis of information gathered from personal encounters and the results of the customer satisfaction survey, among other things.

Wulff has a strong sales identity and aims to be the best sales organisation in the Nordic countries. In addition, investing in what customers praise the most will have a positive effect on the development of sales and net sales. Continuous optimisation of one's own operations is important, because everyone at Wulff can use more efficient operating methods for a better result.

For Wulff, leadership means a culture of servant leadership, personal leadership; self-leadership and listening to the thinking of partners and clients. Leadership is about being a good human being, and thought leadership is about insightfulness, especially towards responsible solutions. When integrating acquisitions and building a shared culture, human, productive, empathetic, and values-driven leadership is required not just in definition but also through clear actions.

PROJECTS AND CONCEPTS

Sustainability is the most important value guiding Wulff's operations and the most significant driver of competitiveness. Wulff's goal is to contribute to positive climate change and increase global equality, in particular through its own operations and product and service offerings. The third theme is to increase decent work and economic growth in the world.

Wulff Lab is an operating model that encourages a culture of experimentation and quick scaling of successes, as well as boldly giving up unprofitable business or business that is not in line with our values. The Lab activities include finding new and more sustainable products for our selection, as well as introducing completely new services to the Wulff selection. Coming up with new and more effective ways of working and development are also part of the Lab activities.

Sustainability and environmental aspects are also highlighted in the Wulff Academy and Wulff Digital projects. Wulff Academy includes an orientation and training programme, as well as indicators of daily activities and development used to ensure that our personnel have the necessary competence now and in the future. The purpose of the Wulff Digital project is to ensure continued modernisation of the company's digital capabilities and deepening of the company's pioneer status. The best customer experience in the industry is made possible by the aspects mentioned above, as well as with the participation of committed people and a strong feeling of

STRATEGIC FOCUS AREAS

Customer experience is only as good as employee experience. Therefore, Wulff's goal is to be the most recommended and responsible partner and employer in its industry. We achieve this by investing in our strategic focus areas.

purpose, a shared objective to make the world a better place.

A PERFECT WOKING DAY IS SUSTAINABLE

Value-based decision making is increasing in the procurement of individual products, as well as in selecting business partners. Companies and communities are not only expected to have opinions and issue responsibility statements, but to act in line with them. That is why Wulff thinks a perfect working day is also sustainable. It means that our impact on our operations and our customers' operations, as well as on the planet we're living on, are positive. We enable better work environments and make the workplace – wherever it may be. More comfortable, healthier, safer, more enjoyable, more efficient, more ecological, more functional, more diverse – how do you want to improve your working day and environment? Wulff has the solution.

WHAT ARE WORKPLACE PRODUCTS

What kind of products are purchased from Wulff, and what are workplace products? Wulff's best-selling workplace products are coffee, toner cartridges and printer paper. The share of cafeteria and property maintenance products of all sold products is increasing continuously. At Wulff, we know that to succeed in our business we need to actively and insightfully renew our product selection, because the demand for traditional office supplies has been declining for a longer period. There are digital replacements for pens, paper and notebooks. On the other hand, traditional paper calendars, beautiful notebooks, and more valuable signature pens are all experiencing a new era of prosperity. Handwriting is valued and appreciated, and physical products are perceived as making it easier and more natural to concentrate than working solely on a screen.

EASY PROCUREMENT FOR CONTRACT CUSTOMERS

Wulff Contract Customer concept is a popular and easy way to manage all workplace purchases. It is popular with larger companies and organisations with 50 or more employees and/or multiple locations.

Wulff's Contract Customers comprise a large group of companies and corporations whose procurement of workplace products, such as cafeteria and facility maintenance items, as well as office supplies, for office spaces and remote work, has nearly returned to pre-pandemic levels. There is a keen return to presential interactions in workplaces, and Wulff has been able to serve customers with its wide range of products. Sales of hygiene and protection products have continued to decrease since the pandemic. However, they have become part of people's daily lives and work environments, with demand expected to be slightly higher than before the pandemic. A caring employer ensures the safety and well-being of employees by providing items like face masks and hand sanitizers for protection against seasonal flu and other viruses. Companies also invest in human interactions in the workplace. Wulff has received praise for its quick response to even larger, unexpected needs. For example, arranging a shared morning coffee break with smoothies, porridge, and energy bars provided by the company is easy to organize with Wulff, even on short notice

In Finland, Wulff is the market leader, and in Scandinavia it is one of the top operators in the industry, with an exceptional number of large companies in the Nordics trusting its services. One of the most popular cost and time-saving supply solutions in Finland is Wulff's MiniBar, and in Scandinavia, the Cabinet Service, which can be found iN over a thousand large companies and corporations. . The refill and shelving services, MiniBar, operate like its namesake in a hotel. The automated refilling services house ready-to-use current and traditional workplace products on their shelves. The share of traditional office supplies in total sales has decreased over the years as the rest of the workplace product range has expanded. The exceptional circumstances altered the content of our fulfillment services: alongside IT, cafeteria, and facility management supplies, hygiene and cleaning products have become essential. The MiniBar selection increasingly features a wide range of refreshing cafeteria and snack items and products, while the demand for health-enhancing premium beverages is rapidly increasing.

The share of knowledge work, remote and mobile work among working environment has been increasing for a long time. A significant share of work will be done in multiple locations and in different changing environments in the future. Wulff is therefore investing in a product portfolio that enables safe, ergonomic, and pleasant ways of working not just on business premises, but also multi-locally: in home offices, secondary residences, public spaces like cafes or office hotels, and while moving from place to place. As knowledge work increases, the population ages and careers are getting longer, more and more attention is paid to work ergonomics. Wulff sees strong opportunities for growth in this development, as expertise in workstation ergonomics and the best, sustainable solutions have been Wulff's strong expertise for decades.

PORTFOLIO OF SERVICES

International Trade Shows, Space Designs and Events

Wulff Entre is an international destination design and project agency that plans and produces exhibition stands, public and commercial spaces, and corporate events for its clients worldwide. The company helps showcase the expertise of Finnish businesses in approximately 30 countries annually and executes several dozen meeting points around the world.

Trade show activity is rebounding from the exceptional circumstances, with nearly as many major international trade show events expected in 2024 as before the pandemic. From the perspective of Wulff Entre's traditional trade show sales, it is positively impacting that face-to-face encounters are perceived as valuable and meaningful after the pandemic. Wulff believes that trade show activity will return to pre-pandemic levels during 2024.

Wulff Entre's remote meeting spaces, My Remote Studios, are produced according to the client's needs when face-to-face meetings are not possible. With My Remote Studio, clients can easily conduct meetings, webinars, and training sessions themselves. Studio services can be explored remotely and are also easy to try out at Wulff's office building in Espoo, Finland.

The company's latest service is space planning. Specializing in the design and layout of public and commercial environments, Wulff Entre creates functional, aesthetically pleasing, and visually impactful spaces for various settings, including corporate offices, retail stores, restaurants, cafes, and various business and shared spaces.

Document and Information Management Solutions and Printing

The printing market has undergone consolidation in recent years, leading to a more stabilized industry. Wulff believes in the success of brands that invest in sustainability, offering well-known and trusted solutions in the market.

In Finland, the Canon Business Center Vantaa, a part of the Wulff Group, stands as one of the leading sellers of information, document management, and printing solutions in the Helsinki metropolitan area. Canon holds a clear market leadership position in Finland. Canon Business Center Vantaa is part of Canon's nationwide sales and service network, with branches in nearly 40 locations across Finland. Canon's unified approach ensures consistent and high-quality service delivery. Canon Oy has recognized Canon Business Center Vantaa (Mavecom Palvelut Oy) as the Canon Business Center Reseller of the Year three times, most recently in 2020-2021. Together with Canon's product and service concepts and Wulff's sales-driven organization, Canon Business Center Vantaa aims to attract new customers and continue its success.

Canon Business Center places a strong emphasis on sustainable development in its operations. Its goal is to significantly enhance the utilization and appreciation of circular economy devices in the coming years. Starting from early 2024, circular economy devices can also be acquired through Wulff's online store. In addition to printing services, Canon Business Center provides document management services in collaboration with skilled partners. The demand for handling and archiving scanned materials in businesses has increased significantly in recent years. Canon Business Center Vantaa leverages its sales expertise in rental solutions and contact network for the sales of Wulff Entre's remote meeting solution, My Remote Studio.

CONCEPTS AND PROJECTS

WULFF **SUSTAINABILITY**

POSITIVE CLIMATE ACTIONS

EQUALITY

INCREASING EQUALITY AND DECENTWORK AND ECONOMIC GROWTH

- a sustainable supply chain
- a carbon-neutral Wulff
- happy Wulff employees

WULFF **DIGITAL**

Customer service and meetings digitally and personally. Digital contacts producing leads and sales. Digitalization streamlining and facilitating the work of Wulff personnel.

WULFF **LAB**

New products and services, as well as product and service areas: discovering, piloting,development.

WULFF **ACADEMY**

RECRUITMENT
- Skills, attitude

ORIENTATION
- coaching

QUALITY
- feedback, results

DEVELOPMENT
- coaching

Accounting and Financial Management Services

Accounting and financial management services complement Wulff's offerings excellently, and the sector has been strategically expanded through acquisitions: Espoo-based financial management service provider Carpentum was acquired into the group in 2022, and the latest acquisition in the sector is the purchase of Tilitoimisto Lundström Oy and Sandström & Lundström Oy Ab in February 2024. The group provides accounting and financial management services nationwide, with local service points located in the Helsinki metropolitan area, Eastern Uusimaa, Pirkanmaa, and Ostrobothnia. Wulff has performed well in the industry and received excellent feedback from customers in satisfaction surveys. Accounting and financial management services are profitable for Wulff, currently contributing approximately €3 million in annual revenue to the group.

Growth from New Sectors

Wulff actively seeks complementary new services to enhance its operations and is prepared to invest in new product categories and services in line with its strategy, both organically and through acquisitions, in the future as well. At the beginning of 2024, Wulff made a swift entry into a new sector, personnel leasing, with the launch of Wulff Works in Finland. The company operates nationwide and has local offices in six locations.

In Finland, Wulff also offers its customers high-quality, domestic, and sustainable catering services under the Wulff Catering brand in the Helsinki metropolitan area.ä.

Experts at your service

Expertise Sales is an expert service that requires knowledge of the customer, the customer's business, and operating environment, and it emphasizes the importance of personal contact. Wulff stands out from the competition for its local and domestic nature. The Expertise Sales Segment offers personal service to its clients and the product concept is always tailored together with the customers to meet their needs.

The Expertise Sales Segment offers customers the latest products and favourites, as well as a broad range of wellbeing and ergonomic products for the workplace, first aid, and products improving work safety. Sustainability, locality and ecofriendliness are important grounds for choices. Safe ways of working and ensuring hygiene and protection will remain a part of the work environment even after the pandemic.

Due to the aging workforce, Nordic companies are increasingly investing in ergonomics and first aid products for the workplace. Knowledge work will continue to account for an ever-increasing part of all labour, so companies are also proactively investing in good workplace ergonomics. With good workplace ergonomics, it is possible to achieve significant savings due to the decrease in sick leaves.

Ergonomics and first aid preparedness are increasingly important in Nordic com-

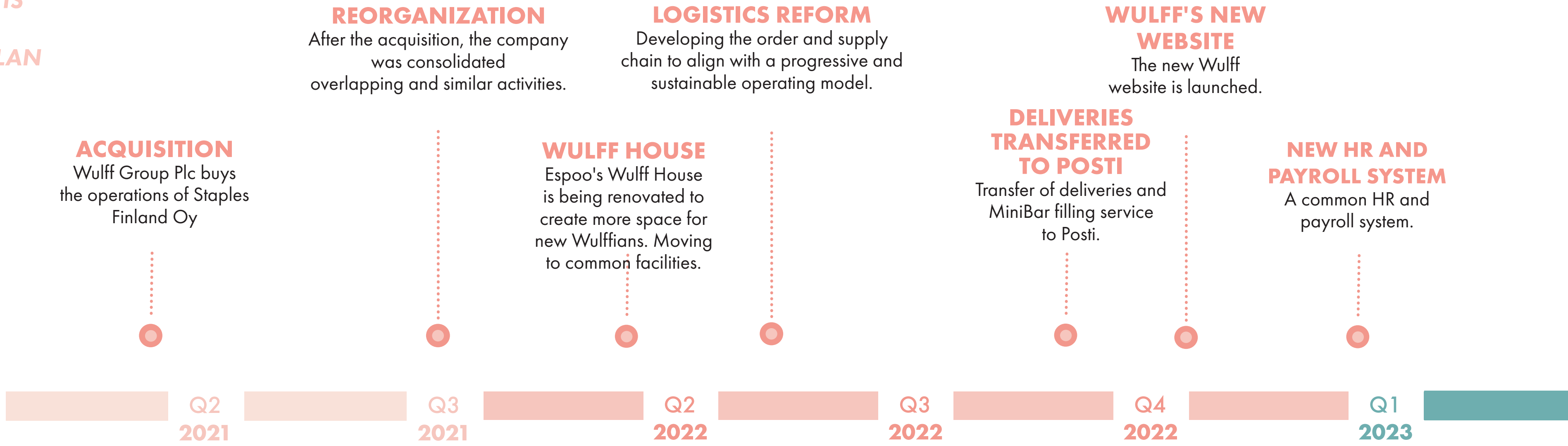
SERVICE-ORIENTED WULFF

In addition to Finland, the Wulff Group operates in Sweden, Norway, and Denmark. The service models of the multichannel operating group nicely complement each other

They all share the idea of offering the company's competence to customers. Comprehensive service promotes customer satisfaction and the continuity of customer relationships.

In the Nordic countries, Wulff has approximately 100,000 customers served personally by almost 250 B2B sales professionals. That means more than 200,000 customer encounters per year!

THE INTEGRATION OF THE ACQUISITION IS PROCEEDING ACCORDING TO PLAN



panies as the working population ages. There is also an increasing focus on good ergonomics as a preventive measure. Good ergonomics has the potential to save significant amounts of money in terms of reduced sickness absence. Expert sales are particularly targeted at medium-sized and small local companies. In 2024, Wulff's Expert Sales was reorganized for maximum profitability. Wulff Beltton, responsible for Expert Sales in the Wulff Group's Scandinavian division, transitioned in September 2023 to ownership by the family of the individual leading the company.

For small companies, micro businesses and consumers

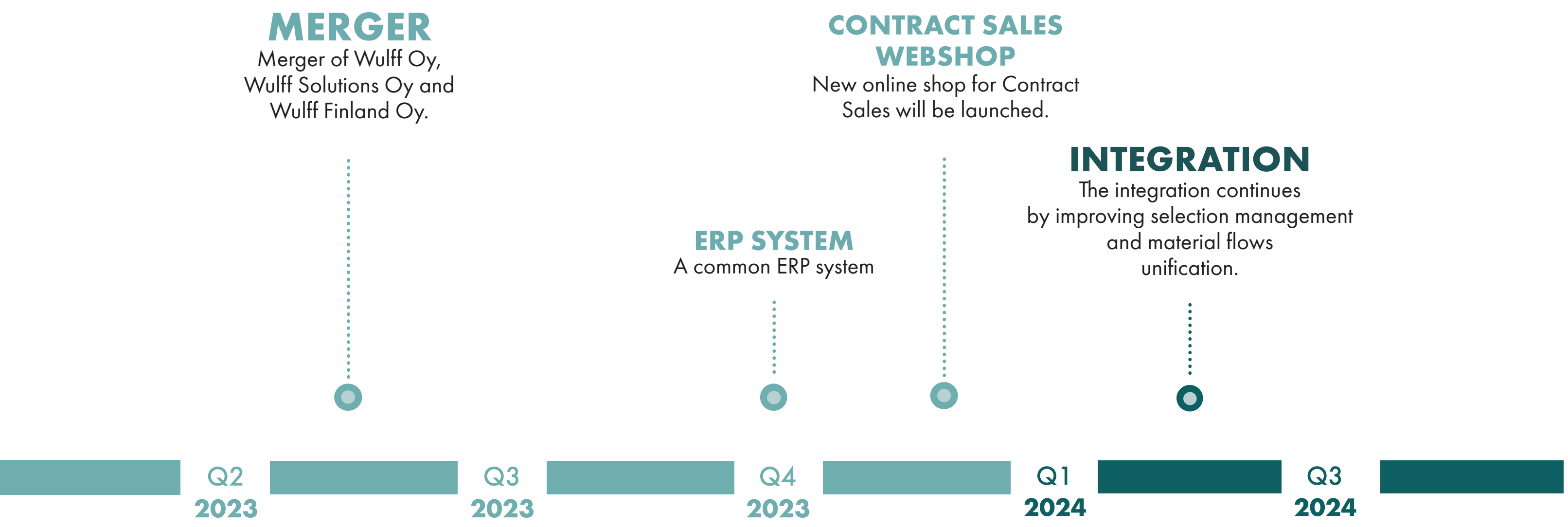
Wulff's open webshop Wulffinkulma.fi is constantly being developed. Lately, the webshop, which is geared towards small companies and self-employed people has focused on also serving consumers and small business owners operating in a consumer-like manner. The webshop, which serves a wider selection than its competitors in the workplace product and supplies sector, is constantly increasing its selection according to customers' wishes. There are already almost 5,000 products in the selection. The store offers new and current products, including plenty of healthy snacks, among other items.

The Wulffinkulma.fi webshop is known for its fast and reliable deliveries. This versatile and mobile-friendly webshop's advantages are secure and accurate deliveries. Whether it is to business premises, the home, remote office or a self-employed person's desk in a co-working space, Wulffinkulma.fi webshop delivers products where and when the customer wants. The same daily products are in use in home offices as in traditional office spaces: soft tissue papers, hand towels, soap, coffee and snacks. Wulff is appreciated for its local, sustainable, and environmentally sound range. Our assortment of items tomorrow are based on what customers express interest and delight in, today. The webshop is continuously being developed to offer even more sustainable options and information on the environmental impact of its products.

THE INTEGRATION OF THE COMPANY ACQUISITION CONTINUES

The most significant acquisition in Wulff's history is the acquisition of Staples Finland Oy in spring 2021. The combination of two Finland-based leaders in workplace products and services made Wulff an even more powerful player in the market and significantly increased our number of customers. The Group's customers will benefit from an even wider range of products and strengthened expertise. Staples Finland, originally Oy Lindell Ab was founded in 1890 in Helsinki and t was known as a strong contract supplier of workplace products and work environment solutions to large companies and the public sector. In Finland, the alignment and streamlining of Wulff Oy Ab and Wulff Solutions Oy Contract Sales' organisations, operating models and systems continued in 2023.

The company's corporate structure was simplified through a merger, when Wulff Oy Ab, Wulff Solutions Oy (formerly Staples Finland), and its subsidiary Wulff Finland Oy merged into one company in June 2023. The company was named Wulff Oy Ab after the most recognizable brand and the longest-operating company in Finland. The merger brought cost efficiency to operational activities and administration, enabling the restructuring of the company's



THE INTEGRATION OF THE ACQUISITION IS PROCEEDING ACCORDING TO PLAN

financial functions, among others. The most significant investment in 2023 was the project to integrate the ERP systems, which was completed at the end of the year. The unified ERP system enhances operational efficiency in internal processes, positively impacting the company's competitiveness. Customers benefit from the upgrade through improved features of the B2B online service and, most importantly, an expanded range of sustainable products.

WULFF-HOUSE, SUSTAINABLE DEVELOPMENT IN FINLAND

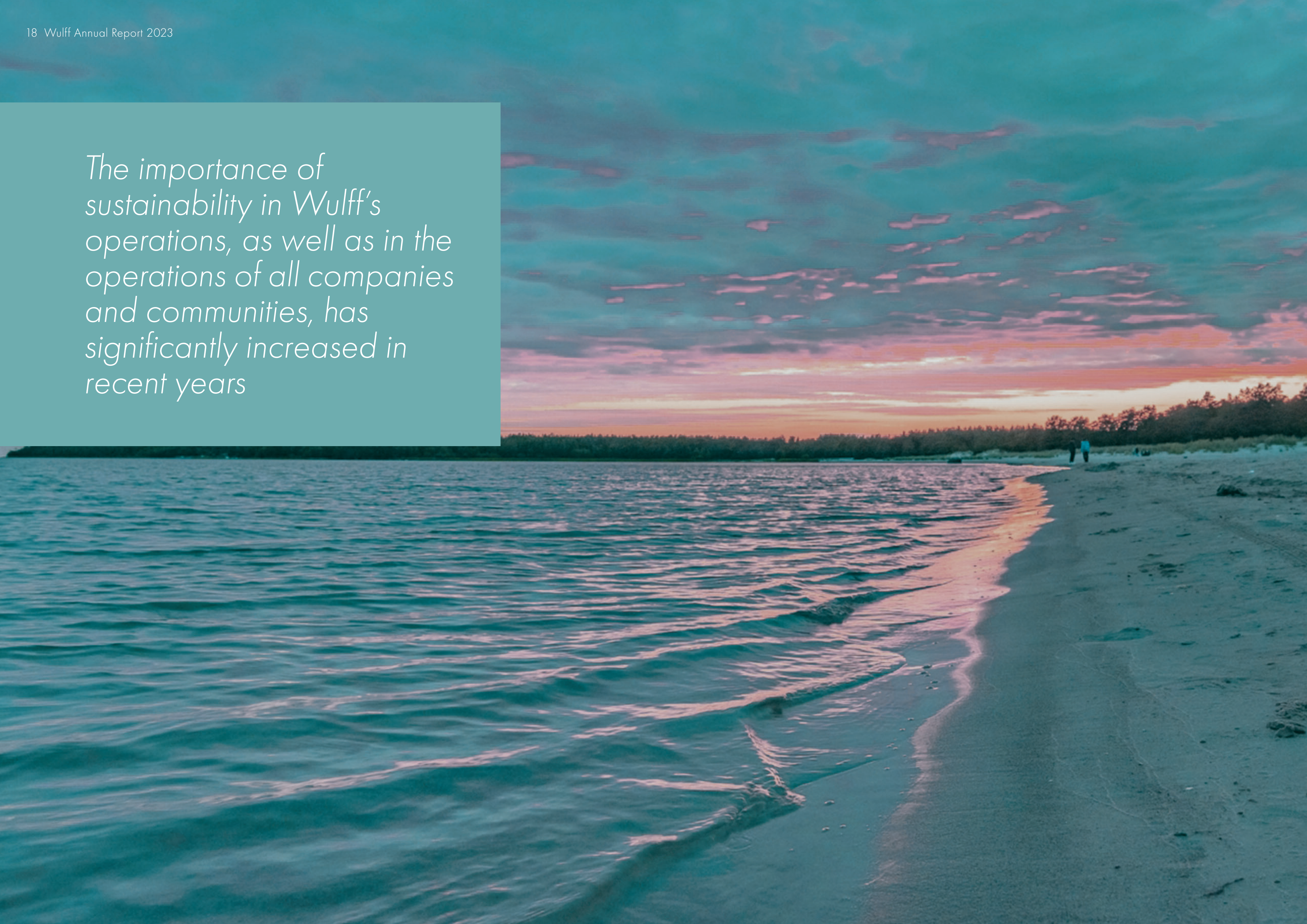
Located in Kilo, Espoo, Wulff House serves all Wulff stakeholders across Finland. In 2019, the company underwent renovations to create modern, comfortable, and sustainable office spaces. Additionally, the Espoo Wulff House installed its own solar power system on the roof. Further expansions in 2022 added a total of 850 square meters of new working, meeting, and event spaces. These facilities house the administration, support services, and sales operations for all domestic business functions and support cost savings in rental expenses. The upgraded spaces foster vibrant interactions, collaboration, and support the future of remote work.

AN EFFECTIVE DISTRIBUTION CHANNEL OF HIGH-QUALITY SERVICES AND PRODUCTS

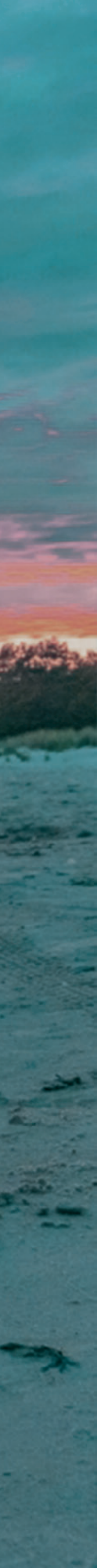
Wulff is a significant and desirable partner for the companies which provide Group companies with products and services. For example, a nationwide sales channel makes launching new products to customers in a tight timeframe possible while providing each customer with bespoke service. The growing Group can offer its customers an increasingly diverse range of services, price benefits, more sustainable services, products, and information about the impacts of their purchases. The company actively collects feedback and information from companies and product users regarding their needs and wishes. In addition to Wulff's own operational development, suppliers also utilise this information. The best ideas for product development and new products often come from customers.

IMPORTANT NETWORKS

INTERACTION, the leading wholesaler association in the field, is an important network for Wulff Group. All member companies are leading companies in their native countries. INTERACTION-members meet regularly to coordinate joint purchases and share knowledge and skills in sales, marketing, and logistics. For example, INTERACTION companies exchange information about bestselling products in different countries. Wulff benefits directly from the market and product information it receives. The joint purchasing organisation has its own international brand called Q-CONNECT. The high quality Q-CONNECT products are also included in Wulff Group's product range, and their popularity and number in Wulff's selection have grown continuously. Q-CONNECT products are still being developed to be more sustainable in terms of raw materials, manufacturing processes and logistics.



The importance of sustainability in Wulff's operations, as well as in the operations of all companies and communities, has significantly increased in recent years



SUSTAINABLE WULFF

Humans represent only about 0.01% of life on Earth but can affect 100% of life on this planet. That's why every choice counts, whether it's a pen, a coffee or a trade fair partner.

For Wulff, sustainability especially means positive climate actions, increasing equality, decent work and economic growth in the world. When the themes have a strong presence in our strategy, taking care of environmental, economic, and corporate social responsibility is a natural part of our operations.

Wulff's sustainability targets, actions and indicators have been designed in collaboration with the sustainability service company Third Rock and climate and environmental expert Leo Stranius. Wulff has found it important to set meaningful targets for operational development that will be meaningful and have an impact now and in the future. The aim was to decide on targets that would be challenging but achievable with determined and persistent work. At Wulff, we are pleased to see that sustainability has become a more significant decision-making criterion for an ever-increasing group of customers and Wulff stakeholders. It makes sustainability and sustainability projects an inspiring tool that benefits all. The three important elements of Sustainability at Wulff are happy Wulff employees, a sustainable supply chain and a carbon-neutral Wulff. The Sustainability theme is reviewed annually at Wulff: internal and external audits, and help from experts if necessary, are used to ensure that practices and development trends also serve Wulff's strategy as the operating environment changes. Next time, we will update objectives and metrics, and evaluate successes with Third Rock in 2024.

ENVIRONMENTAL RESPONSIBILITY AND POSITIVE CLIMATE ACTIONS

Wulff's targets regarding carbon-neutrality and a sustainable supply chain are strong statements for positive climate actions and environmental responsibility. It is important to know the carbon footprint of your own actions and choices, decrease it, and compensate for any emissions. However, acknowledging and decreasing your carbon footprint is only the first step. In its own operations and the product selection it offers for its customers, Wulff aims to create climate benefits with products, services, or processes, or to turn the carbon footprint into a carbon handprint.

MORE SUSTAINABLE CHOICES FOR CUSTOMERS

We need information, indicators, guidance and inspiration for more sustainable operations. Wulff has invested in collecting information, creating indicators and communications. As a customer of Wulff, more sustainable operations are easy because customers get extensive information about the impacts of their choices on the world and suggestions for making your operations and actions more sustainable.

Wulff has been praised on several occasions for its detailed environmental reporting. For example, CO_2 emissions burdening the environment are monitored in Contract Customer sales, by company and by company location. Our environmental calculator counts the operations' carbon footprint and indicates how much offset CO_2 emissions are created. Customer-specific CO_2 emissions reports have been part of Wulff's Contract Customer sales' standard reporting in Finland for a long time. Customers are also actively steered towards low-emission operations by optimising the number of deliveries they receive.

The delivery options used are environmentally friendly and carbon-neutral. Deliveries with no carbon dioxide emissions are executed in Finland through the Posti Green service.

CERTIFIED OWN OPERATIONS

Wulff's commitment to sustainability is demonstrated through the prestigious ISO 14001 certification. Our latest environmental certification is the WWF Green Office: at the Wulff House in Espoo, Finland, where we operate in an environmentally friendly manner and continuously strive to make our operations even more sustainable.

RESPONSIBLE ACTIONS FOR THE BENEFIT OF THE WORLD AND SOCIETY

Our planet and its inhabitants thrive when children and young people grow into well-being, caring adults with the ability to make good decisions and act responsibly. In 2023, Wulff supported the Vamos, youth service of the Deaconess. Institute with a Christmas donation.

SUPPORTING OUR CUSTOMERS' SUSTAINABILITY EFFORTS

The more Wulffians meet customers, the more we increase awareness of more responsible options. Every year we have up to 200 000 encounters with our customers - all opportunities to make a difference!

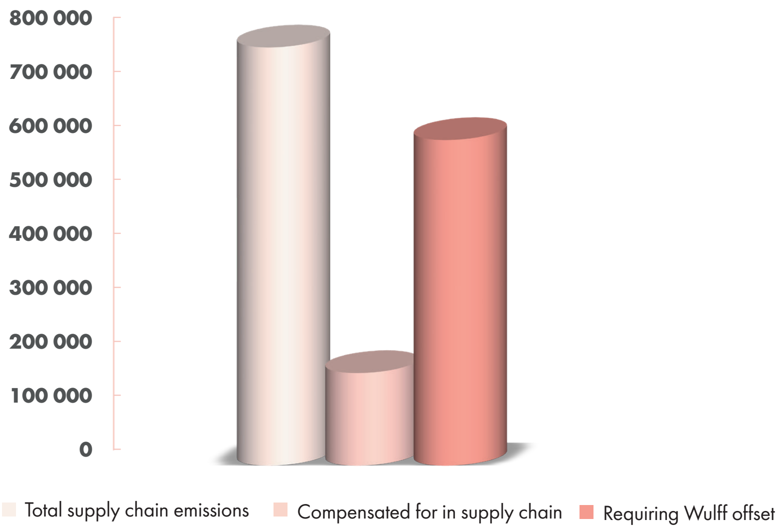
Decreasing and calculating CO2 emissions is realised using Posti's environmental programme, and the remaining emissions are compensated by funding certified climate projects in countries with no emission ceilings.

CARBON-NEUTRAL SUPPLY CHAIN
In the supply chain: in import transportation, storage, customer deliveries and recycling and returns, environmentally friendly, carbon-neutral alternatives are used whenever possible. Any remaining emissions are compensated by financing certified climate projects. During 2022, Wulff unified its transport partner practices in Finland and invested even more than before in more accurate emissions calculation and analysis of its own operations. In early 2023, an even more detailed plan was completed to reduce real emissions and develop operations towards enabling a carbon handprint.

All packaging material used in shipping goods are recyclable or can be utilised as energy. Cardboard boxes, packaging tape, packing rims, stretch wrap and pallet hoods, as well as filler paper, have all been selected for their recyclability or environmentally friendly disposal.

Supply chain emissions kg CO_2e / 2023

(Wulff Oy and Wulff Naxor/Suomi)



Wulff's goal is to reduce total emissions relative to net sales, with a particular focus on reducing real emissions. Any remaining emissions are offset either within the supply chain or by Wulff. In 2023, Wulff's offset obligation amounted to 171,430.

GOAL:
CARBON-NEUTRAL SUPPLY CHAIN

The goal of achieving a carbon-neutral supply chain was reached in Finland for the first time in 2022, and for the second time in 2023. The company continues to develop its supply chain to become even more responsible.

EMPOWERING RECYCLING: WULFF MAKES IT EFFORTLESS FOR CUSTOMERS
Wulff actively provides different recycling options for its customers – for example, recycling containers and the Wulff Eko-Bag. The recycling of used toner cartridges, soft drink bottles, batteries, and waste electrical and electronic equipment (WEEE) is quick and easy thanks to returnable collection containers. Workplace products made of different materials can easily be sent out for sorting and reuse in the Wulff Eko-Bag. As the container or bag is starting to fill up, you order a collection from Posti, and the products will be processed further for recycling. In Contract Customer sales, the sustainability percentage of customers' purchases is monitored and discussed with Wulff's key account manager.

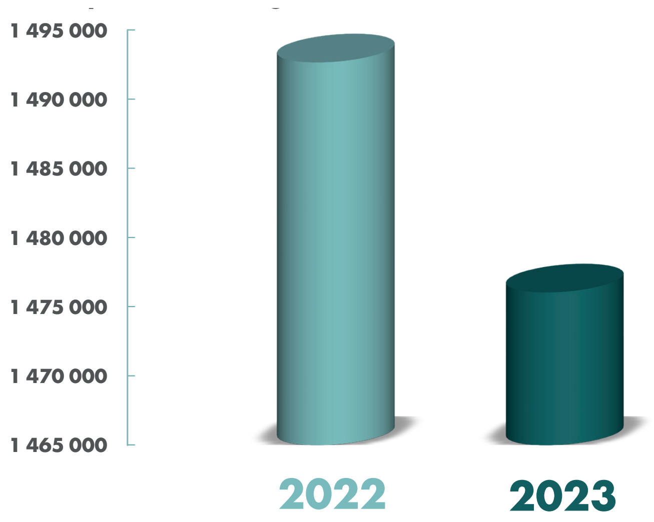
Customers of the wulffinkulma.fi online store that is open to everyone are encouraged to make better choices with the sustainability indicator in the shopping basket. In both personal and online encounters, Wulff steers customers towards better choices. Better choices can be environmentally friendly, ethically made, certified, domestic and locally manufactured products.

WE'RE RAISING AWARENESS OF MORE SUSTAINABLE ALTERNATIVES
The more customers our Wulff employees meet, the more we succeed in increasing the amount of information on sustainable options in the world. By taking care of the well-being of the environment, we create good operating conditions for both individuals and businesses in the future.

The operation of road vehicles constitutes part of the Wulff carbon footprint. The job of many Wulff employees requires meeting customers in different corners of the country, sometimes far away. At Wulff House in Kilo, Espoo, we have electric vehicle charging stations that are available for our personnel and customers to use. The car policy of Wulff Group includes renewing our fleet to limit vehicles that burden the environment to a minimum. Some of the fleet is renewed every year. The number of more environmentally friendly vehicles is thus continuously increasing. The emission limits for new cars have been decreased significantly. In addition, we provide our employees with the opportunity to select an environmentally friendly gas car as their vehicle. Wulff employees are also encouraged to commute, and those working in the offices are advised to go to lunch or the train station by bicycle or on foot to be able to take in the beauty of nature— a little exercise break also works wonders for the mind and body!

The increase in remote meetings has cut the kilometres driven, and the coronavirus pandemic accelerated the transformation where

Energy consumption of facilities in Finland / kWh



Carbon footprint of facilities
0 kg CO_2e in 2023

Wulff's energy consumption in Finland has significantly decreased due to measures aimed at reducing energy consumption and installing solar power plants on its premises. Nowadays, solar power plants are installed on all of Wulff's properties in all operating countries. The goal at the facilities is to operate as energy efficiently as possible. Thanks to solar power plants, a large portion of the energy can be self-produced.

In Finland, Wulff's owned properties, the Wulff House in Espoo and the logistics center in Tuusula, both utilize their own solar power plants. The energy used is 100% renewable, including in the leased properties at Wulff's stores in Helsinki, Lahti, and Turku. Once again in 2023, Wulff achieved its goal of having carbon-neutral premises.

in-person meetings can also be an experiential online encounter. Teams, Zoom and Google-Meet meetings will be part of the ecological everyday life of Wulff stakeholders in the future as well. Wulff people will meet each other, and partners and customers can utilize the Wulff Entre's My Remote Studio.

AIMING FOT THE MOST SUSTAINABLE PRODUCT RANGE IN THE INDUSTRY

Many of our customers who purchase workplace products from Wulff have noticed that sustainable products are good for the environment and the budget. Wulff's selection of sustainable products is increasing continuously. When selecting partners, we prefer companies committed to sustainable development, improving the environment and ethical operations. In particular, we are adding products to our selection in which environmentally friendly raw materials and production have been used.

We refined and strengthened our own ethical partner guidelines in 2021 and have updated the contracts with our partners during 2022. Commitment to our ethical guidelines is verified by a signed contract. In addition to environmental impacts, the guidelines take a stand on bribery and human rights.

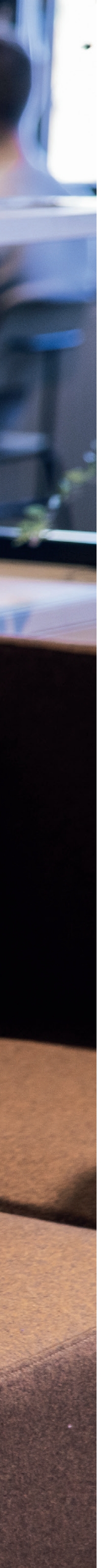
CARBON-NEUTRAL WORKPLACES

In its own operations, Wulff is actively decreasing the emissions, consumption and waste created in its operations. Wulff's own offices have been carbon neutral since 2022. All Wulff-owned properties in all its countries of operation generate energy from rooftop solar power plants. For example, Wulff House in Kilo, Espoo, has a capacity of 110 kWp and a total annual production of approx. 90 MWh. Solar energy is green energy at its best, because its production is noise-free, inexhaustible, and almost pollution-free. Wulff was among the first to start using solar panels in Finland at both its headquarters in Espoo and its logistics centre in Pakkasraitti, Tuusula. By investing in its own solar power plants that generate renewable energy, Wulff as a company can improve its energy efficiency and decrease carbon dioxide emissions for its part.

The emissions remaining from our own operations are compensated. Planting forests is one of the most effective ways of increasing carbon sinks in the world, and Wulff people have even planted their own Wulff forest in Northern Savo in Finland.

With all its stakeholders, Wulff promotes sustainable operations in all its operations, always taking into account environmental responsibility. On a national level, Wulff is already the industry's most environmentally friendly operator in Finland. Its operations have been standardised with the ISO 14001 certification.

Effectiveness is responsibility. Financial success enables a strong investment in sustainable development in business.



> *Wulffin tavoitteena on siirtyä hiilijalanjäljestä hiilikädenjälkeen.*

EQUALITY AND WULFF
Equality and leadership is at the heart of social responsibility at Wulff. When we succeed in making the world a more equal place, and when we increase equality and decrease inequality, we create more positive experiences for people.

The objective of Wulff is to provide an opportunity for meaningful work. That is why discussions on what makes work meaningful are important and encouraged. To truly share the same values, the values of the company and the people must meet at a sufficient level. An employee who feels well and healthy is any company's most precious asset. We track the wellbeing and satisfaction at work of Wulff employees with an annual employee survey. Wulff employees actively respond to the survey. The job satisfaction in the Group has remained at a high level and some of its aspects have also developed positively.

For Wulff, good leadership means a culture of servant leadership, human and individual-centred leadership as well as self-leadership. In 2023, Wulff focused particularly on strengthening the sales culture and developing collaboration – and after the years of the pandemic, on shared experiences and togetherness.

CREATING AND INCLUSIVE ENVIRONMENT FOR ALL EMPLOYEES
Wulff employs different kinds of people with diverse educational and work experience backgrounds. Some are starting out on their career, and some have a long career behind them. Every employee's need for personal coaching is evaluated separately.
Every year, Wulff employees hone their skills by attending training and coaching sessions for an average of 9 days. Sales is experienced as a field accessible to anyone, equally, where you can influence your work greatly, and opportunities for advancing in your career are expansive. Wulff has received a lot of praise from students, educational institutions, interns and employment centres, because it offers opportunities to learn working life skills in practice with Wulff employees in real work and customer situations.

Maintaining and developing working life skills, commanding basic skills and taking into account the growing number of incapacitated people with limited working ability is important. Wulff therefore also provides opportunities for those considering a new job, as well as those in work trials, training and rehabilitation. We provide people from different backgrounds and even in challenging life situations with an opportunity to get positive experiences of being part of a work community.

Entrepreneurship is becoming more common and organisations, including Wulff, are increasingly buying targeted expertise and, for example, project-specific knowhow from expert entrepreneurs. Wulff's goal is to be the most recommended and responsible partner also, for example, for light entrepreneurs who provide services to Wulff. Partner satisfaction with Wulff is measured in an annual survey..

A SOCIAL CHANGEMAKER
Wulff is actively committed to bettering our society operator. Every year, Wulff supports charity projects that have a positive effect on the climate, increase equality or are otherwise in line with Wulff's values and strategy—making an impact on the overall appreciation of the sales field or encouraging healthy lifestyles, among other important outcomes.

Wulff encourages its own employees to give their time to do good: Wulff 4H means that every Wulff employee can spend four hours of their working time each year on volunteer work that they consider important. Many at Wulff choose to do 4H activities that are positive climate actions or projects that promote equality or human dignity.

PERFORMANCE IS RESPONSIBILITY
The Group's financial success enables operational success in line with sustainable and responsible development. Wulff's objective in all its operating countries is to create value for its stakeholders: customers, suppliers and employees. For its shareholders, Wulff produces value in the form of dividends and increases in value, for example. Wulff's objective is to share approximately 50% of the financial year's profit as dividend. The Board has proposed to the Annual General Meeting to be held on 04/04/2024 that a dividend of EUR 0.15 per share be paid for the financial year 2023. at Wulff choose to do 4H activities that are positive climate actions or projects that promote equality or human dignity.

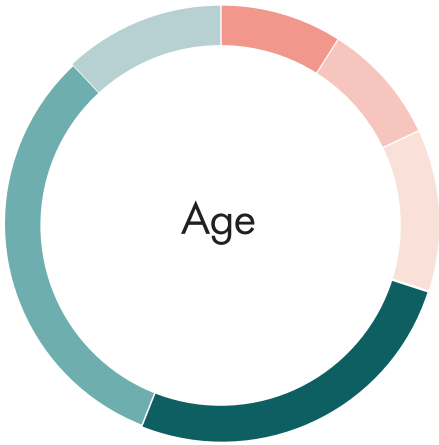
WORKPLACE WITH OPPORTUNITIES TO GROW AND DEVELOP

Wulff offers its employees good opportunities to grow and develop in their own work. For example, most of the subsidiaries' managing directors have started their careers in sales. As a Nordic company, Wulff also offers a possibility to create an international career. Wulff is a forward-thinking employer committed to equality, embracing individuals of all ages and diverse educational and professional backgrounds. While many companies focus their business operations in the Helsinki metropolitan area or significant growth centres, Wulff can offer vacancies in numerous locations around its operating countries. To strengthen organic sales growth, the Group focuses strongly on the recruitment of sales personnel. Wulff seeks to hire new specialist sales personnel in all its operating countries.

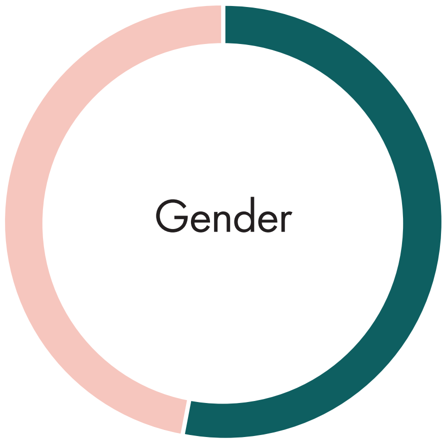
Wulff is largely a sales company, and selling is an equal job that is suitable for many different people, regardless of age or gender. Between January and December 2022, Wulff Group's personnel totalled an average of 262 (286) employees. At the end of December 2023, the Group had 234 (280) employees, of whom 46 (72) persons were employed in Sweden, Norway or Denmark. The Group's personnel consists of 40 % (41) of employees in sales operations, and 60 % (59 %) in sales support, logistics and administration. 53 % (52) of the personnel are women and 47% (48) are men.

In Finland, the logistics for Contract Sales are managed not only by Wulff's own logistics center in Tuusula but also by Posti, a long-standing partner. Approximately 30 logistics professionals, who joined Wulff as part of the acquisition of Staples Finland Oy in 2021, work at Tuusula's modern, largely automated logistics center.

- Sales support 60%
- Sales 40%



- Under 30 year old 9%
- 30-35 year old 9%
- 36-40 year old 12%
- 41-50 year old 26%
- 51-60 year old 32%
- Yli 60 year old 12%



- Women 53%
- Men 47%

- Finland 80%
- Sweden 15%
- Norway 4%
- Denmark >1%

BOARD AND MANAGEMENT | Board

KARI JUUTILAINEN b. 1966

Chairman of the Board, Responsibilities: Sales Development and management coaching

Substantial experience and education:
- InHunt Group Oy, Partner/CEO since 2014
  InHunt Group Oy, Partner/Headhunter 2012-2014
- GT Design Oy, CEO 2004-2011
- Securitas Direct Oy, Sales Director 2004–2004
- Leo Longlife Group Ltd, Sales Director 1991–2004
- Qualification in Business and Administration

Positions of trust:
- Interi Oy, only Board Member since 2023
- InHunt Holding Oy, only Board Member since 2023
- InHunt Boards Oy, only Board Member since 2019
- Wulff Group Plc, Chairman of the Board since 2019
- Wulff Group Plc, Board Member since 2018
- InHunt World Oy, only Board Member since 2017
- InHunt Group Oy, Board Member since 2014
- GT Design Oy, Chairman of the Board 2004–2011

Wulff ownership as of December 31, 2023: 20,199 Wulff shares representing 0.3% of the company's shares and votes.

LAURI SIPPONEN b. 1969

Board Member, Responsibilities: Business Development

Substantial experience and education:
- Laitilan Wirvoitusjuomatehdas Oy, CEO 2022-2023
- VR Group, CEO 2021-2022
- Lidl Suomi Ky, CEO, 2010–2019, Administration Director 2008–2010, Regional Director 2003–2008, Auditing Manager 2002–2003, Business Controlling Manager 2001–2002
- Yritys-Sampo Insurance (IF), Business Controller, Marketing Manager 1998–2001
- University of Jyväskylä, M.Sc. (Econ), Accounting and marketing 1998
- Wirtschaftsakademie Schleswig-Holstein, Industrie- und Außenhandelsassistent, Groß- und Außenhandelskaufmann, Kiel 1993

Positions of trust:
- Wulff Group Plc, Board Member since 2020
- Raisio Oyj, Board Member since 2023
- CAP-Group Oy, Chairman of the Board 2020-2022, Board Member since 2023
- Repolar Pharmaseuticals Oy, Board Member since 2006
- Deutsch-Finnische Handelskammer DFHK, Board Member since 2021
- Kaupan Liitto, Finnish Commerce Federation, Board Member 2015–2019
- PTY Finnish Grocery Trade Association, Board Vice Chairman 2011–2019

Wulff ownership as of December 31, 2023: 26,260 Wulff shares respresenting 0.4% of the company's shares and votes.

JUSSI VIENOLA b. 1995

Board Member, Responsibilities: Finance

Substantial experience and education:
- Suomen Vaihtoauto Oy, CEO since 2020
- PwC, Trainee since 2019–2020
- JOOL Group, Trainee 2019–2019
- PYN Fund Management, Trainee 2017–2017
- Aalto University, Master of Science in Business Administration, Finance, since 2019
- Aalto University, Bachelor of Science in Business Administration, Finance, 2016-2019

Positions of trust:
- Wulff Group Plc, Board Member since 2018

Wulff ownership as of December 31, 2023: 34,240 Wulff shares representing 0.5% of the company's shares and votes.

KRISTINA VIENOLA b. 1996

Board Member, Responsibilities: Communications and Marketing

Substantial experience and education:
- Tahko Spa, Marketing Manager since 2024
- Google LLC, Account Manager 2022-2023
- Leadfeeder, Business Development Specialist since 2021-2022
- Azets Oy, Customer Success Trainee since 2019-2021
- Turku School of Economics at the University of Turku, Marketing, 2021

Positions of trust:
- Wulff Group Plc, Board Member since 2018

Wulff ownership as of December 31, 2023: 33,875 Wulff shares representing 0.5% of the company's shares and votes.

ELINA RAHKONEN b. 1979

Wulff Group Plc CEO, Chairman of the Executive Board

Responsibilities: Wulff Group Plc's CEO

Substantial experience and education:
- Wulff Group Plc CEO since 2019
- Ahlsell Ltd CFO 2017–2018
- Wulff Group Plc CFO 2014–2017 and interim CEO 2016–2017
- Deloitte & Touche Ltd auditor (APA) 2011–2014
- Other financial management functions 2002–2011
- Aallon Group Ltd CEO 2018–2019
- Master of Science in Economics

Positions of trust:
- Olas Group Oy,Board Member since 2023
- LapWall Oyj, Board Member since 2023
- Kreate Group Oyj, Board Member since 2020
- Wulff Group Plc, Executive Board Member since 2019

Wulff ownership as of December 31, 2023: 40,000 Wulff shares representing 0.6% of the company's shares and votes.

TARJA TÖRMÄNEN b. 1974

Communications and Marketing Director, Executive Board Member

Responsibilities: Communications, Marketing and HR as well as their development

Substantial experience and education:
- Wulff Group Plc, Communications and Marketing Director since 2009
- Wulff Group Plc, Communications Manager/Brand Manager since 2002-2009
- Vista Communication Instruments Ltd, Office Manager 2001–2002
- Previta Ltd, Communications Manager 2000–2001
- Beltton Group, Brand Manager 1999–2000
- Specialist Qualification in Marketing Communications 2013
- NLP Trainer, NLP Coach, CxO Certified Business Mentor

Positions of trust:
- Stepfamily Association of Finland, Board Member since 2021
- Era Nova Bookshop Oy, Chairman of the Board since 2018
- Wulff Group Plc, Executive Board Member since 2009
- Finnish NLP Association, Board Member 2007-2018, Chairman of the Board since 2018-2021, Board Member since 2021

Wulff ownership as of December 31, 2023: 1,600 Wulff shares representing 0.0% of the company's shares and votes.

IIRIS POHJANPALO b. 1980

Wulff Group Plc Chief Financial Officer (CFO), Executive Board Member

Responsibilities: Finance, Investor Communications, Secretary of the Board of Directors

Substantial experience and education:
- Wulff Group Plc, CFO since 2023
- Nurminen Logistics Plc, CFO 2020-2023
- Nurminen Logistics Plc, Director Group Business Control 2019-2020
- Fira Group Ltd, Group Controller 2017-2019
- Diacor Healthcare Ltd, Business Controller 2014-2017
- VR-Group Ltd, Controller 2009-2011
- Accenture Ltd, Management Consultant 2007-2009
- Master of Science in Economics

Positions of trust:
- Wulff Group Plc, Executive Board Member since 2023
- Railgate Finland Oy, Board Member since 2023

Wulff ownership as of December 31, 2023: 0 shares.

TROND FIKSEAUNET b. 1963

Wulff Supplies AB's Managing Director,Executive Board Member

Responsibilities: Wulff Supplies AB's management, development of Scandinavia's Contract Customer operations

Substantial experience and education:
- Wulff Supplies AB, Managing Director since 2009
- Strålfors, various positions 1998–2009, Scandinavian Director in Supplies business area 2006–2009
- Strålfors Norway, Managing Director 2002–2006
- 3M, Sales and Marketing Manager 1986–1998

Positions of trust:
- Wulff Group Plc, Executive Board Member since 2011
- Member of Management Group in Supplies business area 2006–2009

Wulff ownership as of December 31, 2023: 0 shares.

CORPORATE GOVERNANCE STATEMENT

Wulff Group Plc is a Nordic listed company and the most significant Nordic player in office supplies. Wulff sells and markets workplace products, IT supplies and ergonomics. Its service range also includes international exhibition services and financial management services. In addition to Finland, Wulff operates in Sweden, Norway and Denmark. The Group also serves its customers online with a webshop for workplace products at wulffinkulma.fi.

Wulff Group Plc's corporate governance is based on Finnish legislation, such as the Limited Liability Companies Act, Securities Market Act, the regulations concerning the companies in the Helsinki Stock Exchange, and regulations regarding corporate governance of public listed companies, as well as the Articles of Association. Wulff Group Plc adheres also to the Securities Market Association's Finnish Corporate Governance Code which is publicly available on the Securities Market Association's web pages (cgfinland.fi). The current Articles of Association are available on the Group's website wulff.fi. The Corporate Governance Code is based on a Comply or Explain principle which means that a company can deviate from individual guidelines if it explains and gives reasons for the deviation. The entire document describing the Group's corporate governance principles and practices is available on the Group's investor pages (wulff.fi). This Corporate Governance Statement is presented separately from the Review of the Board of Directors.

GENERAL MEETING

Wulff Group's highest decision-making power is exercised by shareholders at the general meeting held at least once a year. The Annual General Meeting (AGM) is held annually on a date determined by the Board of Directors within six months of the end of the financial period either in the company's domicile, Helsinki, or in Espoo. Shareholders may exercise their rights to speak, request information and vote.

Shareholders are invited to general meetings by publishing a notice at Wulff's corporate website. The notice and instructions for participating in the meeting are also published as a stock exchange release. The Board's proposed agenda as well as the proposed Board Members and auditors are announced in the notice or in a separate stock exchange release before the general meeting.

The Annual General Meeting handles the tasks pertaining to it according to the Limited Liability Companies Act and Wulff Group's Articles of Association, which include:

- adopting the income statement and balance sheet
- handling the profit or loss according to the adopted balance sheet, dividend distribution
- discharging the Members of the Board of Directors and the CEO from liability
- determining the number of Board Members and appointing members for one year at a time
- electing auditors
- determining the fees of Board Members and auditors, as well as the criteria for reimbursement of travel expenses
- remuneration policy and the approval of the remuneration report
- other matters mentioned in the notice of the meeting.

The Annual General Meeting is also authorised to amend the Articles of Association. An Extraordinary General Meeting is summoned, if required, by the Board of Directors.

In 2023, Wulff Group Plc's Annual General Meeting was held on April 5. The Annual General Meeting adopted the financial statements for the financial year 2022 and discharged the Members of the Board of Directors and CEO from liability. The AGM decided to pay a dividend of EUR 0.14 per share and authorised the Board of Directors to decide on the repurchase of the company's own shares. The Annual General Meeting also accepted the Board's proposal concerning the authorisation to perform share issues. The AGM also approved the remuneration report for 2022. Kari Juutilainen, Lauri Sipponen, Jussi Vienola, and Kristina Vienola were re-elected as Board Members. The organising meeting of Wulff Group Plc's Board of Directors, held after the Annual General Meeting, decided that the Chairman of the Board is Kari Juutilainen. BDO Oy, with Authorized Public Accountant Juha Selänne as the lead audit partner, was chosen as the auditor of Wulff Group Plc. The Annual General Meeting decided that the reimbursements to the Auditors are paid on the basis of reasonable invoicing.

In 2024, Wulff Group Plc's Annual General Meeting will be held on April 4.

BOARD OF DIRECTORS

The Board of Directors is responsible for the administration and the proper organisation of the operations of the company. The Board supervises and controls the operative management of the company, appoints and dismisses the managing director, approves the strategic goals and the risk management principles for the company and ensures the proper operation of the management system. The Annual General Meeting elects three to six members to the Board of Directors and at most as many deputy members. The Board's term ends at the termination of the first Annual General Meeting following the election. In the organising meeting held after the AGM, the Board elects a Chairperson among its members. If the Chairperson is disqualified or prevented from attending to his/her duties, a Deputy Chairperson is elected among Board Members for the duration of a meeting.

The Board of Directors supervises the management of company operations, administration and accounting. It annually confirms a written charter for its activities, which it complies with in addition to the Articles of Association, Finnish legislation and other regulations. The charter lays out the Board's meeting procedures and tasks. According to the Board's charter, in addition to the issues specified in legislation and the Articles of Association, Wulff Group's Board of Directors:

- approves the company's long-term goals and strategy
- approves the company's action plan, budget and financing plan and supervises their implementation
- handles and adopts interim and half-year reports and the financial statements
- decides on individual big and strategically significant investments, such as company acquisitions and acquisitions and disposals of business operations
- preparation and presentation of the remuneration policy and report at the Annual General Meeting
- appoints the CEO and decides on his/her salaries and other remuneration
- approves risk management and reporting procedures
- draws up the dividend policy
- sets up committees, if needed, to enhance Board work
- appoints the Group Executive Board
- supervises auditing
- assesses the auditor's independence and additional auditing services.

Wulff Group's Annual General Meeting held on April 5, 2023 elected four members to the Board of Directors.

In the preparation of the proposal for the composition of the Board of Directors, the requirements placed by the company's strategy, operations and development phase as well as the sufficient diversity of the Board of Directors are taken into account. The diversity of the Board of Directors is examined from different perspectives. Important factors for the company are academic and professional backgrounds as well as strong, versatile and mutually complementary expertise, experience and knowledge in the different business areas important to the company, internationality, independence of the company, an appropriate number of members, and the age and gender distribution. The Board must have sufficient economic and financial knowledge and management, marketing, and sales expertise.

In 2023, Wulff Group Plc's Board of Directors fulfilled the principles concerning diversity and expertise taking into consideration the company's strategy and the market and business environment as well as development projects. The focus of the strategy is customer experience, sales expertise and operating through multiple channels. Important strategic projects are taking advantage of digitalization, supporting sales with marketing communications, development of product and service portfolio especially with environmentally sustainable solutions and enhancing personnel's expertise. Especially important for the Board of Directors is developing the sales management according to the company's growth strategy.

The company's target is that both genders are represented on the Board of Directors. Currently, one of the four Board Members is a female, which means that the company's goal concerning the representation of both genders has been fulfilled. In the selection and evaluation process of new Board Members, the primary criterion is the qualifications of the individual and the possibility to devote a sufficient amount of time to the work, thus both genders are taken into consideration equally.

The majority of Board Members must be independent of the company. In addition, at least two of the members in this majority must be independent of the company's major shareholders. The independence is evaluated in compliance with recommendations of the Finnish Corporate Governance Code. The Members of the Board of Directors own shares of the company. The Chairman of the Board of Directors (since April 9, 2019) Kari Juutilainen owned 0.3%, and Members of the Board Jussi Vienola and Kristina Vienola owned 0.5% each and Lauri Sipponen owned 0.4% of the outstanding shares on 31.12.2023. Considering the portion of the shareholding the dependence of the company is considered insignificant. The Members of the Board were not employed by the company in 2023 or 2022. According to the Board's assessment, the Members of the Board were independent of the company and significant shareholders in 2023 and 2022.

Due to the Group's small size, setting up Board committees or a supervisory board has not been considered necessary. The entire Board of Directors has handled all its tasks.

The Board of Directors convenes on average once a month during the financial year and more often if needed. The Chairman of the Board is responsible for convening meetings and for meeting activities. The meeting agenda is prepared by the CEO together with the Secretary of the Board.

Wulff Group Plc's Board of Directors convened 15 times (15) in 2023. The average meeting attendance of the Board Members was 100 percent (98). At its organising meeting the Board approved the charter and action plan for 2023 and evaluated the independence of its members. According to the meeting plan for 2024, the Board of Directors will convene 11 times. The Board carries out annual assessments of its operations and working styles based on a self-evaluation form. Based on the assesment, which was carried out in writing, Board work was successfull in 2023.

More information on Board Members and their Wulff shareholdings is presented in Board and Management.

CEO

The Board appoints the Chief Executive Officer (CEO) who supervises the company's operational management in accordance with the Limited Liability Companies Act with the instructions and guidelines provided by the Board. The CEO ensures that the accounting practices of the Group comply with the law and that the financial management of the group has been arranged in a reliable manner. The CEO ensures that the Board has sufficient information to assess the company's operations and financial situation. The CEO is responsible for the accomplishment of the Board's decisions and reports the results to the Board.

The CEO may undertake acts which, considering the scope and nature of the operations of the company, are unusual or extensive, only with the authorisation of the Board.

The CEO of the parent company Wulff Group Plc also acts as the Chairman of the Group Executive Board.

Elina Rahkonen started as the Wulff Group Plc's CEO on September 30, 2019.

GROUP EXECUTIVE BOARD

The Group Executive Board led by the Group CEO is responsible for the Group's operations in practice. The Group Executive Board convenes regularly to analyse and evaluate the financial and business performance as well as the key development initiatives of the segments. The management team has no official statutory position but, in practice, it has a significant role in the organisation of the company management. Based on the CEO's proposal, the Board of Directors confirms the composition and new nominations to the Group Executive Board.

The Managing Directors of subsidiaries are in charge of the business operations in each subsidiary. Significant decisions, such as significant investments, are subject to the Group CEO's approval. Each subsidiary has its own financial administration, while the Group's Chief Financial Officer has responsibility of group-wide financial administration.

More information on Group Executive Board Members, their responsibilities, and their Wulff shareholdings is presented in the section Board and Management.

REMUNERATION

Board of Directors

According to the company's Articles of Association, the Annual General Meeting determines the remuneration of the Board Members on a proposal from the Board of Directors. A fixed, monthly fee of EUR 1,250 resolved by the Annual General Meeting is paid to the Chairman and Board Members.

These Board Members are not rewarded by share-based remuneration plans or in any other way. The Group has not granted loans, guarantees or other contingencies to the Board Members. A summary of the remuneration of the Board of Directors is presented in Note 25 of the Consolidated Financial Statements and in the table presented.

According to the authorization granted by the Annual General Meeting on April 5, 2023, the Board of Directors has the right to continue the repurchase of the company's own shares by acquiring at most 300,000 own shares. The authorisation is in force until April 30, 2024. According to the authorization the company can acquire treasury shares to support the implementation of an incentive scheme or to be otherwise disposed of. In January-December 2023 no own shares were reacquired. During the last quarter of 2022, between October 26 and November 29, Wulff Group Plc repurchased 66,812 shares at the market price quoted through public trading on Nasdaq Helsinki Ltd, in accordance with the rules regarding the acquisition of company's own shares. The acquired shares are intended to be used to finance acquisitions and other arrangements according to the company´s growth strategy.

Chief Executive Officer

The Board prepares a proposal and determines the Group CEO's remuneration and other contractual issues.

On February 22, 2021 The Board of Directors decided on a short- and long-term incentive scheme for the Group CEO. The programme aims to promote the implementation of the company's strategy and its long-term profitability. The Board of Directors decided that the CEO is entitled to a short-term incentive for 2021, depending on the development of the adjusted operating profit and share price in 2021. The maximum amount of the remuneration is 10,000 Wulff Group Plc shares. The Board of Directors decided that the CEO is entitled to a long-term incentive for the period between January 1, 2021 and December 31, 2023, depending on the development of the share price during the period in question and the CEO's shareholdings on December 31, 2023. The maximum amount of the remuneration is 30,000 Wulff Group Plc shares. The remuneration to be paid through the scheme is equal to the value of a maximum of 40,000 shares in Wulff Group Plc (excluding indirect wage costs). The fee will not be paid to the CEO if the company or the CEO resignes or terminates the CEO's contract berofe the payment of the fee. On February 22, 2021 , the Board of Directors decided to issue 7,000 of the company's own shares to the CEO as remuneration for 2020. The transfer of the shares is based on the authorisation given to the Board of Directors by the Annual General Meeting on 23 April 2020. On February 21, 2022, the Board of Directors decided to issue 10,000 of the company's own shares to the CEO in accordance with the short-term incentive scheme decided on February 22, 2021. They also decided that the CEO is entitled to a short-term incentive for 2022, depending on the development of the adjusted operating profit and share price in 2022.

A part of the Group's CEO's benefits is a statutory pension. The contract does not specify a retirement age. No supplementary pension benefits were agreed or paid.

The Board appointed Elina Rahkonen as the Wulff Group Plc CEO on September 17, 2019 and she started in her position on September

30, 2019. In 2023, the remuneration of CEO Elina Rahkonen consisted of monetary wages and fringe benefits of the amount of EUR 208 thousand (correspondingly in 2022 in total EUR 255 thousand, of which monetary wages and fringe benefits 210 and share-based incentives 45). The Group CEO's service contract includes the above-mentioned share-based incentive. The Group CEO is entiled to the holiday pay and possibly to a bonus scheme to be determined later. The period of notice is three months from the Group CEO side and six months from the company's side. In case the company resigns the Group CEO contract unilaterally the Group CEO is entitled to a severance payment equal to three months salary.

Group Executive Board

The Group CEO prepares and determines the contractual terms, salaries and possible other benefits and incentives of the Group's Executive Board Members. The pay raises of the Executive Board Members are approved by the Chairman of the Board.

Remuneration of the Group Executive Board consist of fixed monetary wages, fringe benefits, additional pensions, annually-determined performance-based bonuses and possible share-based incentives. The performance-based bonuses are determined by the company's financial performance and the person's individual goal-setting. The Group does not have any option schemes or share-based incentives currently in force as a part of Group Executive Board Members' remuneration plan.

Of the Executive Board Members, Tarja Törmänen's communication and marketing director service is obtained as an outsourced service and during 2023, the service costs amounted to EUR 108 thousand (104). The outsourced service is included in other operating expenses and has been presented also in the Note for Related Party transactions.

In 2023 and 2022, the Group Executive Board consisted of Atte Ailio until August 4, 2023, Sami Hokkanen until August 21, 2023, Iiris Pohjanpalo from August 21, 2023, Tarja Törmänen, Trond Fikseaunet, Veijo Ågerfalk until August 21, 2023, and CEO Elina Rahkonen.

The employment benefits presented in the table above, include the above-mentioned employee benefits received by the Group CEO.

RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors is responsible for the internal control and the Group CEO arranges the management and supervision of internal controls' effectiveness in practice.

Ultimate responsibility for accounting, accuracy of the financial statements and supervision of asset management is carried out by Wulff Group's Board of Directors. Business control and supervision are carried out through a group-wide reporting system. Each business area's and subsidiary's net sales, sales margin, main expenses and operating profit with comparison data are reported to the Board each month. Additionally the Group CEO presents an overview of the current situation and future outlook based on weekly and onthly analyses.
The segments' financial reports and the situation of the businesses' key development projects are on the agenda of the Group Executive Board which convenes on a tertiary basis. The subsidiaries' own Boards of Directors and management teams discuss their own business issues which are taken also to the Group Executive Board if those issues have influence also on other group companies. The Group CEO and CFO analyse and control each subsidiary's and business area's operations, performance and financial status regularly.

Wulff Group follows the risk management policy devised by the Board of Directors, which determines the objectives and responsibilities of risk management, as well as the reporting procedures. The company's risk management supports the achievement

SUMMARY OF BOARD MEMBERS' BENEFITS TOTAL

EUR 1 000	2023	2022
Board members' salaries and fees		
Kari Juutilainen 4/2018- Chairman of the Board 4/2019-	15	15
Jussi Vienola 4/2018-	15	15
Kristina Vienola 4/2018-	15	15
Lauri Sipponen 4/2020-	15	15
Board members' benefits total	**60**	**60**

SUMMARY OF GROUP EXECUTIVE BOARD'S EMPLOYMENT BENEFITS

EUR 1 000	2023	2022
Salaries and other short term	690	734
Fringe Benefits	39	31
Bonuses	56	60
Other long term remuneration, additional pension benefits	23	43
Share-based incentives	-	45
Group executvie board's employee benefits total	**808**	**913**

of strategic objectives and ensures business continuity. The realisation of risk management policies is controlled with internal audits regularly and also external auditors supervise the adequacy and effectiveness of the risk management as a part of the audit procedures related to Group's governance.

Risk management is a part of Wulff Group's business operations management. Wulff's risk management is guided by legislation, business objectives set by shareholders as well as the expectations of customers, personnel and other important stakeholders. The Group's risk management aims to systematically and extensively identify and understand any risks that may prevent the achievement of the Group's business objectives, as well as to ensure that risks are appropriately managed when making business-related decisions. Threats to business include risks related to changes in the market and business acquisitions, IT risks, risks related to the staff and its availability, as well as factors related to the general economic development and the company's reputation.

Risks are classified into categories of strategic, operational and market risks. The risk management process aims to identify and assess risks and then plan and implement practical measures to mitigate each risk. Possible measures include, for example, avoiding the risk, reducing it in different ways or transferring it with insurance or agreements.

Wulff Group carries out annual risk surveys to determine the main risks in terms of their significance and probability. The business unit leaders are responsible for carrying out the surveys and risk monitoring on which they report to the Group Executive Board. Selected persons are responsible for the monitoring of specific issues within each risk category i.e. strategic, operative or market risks. The Group has not set up a separate organisation for risk management. Instead, risk management is arranged in compliance with the company's other business operations and organisation structure.

The main risks determined in the risk survey, changes in the significance and probability of the risks, as well as the persons responsible, actions completed and results achieved are reported to the Group's Board of Directors annually. Special attention is paid to any possible new risks that are detected. More information on risks and risk management is presented in a separate section.

The goal of Wulff Group Plc's internal audit is to ensure that the Group's internal processes and operating methods are efficient and correct taking into consideration significant risks of the business operations. Internal audits are carried out on the basis of an annually prepared audit plan, which the Board of Directors approves at the beginning of the year. The Group's internal auditor draws up the plan, presents it to the Board of Directors and reports on the implementation of the measures. The internal auditor reports directly to the Board of Directors.

EXTERNAL AUDIT

Based on the Articles of Association, Wulff Group Plc shall have 1-2 auditors. If the Annual General Meeting elects only one auditor and if the auditor is not a firm of Authorised Accountants, additionally one deputy auditor shall be elected. Based on the Articles of Association, the auditors are appointed until further notice. BDO Oy, a company of Authorized Public Accountants, with Authorized Public Accountant Juha Selänne as the lead audit partner, was chosen as the auditor of Wulff Group Plc in 2017.

In addition to their statutory duties, the auditors report their audit findings to the Chairman of the Board when necessary, and at least once a year to the Board of Directors.

The Annual General Meeting decides on the auditors' fees and the expense compensation principles.

Based on the Board's decision, auditors can be paid reasonable fees for non-recurring other service assignments. The total audit fees for all Wulff Group companies were EUR 91 (85) thousand in 2023, of which EUR 9 thousand (11) were expenses other than audit fees (please see Note 8 for further information).

Following the corporate governance regulations, the auditors do not own shares of Wulff Group Plc or its subsidiaries.

INSIDER ADMINISTRATION

Wulff Group Plc complies with applicable EU regulations, especially the Market Abuse Regulation (EU 596/2016, "MAR"), and any regulation and guidance given by the European Securities Markets Authority ("ESMA"). Further, the company observes Finnish legislation, especially the Securities Markets Act (746/2012, as amended) and the Finnish Penal Code (39/1889, as amended), including the insider and other guidelines of Nasdaq Helsinki Ltd and the standards and guidance of the Finnish Financial Supervisory Authority ("FIN-FSA") and other authorities.

Managers, according to the definition given by MAR, include the Members of the Board of Directors and Group Executive Board Members. MAR requires that each manager and his/her closely associated persons notify the company and FIN-FSA of their transactions in the financial instruments of or linked to the company conducted on his/her own account after a total of EUR 5 thousand per calendar year has been reached. The notifications shall be made promptly and no later than three business days after the date of transaction (T+3). Wulff will issue stock exchange releases to disclose information on transactions by managers and their closely associated persons, as specified in MAR and within two days of the receipt of the notification, in accordance with the rules of the Stock Exchange.

Wulff no longer maintains a list of permanent insiders. Instead, all persons involved with insider projects will be listed as project-specific insiders. Project-specific lists will be established and maintained for each project or event constituting inside information, based on a separate decision. All persons working for Wulff, representatives of external entities, stakeholders and authorities who have information concerning an insider project or have access to project-specific inside information, as well as persons who are working for the implementation of an insider project, will be entered in a project-specific insider list. Persons that belong to a project-specific list are forbidden from trading with the company's financial instruments during an insider project. Preparation of periodic disclosure (half-year financial statements, interim reports, financial statements bulletins) or regular access to unpublished financial information is not regarded as an insider project. However, due to the sensitive nature of unpublished information on the company's financial results, the persons determined by the company, based on their position or access rights, to have authorised access to unpublished financial result information are added to a list of Financial Information Recipients.

Wulff applies an absolute trading prohibition (a 'closed window' principle) during a period beginning 30 calendar days before the announcement of each of the periodic financial reports and the year-end report (the financial statements bulletin) and ending at the end of the trading day following the day of publication of such a report. At the minimum, a closed period commences at the end of the reporting period in question. The closed window principle applies to the managers (as defined by MAR) as well as the Financial Information Recipients.

The person in charge of Wulff's insider register is the CFO.

RELATED PARTY TRANSACTIONS

As part of the Group's key management personnel, the Group's related parties consist of the Members of Board of Directors, members of the Group Executive Board, and subsidiaries of Wulff Group Plc. The company does not hold shares in affiliates or joint ventures.

Wulff Group Plc monitors transactions with its related parties on a quarterly basis and on the basis of related party's own announcements. The company's financial management is responsible for supervising and reporting related party transactions to the Board as needed. A related party transaction in accordance with normal commercial terms does not require a decision by the Board of Directors to execute the related party transaction. The nature and the terms of related party transactions are assessed in relation to the company's normal operations and commercial terms. In making decisions concerning related party transactions, the company ensures that potential conflicts of interest are duly taken into account, and a potential related party does not participate in decision-making on significant related party transactions. Related party transactions are reported as required by the Companies Act and the provisions on the preparation of financial statements in the notes to the company's financial statements and, if necessary, in the report of the Board of Directors and the interim and half-year reports. In addition, the necessary related party transactions are disclosed in accordance with the Securities Markets Act and the rules of the Exchange.

In 2023, related party transactions consisted of normal, market-based business transactions. Related party transactions have been presented in Note 25 of the Consolidated Financial Statements. The Group's parent company and subsidiary relationships have been presented in Note 26.

COMMUNICATIONS

The Group publishes all its stock exchange releases and other matters related to listed companies' disclosure requirements on its website in Finnish and English. The Annual Report is published in electronic format so that it is equally available to all shareholders.

The Group's stock exchange releases, Corporate Governance principles and insider information is available at the Group's investor page Board and corporate governance (wulff.fi/en/investors).

Before the end of the year, the investors' calendar with dates for the Group's financial reporting during the next calendar year is published in a stock exchange release and on the Group's website. The Group applies an absolute trading prohibition, a 30-day 'closed window' principle, during which the company does not comment on questions regarding its outlook and development and during which insiders are prohibited from trading with the Group's financial instrument.

WULFF GROUP PLC'S REVIEW OF THE BOARD OF DIRECTORS

POSITIVE YEAR END AND GROWTH STRIDES IN EARLY 2024

WULFF GROUP PLC: FINANCIAL YEAR KEY FIGURES 1.1. –31.12.2023

- Net sales totalled EUR 93.8 million (102.2), decreased by 8.2%
- EBITDA was EUR 5.1 million (6.2) being 5.4% (6.1) of net sales and comparable EBITDA was EUR 5.5 million (6.2) being 5.8% (6.1) of net sales
- Operating profit (EBIT) was EUR 3.2 million (4.0) being 3.4% (3.9) of net sales and comparable operating profit (EBIT) was EUR 3.5 million (4.0) being 3.8% (3.9) of net sales. Comparable operating profit (EBIT) decreased by 11.5%
- Earnings per share (EPS) were EUR 0.31 (0.45) and comparable earnings per share were EUR 0.36 (0.45)
- Equity-to-assets ratio was 45.5% (40.5)
- The Board proposes to the Annual General Meeting to be held on April 4, 2024 that a dividend of EUR 0.15 per share will be paid
- Wulff estimates that net sales will increase, and that the comparable operating profit will remain at a good level in 2024

WULFF GROUP BOARD OF DIRECTORS:

We achieved many of our important goals in 2023. Especially the integration of operations of Staples Finland, which was acquired into the group in the spring 2021, proceeded as planned and effectively. The introduction of a joint enterprise resource planning system was a large project, which succeeded. Operating models and systems in the sales function of Finnish workplace products and services have been combined to support as efficient as possible operations. Post-acquisition integration work is already well under way and it is being completed by enhancing selection management and material flows unification in 2024.

The school supply store win achieved at the end of the year will significantly strengthen our strategic purchasing power as expert of workplace products. The win brings us net sales of about EUR 4-5 million.

Wulff's competitive advantages are our sales expertise, personal service and versatile and multi-channel way of being present in the customer's everyday life. We are delighted that the extensive customer survey carried out with Balentor in 2023 tells us for us to be excellent in the aforementioned areas. The customers also agree with the Wulfians that the importance of especially responsibility; supply of products and services that support sustainable development, and, of carbon-neutral operating processes grows constantly. We will invest in these in a progressive and strong way in the future.

The year 2024 started with good news from the start for Wulff in a new business area, when the new staffing company Wulff Works started its nationwide operations in Finland. We continued growing our successful accounting and financial management business in February 2024 with the purchase of a new accounting and financial management company from Eastern Uusimaa. For the year 2024 we aim for further growth both organically and through acquisitions.

Thank you to our customers, our partners and for the Wulfians for the eventful and great year.

GROUP'S NET SALES AND RESULT PERFORMANCE

In January–December 2023, net sales totalled EUR 93.8 million (102.2), and EUR 22.9 million (27.7) in the last quarter. Net sales decreased by 8.2% (+13.0) during the whole financial year, and by 17.1% (+0.1) in the last quarter. In the last quarter, the Contract Customers Segment's net sales decreased both in Finland and in Scandinavia due to the weakened general market situation. The net sales of Wulff's accounting and financial management services increased in the last quarter. The sales of international exhibition services and remote meeting solutions shrank from the comparison period due to the event selections that affected sales targeting. Net sales of the Expertise Sales Segment decreased both in Finland and Scandinavia. Scandinavian Expertise Sales was sold to minority owners on September 1, 2023. The group's net sales decreased by 6.9% during the whole financial year and by 13.9% in the last quarter, excluding the effect of the sold Scandinavian Expertise Sales.
In January–December 2023, the gross margin amounted to EUR 28.7 million (31.0), 30.6% (30.3) of net sales, and EUR 7.4 million (8.5) in the last quarter being 32.4% (30.8) of net sales. The development of the relative sales margin was affected by changes in the priority areas of demand for the products sold by Wulff. The demand for products in the care products area increased, as did the consumables for properties. Sales of more traditional workplace products and services follow the general economic and employment situation, decreasing from the comparison period. Price inflation slowed down during the review period. The positive profitability development that started in the last quarter was the result of the program of measures started in the fall and successful assortment management.

In January–December 2023, employee benefit expenses amounted to EUR 16.5 million (17.4), 17.6% (17.0) of net sales, and EUR 4.0 million (4.7), 17.3% (16.9) of net sales in the last quarter. The one-time cost of EUR 0.1 million for the restructuring of personnel in the group's support functions in the last quarter has been removed from the comparable result.

Other operating expenses amounted to EUR 7.3 million (7.8) in January–December 2023, 7.8% (7.6) of net sales, and EUR 1.9 million (2.1), 8.3% (7.7) of net sales in the last quarter. On September 1, 2023, Wulff sold Wulff Beltton AB and Wulff Beltton AS, which were responsible for the loss-making Expertise Sales in Scandinavia, to their minority owners. The sales loss from the transaction was EUR 0.3 million and it increases other operating expenses from the comparison period. The sales loss EUR 0.3 million has been removed from the comparable result of the review period.

In January–December 2023, EBITDA amounted to EUR 5.1 million (6.2), or 5.4% (6.1) of net sales, and EUR 1.6 million (1.8) in the last quarter, or 6.9% (6.4) of net sales. In January–December 2023, comparable EBITDA amounted to EUR 5.5 million (6.2), or 5.8% (6.1) of net sales, and in October–December, it amounted to EUR 1.6 million (1.8), or 7.2% (6.4) of net sales.

In January–December 2023, operating profit (EBIT) amounted to EUR 3.2 million (4.0), or 3.4% (3.9) of net sales, and EUR 1.1 million (1.2), or 4.8% (4.4) of net sales in the last quarter. The comparable operating profit (EBIT) for the entire reporting period amounted to EUR 3.5 million (4.0), or 3.8% (3.9) of net sales, and EUR 1.2 million (1.2), or 5.1% (4.4) of net sales in the last quarter.

In January–December 2023, the financial income and expenses totalled (net) EUR -1.0 million (-0.7), including interest expenses of EUR -0.9 million (-0.5), and mainly currency-related other financial items (net) totalled EUR -0.1 million (-0.2). In the fourth quarter, the financial income and expenses totalled (net) EUR -0.3 million (-0.2).

In January–December 2023, the profit before taxes was EUR 2.1 million (3.3), and EUR 0.8 million (1.0) in the last quarter. The financial year's comparable profit before taxes was EUR 2.5 million (3.3), while the comparable profit before taxes was EUR 0.9 million (1.0) in the last quarter.

Net profit in the reporting period was EUR 2.1 million (3.1) in January–December 2023, and EUR 0.8 million (1.1) in the last quarter. In January–December 2023, the comparable profit (attributable to the equity holders of the parent company) was EUR 2.4 million (3.1), and EUR 0.9 million (1.1) in the last quarter.

Earnings per share (EPS) were EUR 0.31 (0.45) in January–December 2023, and EUR 0.12 (0.16) in the last quarter. Comparable earnings per share (EPS) for the entire reporting period were EUR 0.36 (0.45), and EUR 0.13 (0.16) in the last quarter.

CONTRACT CUSTOMERS SEGMENT

Wulff's Contract Customers Segment is the customer's expert partner in the field of workplace services and products, Canon printing and data management solutions, financial management services as well as international exhibition and remote meeting services in Finland and Scandinavia. For the company it is important to improve the customer experience constantly and to develop its operations to be as efficient and sustainable as possible. The Contract Customers Segment invests in the best customer experience in the industry.

In January–December 2023, the Contract Customers Segment's net sales totalled EUR 87.4 million (95.0), and EUR 21.8 million (25.3) in the last quarter. In January–December 2023, the operating profit (EBIT) was EUR 3.8 million (4.2), and EUR 1.2 million (1.2) in the last quarter. The sales of the Contract Customers Segment decreased both in Finland and in Scandinavia due to the weakened general market situation. The impact of the decline in net sales in the last quarter on profitability was minimal due to successful pricing and management of fixed costs.

The unification of Wulff's workplace products and services business operations proceeded with a legal merger on May 31, 2023, when Wulff Oy Ab and Wulff Solutions Oy merged with Wulff Finland Oy. Along with the mergers, the receiving company assumed the name Wulff Oy Ab of the group's best-known brand. The most significant investment in 2023 was the enterprise resource planning system unification project that was started in 2022 and was completed in November 2023. With the reorganization related to the unification of business operations, a cost saving of about EUR 0.1 million was achieved in the last quarter of 2023 and a saving of about EUR 0.7 million during 2023.

Wulff Entre sold and implemented both in-person exhibitions and remote meeting services for its customers. The company's net sales decreased compared to the corresponding time of the previous year. The exhibition industry has recovered almost to its original state after the pandemic. Some of the exhibitions are still held every other year, which had an impact on the net sales for the quarter. The goal is to increase sales per exhibition and also grow through new event representation. In the post-pandemic world, face-to-face encounters are perceived as valuable and meaningful. When companies go to an exhibition, they invest in it.

Wulff's contract customers include a large number of companies and groups whose need is to manage the procurement of workplace products and services as easily and smoothly as possible. People have returned to face-to-face meetings enthusiastically at workplaces, and Wulff has once again been able to serve customers with its entire wide range of products, both at company locations and at new workspaces and workstations created by multi-location work. Sales of coffee and snack products as well as property consumables increased while sales of traditional office supplies decreased from the comparison period in January–December and in the last quarter. The share of health care and care products in sales also continued to grow in January-December and in the last quarter, after Wulff won new customers from the health and care service sector. More and more employers take care of their employees' comfort and well-being with, among other things, smoothies, high-quality coffee, tea and refreshments, energy drinks and snack bars. You can get all of these from Wulff - and in the capital region of Finland also a responsible Catering service.

In Finland, Wulff is the strongest in its field and one of the most significant operators in Scandinavia, and a significant number of the largest companies in the Nordic countries rely on its services. Among the procurement channels that save costs and time, the most popular in Finland are Wulff's MiniBar and Cabinet Service in Scandinavia, which can be found in hundreds of large companies and groups. The filling and shelving service MiniBar works like its namesake in hotels. Thanks to the automatic filling service, you can find current and traditional workplace products ready for use on the shelves. In different industries, the filling service product range and the MiniBar can look very different: in the care sector, the Mini-

Bar contains healthcare supplies; traditional notebooks, pens and modern presentation technology, and in the IT sector, the shelves are full of the best domestic refreshing drinks.

For an expert in Nordic working life, there are opportunities for growth in the upheaval and changes in working life. The most important point of view for the development of operations and product and service selection is responsibility. Its importance in making decisions is emphasized. For Wulff, it means an emphasis on responsibility both in its own operations and in the development of the product and service selection, as well as in the development of the measurement and reporting of the effects of procurement. The share of information work in all work has been increasing for a long time. A significant part of the work is done in multiple locations, in various changing environments. That's why Wulff invests in a product and service selection that enables, among other things, an ergonomic, comfortable and inspiring way to work in addition to company premises, for example in home offices, leisure apartments, shared spaces; for example in cafes or office hotels and when moving from one place to another. For example, expertise in workstation ergonomics and the best, sustainable solutions have been Wulff's strong expertise for decades.

Wulff Entre is a brave innovator in the international exhibition and event industry and, in addition to Finland, it serves customers in Germany, Sweden, Norway and the United States, among others. The remote meeting services developed by Wulff Entre enable exhibition-like and inspiring meetings and, for example, popular webinars produced by the client company itself, easily and virtually. Traditionally, Wulff Entre has annually exported the know-how of Finnish companies to more than 30 countries and has held more than 100 in-person events with its customers. Global exceptional conditions have drastically changed the working environment in the last few years. Wulff Entre's growth opportunities are strongly influenced by, for example, the labor availability challenges in the event industry.

Nowadays, printing is increasingly handled as a service. Canon Business Center, part of the Wulff Group, offers companies high-quality office and professional printing and document management solutions and services. Canon Business Center's business development has been more positive than the market and remained stable. Despite this, the company's profitability has weakened. Canon Business Center serves customers in Finland in the capital region, and it plays an important role in comprehensively serving the group's customers operating in the area. Canon Business Center also offers its customers advanced, responsible recycling and life cycle solutions that effectively reduce the environmental load.

Wulff seeks growth especially in new service and product areas, also through acquisitions. The group's newest services are accounting and financial management services. The annual net sales of these services are around EUR 2 million. The group's expert company in the field is Carpentum Oy, operating in the capital region, with which Wulff is a reputable, digital-capable and responsible financial management partner for its customers.

Wulff's open webshop Wulffinkulma.fi is constantly being developed. Lately, the webshop, which is geared towards small companies and self-employed people has focused on also serving consumers and small business owners operating in a consumer-like manner. The webshop, which serves a wider selection than its competitors in the workplace product and supplies sector, is constantly increasing its selection according to customers' wishes. There is always something new, up-to-date and responsible in the store. Popular products are Wulff's own and exclusively sold brands, for example Q-CONNECT and STABILO.

The Wulffinkulma.fi webshop is known for its fast and reliable deliveries. This versatile and mobile-friendly webshop's advantages are secure and accurate deliveries. Whether it is to business premises, the home, remote office or a self-employed person's desk in a co-working space, Wulffinkulma.fi webshop delivers products where and when the customer wants. The same daily products are in use in home offices as in traditional office spaces: soft tissue papers, hand towels, soap, coffee, and snacks. Wulff is appreciated for its local, sustainable, and environmentally sound range. What the customers appreciate will show in the assortment when it is developed in the future. The webshop is continuously being developed to offer even more sustainable options and information on the environmental impact of its products.

EXPERTISE SALES SEGMENT

The Expertise Sales segment makes everyday life at the workplace easier by offering the best workplace products and novelties in the market with the most professional, personal, and local service.

During the review period, a transaction took place in the segment, when Wulff sold Wulff Beltton AB and Wulff Beltton AS, which were responsible for the loss-making Scandinavian Expertise Sales, to a minority owner on September 1, 2023. The net sales of Scandinavian Expertise Sales in the financial year 2022 was EUR 3.4 million.

In January–December 2023, the Expertise Sales Segment's net sales totalled EUR 6.4 million (8.5), and EUR 1.2 million (2.6) in the last quarter. In January–December 2023, operating profit totalled EUR -0.4 million (-0.1), and EUR 0.0 million (0.1) million in the last quarter. The sales of the Expertise Sales Segment decreased in January-December and in the last quarter due to the general sluggishness of the economy. The strength of Expertise Sales is to quickly take over the sale of current products and reach local customers quickly and personally, knowing the special features of different industries. Wulff's expert is a contact who is trusted and whose professionalism is valued.

Wulff stands out from its competitors with its locality and domesticity. Expertise Sales offers its customers novelties and favorite products and a wide selection of different work well-being, ergonomics and first aid products as well as products that improve work safety. Responsibility, domesticity and environmental friendliness are important selection criteria. Ergonomics and first aid readiness are being increasingly invested in Nordic companies as the working population ages. The share of knowledge work in all work is constantly increasing, and therefore more and more is being invested in good ergonomics, also preventively. With good ergonomics, it is possible to save significant amounts in the form of a reduction in sick leave. The Expertise Sales Segment offers its customers a personal service, where the offered product concept is always built together with the customer and exactly to suit the customer's needs. Expertise Sales actively bring innovative solutions that improve the working day to customers' awareness.

Wulff is a well-known workplace for successful salespeople. More and more top managers have experience and know-how in sales, and the appreciation of sales skills in our society is constantly growing. Successful recruitments and the number of salespeople have a significant impact on Wulff's Expertise Sales. New talents and those who want to become sales professionals are welcome at Wulff! Wulff's own induction and training programs ensure that every salesperson receives comprehensive initial training and an inspiring start to their career, as well as further training that develops their own skills.

FINANCING, INVESTMENTS AND FINANCIAL POSITION

In January–December 2023, the cash flow from operating activities was EUR 4.6 million (4.0). The positive development of cash flow was influenced by changes in working capital amounts. The integration of the business operations of the Contract Customers segment implemented during 2023 made it possible to lower safety stock levels, supporting the positive development of operating cash flow. It is typical for the industry that profit, and cash flow accumulate during the last quarter. Investments during the reporting period were EUR 1.6 million (2.5), consisting mainly of investments in information systems as part of the integration of the Wulff Solutions acquisition. The cash flow from investments was a total of EUR -2.0 million, including, in addition to fixed asset investments, additional purchase prices paid for acquisitions of subsidiary shares EUR -0.2 million and EUR -0.2 million change in cash resources due to the sale of Beltton companies.

The cash flow of financing activities was EUR -3.4 million (-0.5) in January–December 2023. Long-term loans were repaid in total of EUR 2.7 million (2.2). Short-term loans were withdrawn amounting to EUR 1.0 million (-0.2). Wulff reorganized their bank loans in such a way that the loan terms were extended. As a result, a total of EUR 2.3 million were transferred from short-term loans to long-term loans.

Lease agreement payments were EUR 0.6 million (1.0). Recognition of lease agreements on the balance sheet increased group assets by EUR 0.7 million (1.2), and liabilities by EUR 0.9 million (1.3), at the end of the reporting period.

In April 2023, dividends totalling EUR 0.5 million and EUR 0.5 million in October were paid to the owners of the parent company.

The Group's cash balance changed by EUR -0.9 million (0.2) in January-December. The Group's bank and cash funds totalled EUR 1.0 million (0.8) at the beginning of the year and EUR 0.2 million (1.0) at the end of the reporting period. The group has a credit limit of EUR 5.5 million, of which EUR 4.5 million was unused at the end of the financial year.

Equity attributable to the shareholders of the parent company was EUR 3.17 per share (3.02) at the end of December 2023. Equity at the end of year was EUR 22.0 million, compared to EUR 21.3 million at the end of the previous year. The equity ratio improved to 45.5% (40.5%) as a result of the lighter balance sheet. The balance sheet total was EUR 49.6 million (54.1).

SHARES AND SHARE CAPITAL

Wulff Group Plc's share is listed on the Nasdaq Helsinki in the Small Cap segment under the Industrial Goods and Services sector. The company's trading code is WUF1V. At the end of the reporting period, the share was valued at EUR 1.95 (3.29) and the market capitalisation of the outstanding shares totalled EUR 13.3 million (22.4). In 2023, the trade volume for the stock was 1,633,934 (2,039,645), and the number of shareholders as of 31 December 2023 was 2,780 (2,736).

The Board of Directors decided to establish a short- and long-term incentive scheme for CEO Elina Rahkonen on February 22, 2021. The remuneration to be paid through the scheme excluding indirect wage costs is equal to the value of a maximum of 40,000 shares in Wulff Group Plc from financial years 2021-2023.

On February 21, 2022, the Board of Directors decided to transfer 10,000 treasury shares held by the company to CEO Elina Rahkonen, as a result of the short-term incentive plan decided on February 22, 2021. The transfer of the shares was based on the authorization given to the Board of Directors by the Annual General Meeting on April 8, 2021.

At the end of December 2023, the Group held 111,624 (111,624) treasury shares representing 1.6% (1.6) of the total number and voting rights of Wulff shares.

DECISIONS OF THE ANNUAL GENERAL MEETING AND BOARD OF DIRECTORS

Wulff Group Plc's Annual General Meeting was held in the Wulff house in Espoo on April 5, 2023. The Annual General Meeting adopted the financial statements for the financial year 2022 and discharged the members of the Board of Directors and CEO from liability for the financial period 1.1.–31.12.2022. The Annual General meeting decided to pay a dividend of EUR 0.14 per share for the financial year 2022. The Annual General Meeting adopted the remuneration report presented by the Board of Directors.

Kari Juutilainen, Lauri Sipponen, Jussi Vienola and Kristina Vienola were re-elected as members of the Board. The organizing meeting of Wulff Group Plc's Board of Directors, held after the Annual General Meeting, decided that the Chairman of the Board is Kari Juutilainen. It was confirmed that the members of the Board of Directors will receive a monthly fee of EUR 1,250.
BDO Oy, a company of Authorized Public Accountants, with Authorized Public Accountant Juha Selänne as the lead audit partner, was chosen as the auditor of Wulff Group Plc.

The Annual General Meeting authorised the Board of Directors to resolve on the acquisition of maximum 300,000 own shares. The authorization is effective until April 30, 2024. The Board of Directors decided to continue buying back own shares in accordance with the authorization granted by the Annual General Meeting on April 5, 2023.

The Annual General Meeting authorised the Board to decide on the issue of new shares, disposal of treasury shares and/or the issue of special rights. The authorisation entitles the Board to issue a maximum of 1,300,000 shares, representing approximately 20% of the company's currently outstanding stock, based on a single decision or several decisions. The authorisation remains in force until April 30, 2024.

PERSONNEL

In January–December 2023 the Group's personnel totalled 262 (286) employees on average. At the end of September, the Group had 234 (280) employees of which 46 (72) persons were employed in Sweden, Norway or Denmark. Of the Group's personnel 40% (41) work in sales operations and 60% (59) in sales support, logistics, and administration. 53% (52) of the personnel are women and 47% (48) are men.

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The general economic and market development and the employment rate have a significant impact on the demand for workplace products and services. Global inflation trends have an impact on Wulff's operations. The rate of increase in prices accelerated during the comparison period and gradually broadened since then. During the review period, the development of costs related to energy commodities and logistics has moderated, as have the least processed products. The development of global and local economies is affected by rising prices and monetary policy decisions aimed at taming inflation. These also affect Wulff's operations. In addition, megatrends in the global economy, for example responsibility, digitalization, the sharing economy and the aging of the population, affect the market change. The development of a product and service selection in line with changing markets and needs involves both risks and opportunities. Usual business risks include the successful implementation of Wulff's strategy, for example the integration of operations related to a company acquisition, as well as operational risks arising from the personnel, logistics and IT environment. Tight competition in the workplace product and service industry can affect business profitability. Changes in exchange rates affect the group's net profit and balance sheet.

SUBSEQUENT EVENTS

On January 31, 2023, Wulff announced that it would begin change negotiations regarding organizational reform in the company's Finnish workplace products and services businesses. The change negotiations ended on February 20, 2024. The implemented personnel restructuring is part of the integration of the acquisition of Staples Finland Oy in spring 2021 and will support the positive development of profitability. The company estimates that the measures will have a positive effect on the result by around EUR 0.5 million annually.
On February 16, 2024, Wulff announced the acquisition of Tilitoimisto Lundström Oy and its subsidiary Sandström & Lundström Oy. The purchase price, EUR 1.4 million, was paid in cash at the time of the transaction. The annual turnover of the purchased companies is a total of EUR 1.3 million and they employ 13 people. The annual adjusted operating profit (*) is approximately EUR 0.3 million.

(*) Changes in the company's expense structure that occur as a result of the change in ownership have been taken into account as adjustments.

BOARD OF DIRECTORS' PROPOSAL FOR THE ANNUAL RESULT

The Group's parent company Wulff Group Plc's distributable funds totalled EUR 1.5 million (1.7). The Group's net result attributable to the parent company shareholders for the financial year was EUR 2.1 million (3.1), or EUR 0.31 per share (0.45). The Board of Directors proposes to the Annual General Meeting to be held on April 4, 2024, that a dividend of EUR 0.15 per share (0.14) be paid in two instalments 0.08 during the second quarter of 2024 and 0.07 during the last quarters of 2024, for the financial year 2023, totalling EUR 1.0 million, and the remaining distributable funds to be transferred in retained earnings in the shareholders' equity. The effective dividend yield of the proposed dividend is 7.7 percent (calculated at the 31.12.2023 exchange rate, which was EUR 1.95/share).

STRATEGY

On 9 December 2021, Wulff Group Plc's Board of Directors approved an updated strategy and medium-term targets for the company for 2022–2026. Profitable growth in the current business operations is at the heart of the strategy, which will be accelerated through acquisitions.

The company's goal is to be the market leader for workplace products and services, and the most recommended and responsible partner in the sector – making a better world, one workplace at a time. The foundation of the growth strategy is an expansion of the product and service portfolio, and acquisitions in the Nordic countries.
The new medium-term financial targets approved by Wulff Group Plc's Board of Directors seek to double net sales, reaching net sales of EUR 200 million by 2026:

- average net sales growth of 15–20% per year
- growth of comparable operating profit percentage and
- increasing dividend per share

MARKET SITUATION AND FUTURE OUTLOOK

Among the global megatrends, Wulff's operating environment is positively affected by the increase in the share of knowledge work in all work performed. The development of the demographic structure is currently reducing the number of people actively working, although at the same time working careers are getting longer, e.g. as the average retirement age rises. The integration of technology into products and services is an opportunity for Wulff. Digitization already brings new ways for the multi-channel company to reach and serve customers and increase the productivity of its own operations. The most significant of the megatrends in terms of Wulff's operation and future is responsible operation and the green transition: is the environment treated as a resource or is the goal to improve the state of the environment. Future success will be strongly built on these themes, and their importance will increase in the decision-making of companies and consumers. Wulff has chosen responsibility and especially positive climate actions, increasing equality and decent work and economic growth (UN Sustainable Development Goals 2030) as important elements of his strategy.

The demand for products and services is essentially influenced by the general development of the economy and the market, as well as the employment rate. The market for workplace products and services has developed steadily in the Nordic countries. Wulff estimates that the overall market for workplace products and services remains relatively stable even when rapid changes occur in work environments. The demand for hygiene, cleaning, and protective products seems to have stabilized at a higher level than before the pandemic, as they are perceived as important occupational health and safety products. Work performed in multiple locations has increased and increased the number of workstations and the demand for products needed at workstations. The demand for IT supplies, printing products and traditional office supplies continues to develop post-pandemic. This is affected by the return to jobs and the increased number of new jobs. The capacity of the international exhibition service industry has recovered from the pandemic period.

The tightening of geopolitical tensions, Russia's attack on Ukraine and the escalation of the situation in the Middle East do not directly affect Wulff's operations, as Wulff has not had operations or partnerships in countries involved in the crisis. The crisis has had an impact on global supply chains, whose changes may still indirectly affect Wulff's operations as well. The changes in the supply chains have intensified and broadened the trend of price inflation. Although the availability challenges of many product groups have subsided after the comparison period due to the reorganization of global supply chains, it is possible that as a result of the escalation of the situation in the Middle East, new availability challenges will appear temporarily. As the inflation trend continues, measures are needed to ensure a positive development of the sales margin. The wide scope of price inflation and its effect on the costs of the services used, as well as the related uncertainty, limit predictability.
Wulff has systematically renewed its business organizations for Finnish workplace products and services. After the acquisition of Staples Finland Oy (later Wulff Solutions Oy) in the spring of 2021, the sales, administration and support functions of Wulff Oy Ab and Wulff Solutions Oy were combined in the August-September 2021 cooperation negotiations. Thanks to the consolidation of the organization, the company achieved annual personnel cost savings of approximately EUR 1.9 million. In total, the measures implemented in stages will bring at least EUR 3 million cost benefits annually, of which approximately EUR 2.5 million were achieved during the 2022 financial year. In addition to the reorganization of personnel, synergy will be achieved through, among other things, the integration of information systems, logistics and operational processes, and business premises. During 2023, Wulff has achieved a cost synergy benefit of approximately EUR 0.7 million with the above-mentioned measures.

Wulff's goal is to grow profitably, and it is constantly ready to be a more active player in business arrangements than its competitors.

FINANCIAL GUIDANCE

Wulff estimates that net sales will increase, and that the comparable operating profit will remain at a good level in 2024.
The guidance is based on an estimate of a relatively short-term recession in Finland and other Nordic countries. In particular, service businesses are expected to grow from 2023. Lower fixed costs support good profitability development. Key uncertainties affecting the outlook are the development of inflation and interest rates as well as geopolitical crises and tensions.

ACCOUNTING PRINCIPLES FOR ALTERNATIVE PERFORMANCE MEASURES

The Group complies with the Guidelines on Alternative (APM) issued by the European Securities and Markets Authority (ESMA) in its statutory reporting. These alternative performance measures, such as the gross margin, comparable EBITDA and comparable operating profit, are used to present the underlying business performance and to enhance comparability between financial periods. The comparable EBITDA and comparable operating profit do not include items affecting comparability. These are income and expenses that are not included in normal business activities, such as profits from sales of subsidiaries, and non-recurring costs related to their implementation, and writedowns of goodwill and significant one-time expenses.
The Alternative Performance Measures should not be taken as substitutes for the standards presented in the Generally Accepted Accounting Principles for IFRS.

KEY FIGURES

EUR 1 000	2023	2022	2021	2020	2019
Net sales	93 782	102 171	90 424	57 541	56 344
Change in net sales %	-8.2%	13.0%	57.1%	2.1%	0.8%
Earnings before taxes, depreciation and amortization (EBITDA)	5 111	6 213	9 128	5 204	3 067
% of net sales	5.4%	6.1%	10.1%	9.0%	5.4%
Comparable earnings before taxes, depreciation and amortization (EBITDA)	5 470	6 213	6 073	5 204	3 184
% of net sales	5.8%	6.1%	6.7%	9.0%	5.7%
Operating profit/loss	3 171	3 988	6 940	3 541	1 570
% of net sales	3.4%	3.9%	7.7%	6.2%	2.8%
Comparable operating profit/loss	3 530	3 988	3 885	3 541	1 687
% of net sales	3.8%	3.9%	4.3%	6.2%	3.0%
Profit/Loss before taxes	2 132	3 273	6 552	3 101	1 194
% of net sales	2.3%	3.2%	7.2%	5.4%	2.1%
Comparable profit/loss before taxes	2 492	3 273	3 497	3 101	1 311
% of net sales	2.7%	3.2%	3.9%	5.4%	2.3%
Net profit/loss for the financial year attributable for the shareholders of the parent company	2 087	3 052	5 896	2 174	1 039
% of net sales	2.2%	3.0%	6.5%	3.8%	1.8%
Comparable net profit/loss for the financial year attributable for the shareholders of the parent company	2 446	3 052	2 841	2 174	1 156
% of net sales	2.6%	3.0%	3.1%	3.8%	2.1%
Cash flow from operations	4 560	3 990	4 974	2 783	3 777
Return on equity (ROE) %	9.9%	15.5%	36.3%	19.1%	8.5%
Return on investment (ROI) %	9.0%	11.2%	25.0%	15.2%	7.9%
Equity ratio %	45.5%	40.5%	38.1%	41.9%	39.2%
Gearing, %	52.5%	60.6%	62.1%	57.3%	66.2%
Balance sheet total	49 550	54 119	52 045	35 353	33 093
Gross investments in fixed assets	1 649	2 479	1 388	719	7 359
% of net sales	1.8%	2.4%	1.5%	1.2%	13.1%
Average number of personnel during the financial year	262	286	248	189	198
Number of personnel at the end of financial year	234	280	278	176	200

The Group complies with the Guidelines on Alternative Performance Measures (APM) issued by the European Securities and Markets Authority (ESMA) in its statutory reporting. These alternative performance measures, such as the gross margin, comparable EBITDA and comparable operating profit, are used to present the underlying business performance and to enhance comparability between financial periods. The comparable EBIT-DA and comparable operating profit do not include items affecting comparability. These are income and expenses that are not included in normal business activities, such as profits from sales of subsidiaries, and write-downs of goodwill. The Alternative Performance Measures should not be taken as substitutes for the standards presented in the Generally Accepted Accounting Principles for IFRS.

SHARE-RELATED KEY FIGURES

	2023	2022	2021	2020	2019
Earnings per share (EPS), EUR	0.31	0.45	0.87	0.32	0.15
Comparable earnings per share (EPS), EUR	0.36	0.45	0.42	0.32	0.17
Equity per share, EUR	3.17	3.02	2.73	2.00	1.76
Dividend per share, EUR*	0.15	0.14	0.13	0.12	0.11
Payout ratio %	49%	31%	15%	38%	72%
Comparable payout ratio %	41%	31%	31%	38%	65%
Effective dividend yield %	7.7%	4.3%	2.6%	3.7%	6.2%
Price/Earnings (P/E)	6.3	7.4	5.6	10.1	11.6
Comparable price/earnings (P/E)	5.4	7.4	11.7	10.1	10.5
P/BV	0.62	1.09	1.80	1.62	1.00
EBITDA / share, EUR	0.75	0.91	1.35	0.77	0.45
Comparable EBITDA / share, EUR	0.80	0.91	0.90	0.77	0.47
Cash flow from operations / share, EUR	0.67	0.59	0.73	0.41	0.55
Share prices:					
Lowest share price, EUR	1.70	2.47	2.90	1.31	1.50
Highest share price, EUR	4.13	5.20	5.34	3.40	1.91
Average share price, EUR	3.13	3.94	4.14	2.01	1.67
Closing share price, EUR	1.95	3.29	4.92	3.24	1.77
Market value as of Dec 31, MEUR	13.3	22.4	33.3	21.9	12.1
Number of outstanding shares on average during the financial year	6 796 004	6 852 051	6 769 352	6 791 043	6 828 628
Number of outstanding shares at the end of the financial year	6 796 004	6 796 004	6 770 368	6 763 368	6 828 628
Number of shares traded	1 633 934	2 039 645	6 403 381	3 538 157	736 299
% of average number of shares	24.0%	29.8%	94.6%	52.1%	10.8%
Shares traded, EUR	4 652 372	7 790 740	25 279 930	7 459 624	1 232 914

* The Board of Directors' dividend proposal from year 2023 to the Annual General Meeting to be held on April 4, 2024.

CALCULATION PRINCIPLES OF KEY FIGURES

Return on equity (ROE), %	$\frac{\text{Net profit/loss for the period (total including the non-controlling interest of the result)} \times 100}{\text{Shareholders' equity total on average during the period (including non-controlling interest)}}$
Return on investment (ROI), %	$\frac{\text{(Profit before taxes + Interest expenses)} \times 100}{\text{Balance sheet total - Non-interest-bearing liabilities on average during the period}}$
Equity ratio, %	$\frac{\text{(Shareholders' equity + Non-controlling interest at the end of the period)} \times 100}{\text{Balance sheet total - Advances received at the end of the period}}$
Gearing, %	$\frac{\text{Net interest-bearing debt} \times 100}{\text{Shareholders' equity (including Non-controlling interest at the end of the period)}}$
Earnings per share (EPS), EUR	$\frac{\text{Net profit attributable to the equity holders of the parent company}}{\text{Share issue adjusted number of outstanding shares on average during the period}}$
Equity per share, EUR	$\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Share issue-adjusted number of outstanding shares at the end of period}}$
Dividend per share, EUR	$\frac{\text{Dividend for the financial period}}{\text{Share issue-adjusted number of outstanding shares at the end of period}}$
Payout ratio, %	$\frac{\text{(Dividend per share)} \times 100}{\text{Earnings per share (EPS)}}$
Effective dividend yield, %	$\frac{\text{(Dividend per share)} \times 100}{\text{Share issue-adjusted closing share price at the end of period}}$
Price/Earnings (P/E)	$\frac{\text{Closing share price at the end of period}}{\text{Earnings per share (EPS)}}$

CALCULATION PRINCIPLES OF KEY FIGURES

P/BV ratio	$\frac{\text{Share issue-adjusted closing share price at the end of period}}{\text{Equity per share}}$
Earnings before depreciation and amortization, financial items, and taxes per share, EUR	$\frac{\text{Earnings before depreciation and amortization, financial items, and taxes (EBITDA)}}{\text{Share issue adjusted number of outstanding shares on average during the period}}$
Cash flow from operations per share	$\frac{\text{Cash flow from operations (in the cash flow statement)}}{\text{Share issue-adjusted average number of outstanding shares during the period}}$
Net interest-bearing debt	Interest-bearing liabilities - Interest-bearing receivables - Cash and cash equivalents
Market value of outstanding shares	Share issue-adjusted number of outstanding shares at the end of period x Closing share price at the end of period
EBITDA	Net sales + Other operating income - Materials and services - Employee benefit expenses - Other operating expenses
EBITDA, %	Operating profit before interest, taxes, depreciation, and amortization / Net sales x 100
Comparable EBITDA	EBITDA +/- Items affecting comparability
Operating profit (EBIT)	EBITDA - Depreciation and amortization - Impairment
Operating profit (EBIT), %	Operating profit (EBIT) / Net sales x 100
Comparable operating profit (EBIT)	Operating profit (EBIT) +/- Items affecting comparability

RISKS AND RISK MANAGEMENT

RISKS AND RISK MANAGEMENT

GOALS AND PRINCIPLES OF RISK MANAGEMENT

Wulff Group follows the risk management policy devised by the Board of Directors that determines the objectives and responsibilities of risk management, as well as the reporting procedures. The Company's risk management supports the achievement of strategic objectives and ensures business continuity. The realisation of risk management policies is controlled with internal audit regularly and also external auditors supervise the adequacy and effectiveness of the risk management as a part of the audit procedures related to Group's governance.

Risk management is part of Wulff Group's business operations management. Wulff's risk management is guided by legislation, business objectives set by shareholders as well as the expectations of customers, personnel and other important stakeholders. The Group's risk management aims to systematically and extensively identify and understand any risks that may prevent the achievement of the Group's business objectives, as well as to ensure that risks are appropriately managed when making business-related decisions. Threats to business include risks related to acquisitions, IT risks, risks related to the staff and its availability, as well as factors related to the general economic development and the Company's reputation.

RISK SURVEY

Risks are classified into strategic, operational and market risks. The risk management process aims to identify and assess risks and then plan and implement practical measures to deal with each risk. Possible measures include, for example, avoiding the risk, reducing it in different ways or transferring it with insurance or agreements.

Wulff Group carries out annual risk surveys to determine the main risks in terms of their significance and probability. The business unit leaders are responsible for carrying out the surveys and risk monitoring on which they report to the Group Executive Board. Selected persons are responsible for the monitoring of specific issues within each risk category i.e. strategic, operative or market risks. The Group has not set up a separate organisation for risk management. Instead, risk management is arranged in compliance with the Company's other business operations and organisation structure.
The divisions' financial reports and the situation of the businesses' key development projects are on the agenda of the Group Executive Board which convenes on a tertiary basis. The main risks determined in the risk survey, changes in the significance and probability of the risks, as well as the persons responsible, actions completed and results achieved are reported to the Group's Board of Directors annually. Special attention is paid to any possible new risks that are detected.

STRATEGIC RISKS

The most significant strategic risks arise from the uncertainties related to business acquisitions that may expose the Group to new types of market and operating environment risks. Acquisitions involve also risks related to the integration of business, commitment of key personnel and achievement of business objectives set for the acquisition, as well as the increasing exposure to currency and interest rate risks. In accordance with the International Financial Reporting Standards (IFRS), consolidated goodwill is not amortized on a regular basis, but instead is tested for impairment at least annually or whenever there are indications of impairment.

OPERATIVE RISKS

Customer Base Management

The main operational threats involve the loss of customers or sales volume and risks related to customer relationship management. The Company tackles the risk of possible customer or volume losses by developing compensating sales in other customer or product groups. The risk of losing customers is reduced by the Company's independence of individual customers. The Group has a broad customer base and the management analyses the risks related to customer concentration.

The demand for office supplies is affected by the organizations' personnel lay-offs and cost-saving initiatives made during the economic downturn. As the general economic uncertainty persists, it will most likely affect the ordering behaviour of some corporate clients. During the uncertain economic periods, the corporations may also minimize attending exhibitions. Intense competition in the workplace products and services indusrty can affect the profitability of the business.

There are both risks and opportunities involved in developing the product and service portfolio to be in line with changing markets and needs. The uncertainties relating to the general economic development emphasizes the importance of monitoring the credit and default risks associated with customers and other affiliates. The credit and default risks and control measures are presented under Credit and Default Risks.

Personnel
The main operational threats involve also factors related to the personnel and the availability of workforce. Especially the development of net sales and profitability of the Expertise Sales Segment is partly dependant on the number of sales representatives and their sales know-how.

Financial Risks
The Group's parent company finances the major subsidiaries' operations on a centralised basis and controls the financial risks arising from them. Group companies with non-controlling minority shareholders may make more independent financial decisions but always within the limits defined by the Boards. The parent company's Board of Directors determines the principles of financial risk management, with the goal to minimise the effects that price fluctuations in the financial markets, as well as other uncertainty factors may have on result, financial position and cash flow.

Financial risks include currency risks, interest rate risks, liquidity risks, and credit risks managed by each subsidiary.

Currency Risks
More than 2/3 of the Group's sales are nominated in euros and 1/3 is nominated in Swedish, Norwegian and Danish crowns. Fluctuation of the currencies affects the Group's net result and financial position. In terms of import, the exposure to currency risks affects especially the currency risks of the Wulff Supplies subgroup through changes between Sweden and Norway. The Group has only minor transactions in other currencies than euros and Nordic currencies. Interest-bearing liabilities by currencies are presented in Note 21 of the consolidated financial statements. The Group does not practice any speculative hedging. No separate hedging measures against currency risk are taken.

Interest Rate Risks
The Group is exposed to interest rate risk due to loans from financial institutions and bank account limit facilities tied with variable interest rates. Changes in market rates impact directly the Group's interest payments in the future. More information on the interest rates of the Group's interest-bearing liabilities is presented in Note 21 of the consolidated financial statements. The Group does not make any speculative interest rate agreements and to date, no interest rate swaps have been utilized for managing interest rate risks.

Liquidity Risks
Group companies operate with their own cash flows and if necessary, they are funded also with the Group's internal financing. In order to ensure good liquidity, the Group emphasises the subsidiaries' independence in the management of operating cash flow and working capital. Liquidity risks are managed on the group level with Group bank account arrangements in Finland and Scandinavia. Continuous supervision is used to assess and monitor the financing needed for the subsidiaries' operations. The availability and flexibility of financing is ensured with bank account credit limits. On December 31, 2023, unused credit limits totalled EUR 4.5 (5.5) million in Finland. The maturity of loans is presented in Note 21.

Part of the Group's loan agreements include covenants, according to which the equity ratio shall be 35 % at minimum and the interest-bearing debt/EBITDA ratio shall be 3.5 at maximum at the end of each financial year. Covenant breaches lead to negotiations with the bank granting the guarantee and any possible consequences depend on the negotiations. The covenant terms were met on 31.12.2023.

Credit and Default Risks
The uncertainties relating to the general economic development have emphasized the importance of monitoring the credit and default risks associated with customers and other affiliates. The subsidiaries manage their customers' credit analyses and active credit control independently. Together with the subsidiaries' management, the subsidiaries' working capital management and related risks are monitored also on segment and group level by the Group's finances. The Group's trade receivables consist of an extensive customer base, and most of the annual sales volume is from well-known and solvent customers. Consequently, the Group has not considered credit guarantees or corresponding methods to be necessary.

The risk management policy of each company defines the credit risks and credit worthiness requirements, as well as the terms of delivery and payment. Credit risk monitoring is primarily the responsibility of the subsidiaries' management, while the parent company's financial management monitors regularly the realisation of the risk management principles, the development of the Group's credit risk and examines the efficiency of the centralised own collection operations and the outsourced collection partner. Traditionally the group companies' credit losses have been small in relation to their net sales. Aging analysis of sales receivables is presented in Note 17 of the consolidated financial statements.

Capital Management
Wulff Group's capital structure management aims to ensure and improve the operating conditions of the group companies and to increase the Group's shareholder value in a sustainable, optimal way. The Group's capital structure is evaluated by monitoring the development in equity ratio where the long-term target is approximately 40 percent. The Group's companies operate with their own cash flows and if necessary, they are funded also with Group's internal financing. The Group emphasises the subsidiaries'

independence in the management of operating cash flow and working capital. The Group Finance controls the group companies' working capital management centrally. The Group Finance takes care of the external loan financing and agrees on the loans' repayment schedules with the financiers centrally.

IT Risks
Subsidiaries are responsible for managing the risks related to their own IT systems. Common practices are applied in user management and data verficiation. IT system management is evaluated and inspected on group level with regard to the most significant risks. Also external auditors pay attention to IT risks and efficiency of the Group's IT processes, and the auditors report their findings and development recommendations to Group management and Board, if necessary.

Asset Risks
The Group's assets are comprehensively insured against accidents and damage. Some of the subsidiaries are also insured against interruption in operations.

Environmental Risks
The Group also takes into account environmental risks and emphasizes environmental-friendliness in its operations. The Group's subsidiary Wulff Oy Ab has been granted the ISO 14001 environmental certificate. Wulff provides customers with information about recycling solutions for office and IT supplies and sees to the recycling of its customers' used ink cartridges. In addition, the Group promotes a positive attitude towards environmental matters and their development among its personnel. Wulff Entre Oy and Wulff Oy Ab have also been granted the ISO 9001 quality certificate.

When selecting suppliers, Wulff's Contract Customers in Finland favours companies committed to sustainable development. The company chooses products that use environmentally friendly raw materials and production methods. In addition, the webshop provides a wide range of green office products. Recycled and rapidly renewable materials are preferred in the material choices and CO2 emissions caused by the transportation of products are minimized. All of the packaging materials used in Wulff's Finnish Cotract Customers's product deliveries can be recycled or used as a source of energy.

All Wulff Group companies in Finland use Posti Green deliveries that are CO2 neutral. With improved energy efficiency and use of low emission, renewable energy, carbon dioxide emissions will be reduced. From the customers' point of view, the deliveries are completely carbon neutral because the remaining emissions are compensated by funding Posti Green climate projects.

Wulff Supplies, which operates in Sweden, Norway and Denmark, comply with the Supplies Control concept. The concept contains all environmental processes and future guidelines. The concept was introduced in 2009 and it has been developed in collaboration with customers, employees, and suppliers. With the help of the concept, Wulff Supplies is actively working to achieve overall cost reduction along the entire supply chain and minimizing environmental impacts.

Wulff Supplies makes certain that the products they offer have been developed and produced in compliance with ethical guidelines and applicable legislation and regulations. Wulff Supplies aims to reduce use of materials, which means more efficient utilization of materials and energy. More environmental friendly alternatives are used whenever they are available and hazardous substances are avoided. Wulff Supplies has been awarded with the ISO 9001:2008 and ISO 14001:2004 certificates in all of its operating countries.

The Finnish Packaging Recycling RINKI Ltd has awarded Wulff with a certificate showing that the company handles the recovery of the packages it supplies to the market in compliance with directives, acts and statutes.

MARKET RISKS
The main market risks include megatrends in the global economy, such as digitalisation and responsibilty, the effect of economic cycles and employment rates on the demand of workplace proudcts and services, as well as international customer contracts.

Changes in consumer preferences, such as new trends in printing solutions, affect development in the sector. International pandemic or smaller epidemics, that restrict traveling may have an impact on demand of workplace products and services as well as exhibition services. The tightening of geopolitical tensions can affect general economic development, product availability and customer needs.

Wulff Group keeps a close eye on changes and develops and searches for new products and services. The Group's broad range of products and services reduces the risks caused by changing consumer preference. The Company prepares for economic downturns by adjusting operations and expanding its customer base.

SHARES AND SHAREHOLDERS

SHARE CAPITAL

The parent company's share capital of EUR 2.65 million consists of 6,907,628 shares with one vote each and with no par value. There were no changes in share capital in 2023 or 2022.

AUTHORIZATIONS OF THE BOARD OF DIRECTORS

Authorizing the Board of Directors to decide on a Share Issue and the Special Entitlement of Shares

The Annual General Meeting on April 5, 2023 authorised the Board to decide on the issue of new shares, disposal of treasury shares and/or the issue of special rights referred to in Chapter 10, Section 1 of the Companies Act in the following way: The authorisation entitles the Board to issue a maximum of 1,300,000 shares, representing approximately 20% of the company's current outstanding stock, based on a single decision or several decisions. This maximum number encompasses the share issue and the shares issued on the basis of special rights. The share issue may be subject to or exempt from fees and may be carried out for the company itself as provided in the law.

The authorisation remains in force until April 30, 2024.

The authorisation entitles the Board to deviate from shareholders' pre-emptive rights as provided in the law (private placement). The authorisation can be used to carry out acquisitions or other business-related arrangements, to finance investments, to improve the company's capital structure, to support the implementation of the company's incentive scheme or for other purposes as decided by the Board. The authorisation includes the right to decide on the way in which the subscription price is entered in the company's balance sheet. The subscription price can be paid in cash or as a non-cash contribution, either partly or in full, or by offsetting the subscription price with a receivable of the subscriber. The Board of Directors has the right to decide on other matters related to the share issue. The Company did not use the authorization in 2023 or 2022.

Authorizing the Board of Directors to decide on the Repurchase of the Company's own Shares

The Annual General Meeting on April 5, 2023 authorised the Board of Directors to resolve on the acquisition of maximum 300,000 own shares. The authorization is effective until 30.4.2024. The authorization encompasses the acquisitions of the own shares through the public trading arranged by Nasdaq Helsinki Ltd in pursuance of its rules or through a purchase offer made to the shareholders. The consideration paid for the acquired shares must be based on the market price. To carry out treasury share acquisitions, derivative, stock loan and other agreements may be made on the capital market in accordance with the relevant laws and regulations. The company can acquire treasury shares to carry out acquisitions or other business-related arrangements, to improve the company's capital structure, to support the implementation of the company's incentive scheme or to be cancelled or disposed of. The Board of Directors has the right to decide on other matters related to the acquisition of treasury shares. The Company used its autorization as described under header Treasury Shares in 2022.

TREASURY SHARES

According to the Annual General Meeting's authorisation on April 8, 2022, the Board of Directors decided in its organizing meeting to continue the acquisition of its own shares, by acquiring a maximum of 300,000 own shares by April 30, 2023.

The shares are acquired through public trading on Nasdaq Helsinki Ltd in a proportion other than that of current shareholder holdings. The shares are acquired at the market price quoted at the time of the repurchase in accordance with the rules regarding the acquisition of company's owns shares. According to the authorisation, the treasury shares can be acquired to carry out acquisitions or other business related arrangements, to improve the company's capital structure, to support the implementation of the company's incentive scheme or to be cancelled or disposed of.

In 2023 there were no changes in the number of own shares. In 2022 own shares were aqcuired and disposed of. During the last quarter the Board of Directors of Wulff Group Plc decided to start buy back its own shares in accordance with the authorization granted by the Annual General Meeting. The repurchases started on October 26, 2022 and ended on November 29, 2022. Wulff Group Plc repurchased 66,812 shares at the market price quoted through public trading on Nasdaq Helsinki Ltd, in accordance with the rules regarding the acquisition of company's owns shares.

The acquired shares are intended to be used to finance acquisitions and other arrangements according to the company´s growth strategy. On February 21, 2022 the Board of Directors decided to transfer 10,000 own shares to the CEO as renumeration for 2021 and in January 82,488 own shares were transferred as a part of Carpentum Oys purchase price.

At the end of December 2023, the Group held 111,624 (111,624) own shares representing 1.6% (1.6) of the total number and voting rights of Wulff shares.

SHARE-BASED PAYMENTS

The Group does not have any option schemes currently in force. Wulff Group Plc's Board of Directors draws up the rules for the share reward plans and approves the key persons to be included in the plan. On February 22, 2021 the Board of Directors decided to establish a share-based incentive scheme for the CEO. More information is given in the Corporate Governance Statement and in Note 25 Related Party Information.

SHARE QUOTATION

Wulff Group Plc's stock exchange history started in October 2000 when the company's share was first listed on the Helsinki Stock Exchange's NM list. On April 22, 2003, Wulff transferred its shares to the main list, where they were listed in the Consumer Discretionary sector. Until February 2012, Wulff Group Plc's shares were listed on NASDAQ OMX Helsinki in the Small Cap segment under the Consumer Discretionary sector. In February 2012, the sector changed to the Industrial Goods and Services sector.

Wulff shares' trading code is WUF1V. NASDAQ OMX Helsinki commenced trading in round lots of one share on September 25, 2006. The share series' ISIN code used for international settlement of securities is FI0009008452.

TRADING AND PRICE DEVELOPMENT OF WULFF SHARES

In 2023, a total of 1,633,934 (2,039,645) Wulff shares were traded which represents 24.0 % (29.8) of the total outstanding number of shares. The trading was worth EUR 4,652,372 (7,790,740). In 2023, the highest share price was EUR 4.13 (5.20) and the lowest price was EUR 1.70 per share (2.47). At the end of 2023, the share was valued at EUR 1.95 (3.29) and the market capitalization of the outstanding shares totalled EUR 13.3 million (22.4).

DIVIDEND POLICY

Wulff Group Plc follows an active dividend policy. The goal is to distribute around 50% of the period's net profit in dividend. The Board of Directors of Wulff-Group has decided to propose to the Annual General Meeting on April 4, 2023 that dividend of EUR 0.15 per share be paid in two installments during the second and last quarters of 2024, for the financial year 2023 totalling EUR 1.0 million. Rest of the distributable funds shall remain in the shareholders' retained earnings.

SHAREHOLDERS AND OWNERSHIP STRUCTURE

Wulff Group Plc's shares are registered in the book-entry securities system maintained by Euroclear Finland Ltd. The most significant shareholders and the ownership structure are presented in the graphs attached.

INSIDER REGULATIONS

Wulff Group Plc complies with applicable EU regulations, especially the Market Abuse Regulation (EU 596/2016, "MAR"), and any regulation and guidance given by the European Securities Markets Authority ("ESMA"). Further, the company complies with Finnish legislation, especially the Securities Markets Act (746/2012, as amended) and the Finnish Penal Code (39/1889, as amended), including the insider and other guidelines of Nasdaq Helsinki Ltd and the standards and guidance of the Finnish Financial Supervisory Authority ("FIN-FSA") and other authorities.

Wulff hasn't maintained a list of permanent insiders since July 3, 2016. Instead, all persons involved with insider projects will be listed as project-specific insiders. Project-specific lists will be established and maintained for each project or event constituting inside information, based on a separate decision. All persons working for Wulff, representatives of external entities, stakeholders and authorities who have information concerning an insider project or have access to project-specific inside information, as well as persons who are working for the implementation of an insider project, will be entered in a project-specific insider list.

Preparation of periodic disclosure (annual and half year financial statements, interim reports, financial statements bulletins) or regular access to unpublished financial information is not regarded as an insider project. However, due to the sensitive nature of unpublished information on the company's financial results, the persons determined by the company, based on their position or access rights, to have authorised access to unpublished financial result information are added to a list of Financial Information Recipients. Wulff applies an absolute trading prohibition (a 'closed window' principle) during a period beginning 30 calendar days before the announcement of each of the periodic financial reports and the year-end report (the financial statements bulletin) and ending at the end of the trading day following the day of publication of such a report.

MAJOR SHAREHOLDERS DECEMBER 31, 2023

The shareholders information is based on the shareholders' register maintained by Euroclear Finland Ltd. Shareholders are grouped according to the known direct holdings of individual shareholders, individuals under their guardianship and the shares held by associations where they exercise authority and stated as aggregate amounts and specified category. The shareholdings of companies belonging to the same group are stated both as aggregate amounts and specified by category. The list of major shareholders can be found on the Group's website at wulff.fi/en/.

	Major shareholders December 31, 2023	Number of shares	% of shares
1	**Vienola Heikki**	**2,521,000**	**36.5%**
2	**LähiTapiola**	**761,100**	**11.0%**
	Elo Mutual Pension Insurance Company	350,000	5.1%
	LähiTapiola General Mutual Insurance Company	283,900	4.1%
	Lähitapiola Mutual Life Assurance Company	127,200	1.8%
3	**Nordea**	**316,278**	**4.6%**
	Nordea Nordic Small Cap Equity Fund	296,128	4.3%
	Nordea Life Assurance Finland	20,000	0.3%
	Nordea Bank Plc	150	0.0%
4	**Skandinaviska Enskilda Banken AB**	**216,392**	**3.1%**
5	**TCF-Myynti Ltd**	**170,000**	**2.5%**
6	**Wulff Group Plc**	**111,624**	**1.6%**
7	**Varma Mutual Pension Insurance Company**	**67,984**	**1.0%**
8	**Lindsay von Julin & Co Ab**	**66,000**	**1.0%**
9	**Laakkonen Mikko**	**64,185**	**0.9%**
10	**Tolppola Kim**	**53,204**	**0.8%**
11	**Salonen Jari**	**52,000**	**0.8%**
12	**Heikki Tervonen Oy**	**45,000**	**0.7%**
13	**Progift Oy**	**41,162**	**0.6%**
14	**Pim Partners Ltd**	**40,000**	**0.6%**
15	**Elina Rahkonen**	**40,000**	**0.6%**
	Total of 15 biggest shareholders	**4,565,929**	**66.1%**
	Total of other shareholders	**2,341,699**	**33.9%**
	Total number of shares	**6,907,628**	**100.0%**
	- Own shares	**-111,624**	
	Total number of outstanding shares	**6,796,004**	

SHAREHOLDERS BY GROUP AS OF DECEMBER 31, 2023

Owner groups	Number of shareholders	%	Number of shares	%
Companies	106	3.8%	747,970	10.8%
Financial and insurance institutions	6	0.2%	732,428	10.6%
Public entities	2	0.1%	417,984	6.1%
Non-profit organisations	0	0.0%	0	0.0%
Private persons	2,639	94.9%	4,760,624	68.9%
Foreign shareholders	18	0.6%	7,935	0.1%
Nominee-registered shareholders	9	0.3%	240,687	3.5%
Total	**2,780**	**100.0%**	**6,907,628**	**100.0%**

SHAREHOLDERS BY THE NUMBER OF SHARES OWNED DECEMBER 31, 2023

Number of shares	Number of shareholders	%	Number of shares	%
1-500	1,999	71.9%	303,461	4.4%
501-1000	361	13.0%	282,704	4.1%
1 001-10 000	368	13.2%	1,054,250	15.3%
10 001-100 000	44	1.6%	1,190,969	17.2%
100 001-	8	0.3%	4,076,244	59.0%
Total	**2,780**	**100.0%**	**6,907,628**	**100.0%**

INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING 2024

Wulff Group Plc's Annual General Meeting will be held on April, 4 2024 at 11.00 A.M. The meeting is held in the Wulff house at Kilonkartanontie 3, Espoo.

The company's shareholders and their representatives may attend the meeting and exercise their shareholder rights also by voting in advance and by submitting counter-proposals and questions in advance. The meeting can be followed by remote connection. Instructions for participating in the Annual General Meeting, submitting counter-proposals and submitting questions and voting in advance to shareholders have been published by invitation to the Annual General Meeting and are available on the company's website www.wulff.fi/en/annual-general-meeting/.

A shareholder who is registered in the company's shareholder register maintained by Euroclear Finland Ltd on Thursday, March 21, 2024 has the right to participate in the Annual General Meeting by voting in advance. Advance voting will begin on March 13, 2024 at 9:00 A.M., when the deadline for submitting counter-proposals for voting has expired and the company has published any counter-proposals for voting on the company's website. A shareholder entered in the company's shareholder register who wishes to participate in the Annual General Meeting must vote in advance no later than Thursday, March 28, 2023 at 10:00 A.M., by which time the votes must be received.

The holder of nominee-registered shares has the right to participate in the Annual General Meeting by voting in advance on the basis of those shares that would allow them to be entered in the shareholder register maintained by Euroclear Finland Ltd on the record date of the Annual General Meeting on March 21, 2023. Participation also requires that the shareholder be temporarily entered in the shareholder register maintained by Euroclear Finland Ltd on the basis of these shares no later than March 28, 2023 at 10.00 A.M.

The owner of a nominee-registered share is advised to request the necessary instructions from his / her custodian in good time regarding temporary registration in the shareholder register, issuance of proxies and registration for the Annual General Meeting. The custodian's account manager must notify the owner of the nominee-registered share to be temporarily entered in the company's shareholder register by the above-mentioned date at the latest and take care of voting on behalf of the nominee-registered shareholder.

DIVIDEND FOR 2023

The Board of Directors of Wulff Group Plc proposes to the Annual General Meeting that a dividend of EUR 0.15 per share in total shall be paid for the financial year 2023 in two instalments. The first instalment EUR 0.08 per share will be paid on April 15, 2024, to shareholders who have been registered in the Company's shareholder list maintained by Euroclear Finland Ltd on the record date of the dividend payment, April 8, 2024. The second instalment EUR 0.07 per share will be paid on October 14, 2024, to shareholders who have been registered in the Company's shareholder list maintained by Euroclear Finland Ltd on the record date of the dividend payment, October 7, 2024.

FINANCIAL REPORTING 2024

Wulff Group Plc will release the following financial reports in 2024:

Interim Report, January-March 2024
Monday April 22, 2024

Half-Year Report, January-June 2024
Thursday July 18, 2024

Interim Report, January-September 2024
Monday October 21, 2024

Wulff Group Plc's financial reports are published in Finnish and English and they are also available at www.wulff.fi/en. To receive Wulff Group Plc's interim reports and releases by email, shareholders can join the company's email distribution list by sending a request by email to investors@wulff.fi.

CONTACT INFORMATION FOR ORDERING THE ANNUAL REPORT

Wulff Group Plc
Kilonkartanontie 3, FI-02610
Espoo, Finland
tel: +358 300 870 414
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The Annual Report is published as a PDF document in Finnish and English. It can be viewed at the Group's website at www.wulff.fi/en.

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CONSOLIDATED FINANCIAL STATEMENT, IFRS

CONSOLIDATED INCOME STATEMENT, IFRS

EUR 1 000	Note	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Net sales	2, 4	**93 782**	**102 171**
Other operating income	5	158	359
Materials and services	6	-65 038	-71 185
Employee benefit expenses	7	-16 489	-17 361
Other operating expenses	8	-7 303	-7 772
Earnings before depreciation (EBITDA)		**5 110**	**6 213**
Depreciation and amortization	9	-1 940	-2 224
Operating profit (EBIT)		**3 170**	**3 988**
Financial income	10	68	20
Financial expenses	10	-1 106	-735
Profit before taxes		**2 132**	**3 273**
Income taxes	11	13	-129
Net profit/loss for the period		**2 145**	**3 144**
Attributable to:			
Equity holders of the parent company		2 087	3 052
Non-controlling interests		58	92
Earnings per share for profit attributable to the equity holders of the parent company:			
Earnings per share, EUR (diluted = non-diluted)	12	0.31	0.45

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR 1 000	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Net profit/loss for the period	**2 145**	**3 144**
Other comprehensive income which may be reclassified to profit or loss subsequently (net of tax)		
Change in translation differences	-159	-414
Total other comprehensive income	**-159**	**-414**
Total comprehensive income for the period	**1 986**	**2 730**
Total comprehensive income attributable to:		
Equity holders of the parent company	1 941	2 697
Non-controlling interests	45	33

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR 1 000	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Non-current assets			
Goodwill	13, 15	8 824	8 821
Intangible assets	13	2 475	1 663
Property, plant and equipment	13	9 049	10 037
Non-current financial assets			
Long-term receivables from others		123	71
Available-for-sale investments		312	312
Deferred tax assets	11	1 454	1 248
Total non-current assets		**22 236**	**22 151**
Current assets			
Inventories	16	12 300	14 140
Short-term receivables			
Loan receivables from others		10	13
Trade receivables from others	17	12 743	14 602
Other receivables	17	77	299
Accrued income and expenses	17	2 034	1 886
Cash and cash equivalents	18	151	1 028
Total current assets		**27 314**	**31 968**
TOTAL ASSETS		**49 550**	**54 119**

EUR 1 000	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company:			
Share capital		2 650	2 650
Share premium fund		7 662	7 662
Invested unrestricted equity fund		676	676
Retained earnings		10 522	9 554
Equity attributable to the equity holders of the parent company		21 510	20 542
Non-controlling interests		476	774
Total equity	19, 20	**21 986**	**21 316**
Non-current liabilities			
Interest-bearing liabilities	21	9 666	9 931
Leasing liabilities	21	324	674
Deferred tax liabilities	11	177	244
Total non-current liabilities		**10 167**	**10 849**
Current liabilities			
Interest-bearing liabilities	21	1 281	2 752
Leasing liabilities	21	527	601
Trade payables	23	8 590	10 086
Advance payments	23	1 248	1 445
Other liabilities	23	2 156	2 536
Accrued income and expenses	23	3 595	4 535
Total current liabilities		**17 397**	**21 954**
TOTAL EQUITY AND LIABILITIES		**49 550**	**54 119**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1 000	Note	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Cash flow from operating activities:			
Cash received from sales		95 697	102 580
Cash received from other operating income		121	302
Cash paid for operating expenses		-90 099	-97 962
Cash flow from operating activities before financial items and income taxes		5 719	4 920
Interest paid		-898	-445
Interest received		41	15
Income taxes paid		-302	-501
Cash flow from operating activities		**4 560**	**3 990**
Cash flow from investing activities:			
Investments in intangible and tangible assets		-1 649	-2 479
Acquisition of subsidiary company shares		-233	-595
Short-term invesments in other shares		-	-251
Proceeds from sales of intangible and tangible assets		37	57
Sale of subsidiaries reduced by cash at the time of sale		-164	-
Repayments of loans receivable		3	53
Cash flow from investing activities		**-2 007**	**-3 215**
Cash flow from financing activities:			
Dividends paid	20	-1 001	-982
Purchase of own shares	19	-	-220
Dividens received	10	17	-
Changes in the shares of minority shareholders	3	-81	-
Repayments of lease liabilities		-618	-1 008
Withdrawals and repayments of short-term loans		1 008	-164
Withdrawals of long-term loans		-	4 000
Repayments of long-term loans		-2 744	-2 158
Cash flow from financing activities		**-3 420**	**-531**
Change in cash and cash equivalents		**-867**	**245**
Cash and cash equivalents at the beginning of the period		1 028	797
Translation difference of cash		-11	-14
Cash and cash equivalents at the end of the period	18	151	1028

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, IFRS

		Equity attributable to equity holders of the parent company								
EUR 1 000	Note	Share capital	Share-premium fund	Fund for invested non-restricted equity	Treasury shares	Translation differences	Retained earnings	Total	Non-controlling interest	TOTAL
Equity on Jan 1, 2023		2 650	7 662	676	-332	-766	10 651	20 542	774	21 316
Net profit/loss for the period							2 087	2 087	58	2 145
Other comprehensive income*:										
Change in translation differences						-146		-146	-13	-159
Comprehensive income *						-146	2 087	1 941	45	1 986
Transactions with the shareholders:										
Dividends paid							-951	-951	-50	-1 001
Sale of subsidiaries						-22		-22	-212	-234
Changes in ownership									-81	-81
Transactions with the shareholders total						-22	-951	-973	-343	-1 316
Equity on Dec 31, 2023	19	2 650	7 662	676	-332	-933	11 787	21 511	476	21 986
Equity on Jan 1, 2022		2 650	7 662	676	-343	-411	8 277	18 512	830	19 343
Net profit/loss for the period							3 052	3 052	92	3 144
Other comprehensive income*:										
Change in translation differences						-355		-355	-59	-414
Comprehensive income *						-355	3 052	2 697	33	2 730
Transactions with the shareholders:										
Dividends paid							-892	-892	-89	-982
Acquiistion of own shares					-220			-220		-220
Transfer of own shares					231		215	446		446
Transactions with the shareholders total					11		-677	-667	-89	-756
Equity on Dec 31, 2022	19	2 650	7 662	676	-332	-766	10 651	20 542	774	21 316

* with tax impact included

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES

GENERAL INFORMATION ABOUT THE GROUP

The Group's parent company, Wulff Group Plc is a Finnish public limited company, established in accordance with Finnish law. It is domiciled in Helsinki and the address of its headquarters is Kilonkartanontie 3, 02610 Espoo, Finland. Copies of the consolidated financial statements are available at the above address.

The Group consists of the parent company Wulff Group Plc and its 21 subsidiaries in Finland, Sweden, Norway and Denmark. Wulff's product and service range includes workplace products, IT supplies, ergonomics, printing services, international exhibition and event services as well as financial management services. The Group's two concepts, the Contract Customers concept and the Expertise Sales concept, enable Wulff to serve its various-sized customers in different industries professionally and comprehensively. The Contract Customers concept eases the customers' regular office supply purchases. The Expertise Sales concept serves especially small and mid-sized companies with a personal approach. The Group is managed based on the operating segments of these different service concepts, the Contract Customers segment and the Expertise Sales segment, which have been described in more detail in Note 2 Segment information.

The Board of Directors of Wulff Group Plc has approved these financial statements for publication at its meeting on March 8, 2024. According to the Finnish Limited Liability Companies Act, the shareholders at the general meeting held after the publication may approve or reject the financial statements or decide on amendments to be made to the financial statements.

BASIS OF PREPARATION

These consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) including the IAS and IFRS standards as well as the SIC and IFRIC interpretations in effect on December 31, 2023. The term 'IFRS standards' refers to standards and interpretations which are approved and adopted by the European Union (regulation EY 1606/2002) and thus are in force in the Finnish legislation. The Group has not adopted any new, revised or amended standards or interpretations that are not yet effective. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation, which supplement the IFRS regulations.

In compliance with the IFRS standards, the consolidated financial statements are based on original cost except for available-for-sale financial assets, financial assets recognised at fair value through profit and loss as well as share-based transactions to be settled in cash and measured at fair value. Equity-settled share-based payments (share rewards) have also been measured at fair value at the grant date.

The IFRS standards require the management to make estimates and judgements when preparing the consolidated financial statements. Although these estimates and judgements are based on the management's best knowledge when preparing the financial statements, the final outcome may differ from the estimated values presented in the financial statements. Information about the assessments and judgments that the management have made and that are most critical to the figures in the financial statements are presented under Critical accounting estimates and key sources of estimation uncertainty.

The Group complies with the Guidelines on Alternative Performance Measures (APM) issued by the European Securities and Markets Authority (ESMA) in its statutory reporting. These alternative performance measures, such as the comparable operating profit and comparable EBITDA, are used to present the underlying business performance and to enhance comparability between financial periods. The comparable operating profit and comparable EBITDA do not include items affecting comparability. These are items that are not included in normal business activities, like profits from sales of subsidiaries, and non-recurring costs from implementation of business acquisitions, write-downs of goodwill, and significant one-time expenses. The Alternative Performance Measures should not be taken as substitutes for the standards presented in the Generally Accepted Accounting Principles for IFRS.

All figures are presented as thousands of euros and have been rounded to the nearest thousand euros. Therefore the total sums do not necessarily fully reconcile to the sum of individual figures.

ADOPTION OF NEW AND UPDATED IFRS STANDARDS

The consolidated financial statements have been prepared in accordance with the previous years' accounting standards, adopting also the new and updated IFRS standards and interpretations that have come into effect as of January 1, 2023.

Wulff Group has not yet adopted the new and amended standards and interpretations already issued by the IASB. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

According to the management's assessment amended standards and interpretations that come into force on 1.1.2024 do not have a significant effect on the consolidated financial statements.

CONSOLIDATION PRINCIPLES

The consolidated financial statements include the parent company Wulff Group Plc and all its subsidiaries. Subsidiaries are companies in which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiaries are consolidated from the date the Group gains control until the Group loses control in them. The subsidiaries have the same financial period as the parent company.

Intra-Group holdings have been eliminated using the acquisition cost method, according to which the acquisition cost as well as the assets and liabilities of the subsidiary are measured at fair value at the acquisition date. If the acquisition cost, the non-controlling interests and the previously owned share in total exceed the fair value of the net assets acquired, the excess is recognized as goodwill which is not amortized but tested for impairment at least annually. If the goodwill is negative, it is recognized directly through income statement. Acquisition transaction costs are expensed when incurred and they are not included in goodwill.

The non-controlling interests i.e. the minority shares in a subsidiary acquired are measured at either fair value or at the amount corresponding to the minority shareholders' proportional share of the net assets acquired. The valuation choice is made separately for each acquisition. When the Group acquires shares from the minority shareholders, the difference between the acquisition cost and the book value of the share of the net assets acquired is recognized directly to equity and the goodwill does not change anymore after the original acquisition of controlling majority. Also the gains and losses from the sale of shares to minority shareholders are recognized directly in equity. The losses incurred are allocated also to the minority shareholders, even if this would lead to a negative share. The Group's equity and earnings attributable to the non-controlling interests are presented separately. Changes in ownership of subsidiaries, which do not lead to loss of control, are recognised as equity transactions.

All intra-Group business transactions, internal receivables and liabilities, internal margins for inventories and fixed assets, as well as internal profit distribution have been eliminated when preparing the consolidated financial statements.

The Group does not have associated companies or joint ventures.

FOREIGN CURRENCY ITEMS

Items in each group company's financial statements are measured using the currency of that company's country ("functional currency"). The consolidated financial statements are presented in euro, which is the Company's functional and reporting currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency using the exchange rates prevailing at the balance sheet date. Non-monetary items denominated in foreign currency, measured at fair value, are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses from operating business transactions are recorded in the appropriate, corresponding income statement accounts included in operating profit. Also foreign exchange gains and losses arising from the translation of foreign-currency-denominated trade receivables and trade payables are recorded in the related income statement accounts included in operating profit. Foreign exchange gains and losses from the translation of foreign-currency-denominated loan receivables and liabilities as well as monetary assets are recognized in financial income and expenses. Exchange differences arising on a monetary item that forms a part of a net investment in a foreign operation are recognized in the statement of other comprehensive income and finally on the disposal of the net investment they are recognized in the income statement.

Income statements of foreign subsidiaries, whose functional and reporting currency is not euro, are translated into euro using the monthly average exchange rates. Their balance sheets are translated using the exchange rates of balance sheet date. The translation differences arising from the translation of income statements and balance sheets as well as from the elimination of internal ownership and the exchange differences resulting from translating equity incurred after the date of acquisition are recognized in the statement of other comprehensive income and the cumulative translation differences are presented in equity. On the disposal of a subsidiary functioning in foreign currency, that entity's cumulative translation difference is recognized in the income statement as part of the gain or loss on the sale.

Any goodwill arising from the acquisition of a foreign company and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign subsidiary and retranslated using the exchange rate of balance sheet date.

REVENUE RECOGNITION

Wulff Group companies sell workplace products and services, international exhibition and event services, and financial management services. The product and service portfolio is presented in more detail in Note 2. Segment information. Revenue is recognised when parties have accepted customer contracts either in written or orally or in other customary manner (e.g. shopping at a brick-and-mortar store) when a distinct product and/or services has been handed over, the customer has obtained control over the products and services, and the performance obligation has been fulfilled.

Net sales comprise of consideration received less indirect sales taxes, discounts and exchange rate differences arising from sales denominated in foreign currency. The monetary value of the revenue recognition is based on the value of the delivered products and services by the time of reporting. The net sales from customer contracts do not change retrospectively. Invoicing is done normally at time of delivery of the products and services. Exhibition services invoicing is mostly done in advance to service delivery and is based on in advance paid supplier invoices born from building the exhibition premises. The customer contracts do not have any significant financing components. The consolidated net sales do not include intra-group transactions. Incremental costs of obtaining a contract are activated in intangible assets and expensed over the customer contract period.

Wulff recognises the incremental costs of obtaining a contract in other intangible assets when the company has acquired a customer contract exceeding twelve months in time and the company expects to recover the costs. Incremental costs of obtaining a contract are costs, which incure to the company in acquiring the customer contract, which would have not incurred, if the customer contract was not acquired. The incremental costs of obtaining a contract are expensed over the contract period, normally over three years time. The costs of obtaining a contract, which would have incurred whether the contract was acquired or not, are expensed in the profit and loss statement. The costs of fulfilling the

GOODWILL AND OTHER INTANGIBLE ASSETS

The expected useful lives are:

Goodwill	no depreciations; impairment testing
IT software	3– 10 years; straight-line
Customer relationships	3–5 years; straight-line
Other intangible assets	3–5 years; straight-line
Intangible assets under construction	no depreciations; impairment testing

TANGIBLE ASSETS

The expected useful lives are:

Buildings	20 years; straight-line or 4-7% reducing-balance method
Machinery and equipment	3–8 years; straight-line
Cars and vehicles	5 years; straight-line
Other tangible assets	5– 10 years; straight-line
Tangible assets under construction	no depreciations; impairment testing

customer contracts are recognized according to the IAS 2 Inventories -standard.

The revenue of exhibition services offered by Wulff Entre Ltd are recognized at the time of exhibitions according to the IFRS 15 Revenue from Contracts with Customers -standard. Delivered exhibition services' uninvoiced sales and unpaid costs are estimated and reconsidered regularly according to the customer and supplier contracts and possible changes in estimates are recognised when the changed circumstances have come to the attention of the management.

The products Wulff sells are typically covered by the vendors' guarantee and a guarantee over manufacturing defects, which normally is one year. The guarantee does not cover maluse or anti-instruction use or damages which are born from normal use of the product or misuse of the product.

Rental income arising from operating leases is recognized on a straight-line basis over the lease terms. Royalty income is recorded according to the contents of the agreement. Dividend income is recognized when the company is entitled to receive the dividends.

GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the excess of the acquisition cost, the non-controlling interests and the previously owned share in total over the fair value of the Group's share of the net identifiable assets of a subsidiary acquired. Goodwill is allocated to those cash-generating units that are expected to benefit from the synergies arising from the business combination. Goodwill is not systematically amortized but it is tested annually for possible impairment. Goodwill is measured at the original value less impairment which is not cancelled later.

Intangible assets include customer relationships, copyrights, licenses, software rights and webstore project costs. An intangible asset is recognized in the balance sheet only if it is probable that the future economic benefits attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. Intangible assets are stated at cost, amortized on a straight-line basis over the expected useful lives and adjusted for any impairment charges. Government grants related to the acquisition of an intangible asset are deducted from the acquisition cost of the asset. Intangible assets acquired in a business combination are measured at the acquisition date's fair value. Expected useful lives of intangible assets are reviewed at each balance sheet date and depreciation periods are changed, if necessary. So far, the Group does not have intangible assets with indefinite economic lifetime.

TANGIBLE ASSETS

Tangible assets are stated at historical cost, depreciated on a straight-line basis over the expected useful life and adjusted for any impairment charges. Tangible assets acquired in a business combination are valued at the acquisition date's fair value.

Expected useful lives of tangible assets are reviewed at each balance sheet date and, if they differ significantly from previous estimates, the depreciation times are changed accordingly. Land is not depreciated as it is deemed to have an indefinite life.

Ordinary maintenance and repair costs are expensed as incurred.

Gains and losses on sales and disposals are determined as the difference between the proceeds received and the carrying amount. Those gains and losses are included in other operating income and expenses in the income statement. Possible group-internal margins from asset transfers are eliminated in the consolidation process.
Depreciations are discontinued when the tangible asset is classified as being held-for-sale in accordance with standard IFRS 5 Non-Current Assets Held-for-sale and Discontinued Operations.

IMPAIRMENT

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there are any indications of impairment. If indications exist, the recoverable amount of the asset is estimated. Indications of potential need for impairment may be for example changes in market conditions and sales prices, decisions on significant restructurings or changes in profitability. Goodwill, intangible assets with indefinite useful lives and intangible assets under construction are in all cases tested annually. For the purposes of assessing impairment, assets are grouped at the lowest cash-generating-unit level for which there are separately identifiable, mainly independent cash flows.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable value. An impairment loss is the amount by which the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is the asset's value-in-use determined by discounted future net cash flows expected to be generated by the asset. Discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss is immediately recognized in the income statement. An impairment loss attributable to a cash-generating unit is deducted first from the goodwill allocated to the cash-generating unit, and thereafter equally from the unit's other assets. In connection with the impairment loss recognition, the asset's useful life is reassessed for the depreciations. A previously recognized impairment loss is reversed if there has been a change in the estimates determining the recoverable amount. However, the reversal of the impairment must not lead to a value higher than the carrying amount determined without any impairment loss in prior years. Goodwill impairment losses are not reversed.

BORROWING COSTS

Borrowing costs are capitalized as part of the cost of the qualifying asset acquired or constructed. So far, the Group has not capitalized borrowing costs as part of the cost of the asset because the IFRS requirements have not been met. Other borrowing costs are expensed when incurred.

LEASES

The IFRS 16 Lease Agreements -standard has been applied since Jan 1, 2019. The condensed consolidated financial statement include lease expenses especially from rented premises, cars, and appliances. The lessee recognises lease agreements as right-of-use assets in the balance sheet's tangible assets when it has got a right of possession in exchange for payments and correspondingly as lease agreement liabilities of the remaining lease agreement liabilities' net present value. The lease agreement expenses are presented in the income statement as straight-line based depreciations over the lease agreement period and as financial expenses according to the lease agreements discount rate. The lease agreement liability is valued at the net present value by discounting the liability using the management's estimate of the interest rate of additional external financing at the start of the lease agreement. The lease payments are presented as cash flow from financing activities in the cash flow statement. The Group applies the exemption permitted by the standard not to recognize short-term, less than 12 month, leases or leases with a low value of the underlying asset in the balance sheet. Short-term lease agreements and low value lease items are presented in the income statement as other operating expenses over the leasing period. The right-of-use assets were not subleased. The lease agreements do not include any significant variable lease expenses that haven't been taken into consideration in the valuation of right-of-use assets. When the Group company acts as the lessor, the rental income is recognized as other operating income in the income statement on a straight-line basis over the lease period. The Group's fixed assets and changes during the financial year are presented in Note 13 and the maturity distribution of lease liabilities in Note 21.

INVENTORIES

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the FIFO (first-in, first-out) method or, alternatively, the weighted average cost where it approximates FIFO. The valuation method is chosen in each company based on the inventory type and the IT possibilities. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated, necessary selling costs. The repurchase price is the market price of the product after the initial purchase.

EMPLOYEE BENEFITS

Pension Obligations

The statutory pension scheme of the Group's Finnish employees is arranged through pension insurances, and that of the Group's employees abroad in compliance with the local legislation and social security regulations in each country. The costs incurred in these schemes are expensed in the period that they relate to. According to the IFRS standards, the insurance company Alecta's pension plan for the Group's Swedish employees is a defined benefit plan, but because Alecta is unable to provide detailed information, the plan is treated as a defined contribution plan in the consolidated financial statements.

Share-based Payments

The Group has applied IFRS 2 to the share-based incentive scheme for the Group's key personnel. The Group has share based reward plan for the CEO in force, of which additional information is presented in Note 25.

INCOME TAXES

The Group's income taxes consist of current taxes based on the group companies' profits, the taxes related to previous years and the changes in deferred taxes. Taxes related to other comprehensive income are recognized in the statement of other comprehensive income. Current tax is calculated for the taxable income with the tax rates enacted in each country. The taxes are adjusted with previous years' tax impacts, if necessary.

Deferred taxes are measured with enacted tax rates for all temporary differences between book and tax values. Temporary differences are recognized as a deferred tax asset to the extent that is probable to utilize against the future taxable profits. The Group has not recognized a deferred tax liability on the retained earnings of subsidiaries, as the distribution of profits is under the Group's control and is not probable in the near future.

Majority of the Group's deferred tax assets arise from confirmed tax losses and depreciation differences in taxation and accounting. Majority of the Group's deferred tax liabilities consist of depreciation differences and assets recognized at fair value upon business combinations. Contents of the Group's deferred tax assets and liabilities are presented in Note 11.

FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified as financial assets measured at fair value through profit or loss, financial assets held-to-maturity, loans and other receivables as well as available-for-sale financial assets. The Group determines the classification of its financial assets upon the initial recognition and re-evaluates this designation annually. Financial assets include current and non-current assets and they can be interest-bearing or non-interest-bearing.

Financial assets recognized at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition as at fair value through profit or loss (fair value option). Financial assets are classified as held-for-trading if they are acquired for the purpose of selling them in a short term. Financial assets classified as held-for-trading are measured at fair value. Unrealized and realized profits or losses due to changes in fair value are recognized in the income statement when incurred. This category also includes investments in publicly listed companies. The Group does not have derivative financial instruments.

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has a positive intention and ability to hold the instrument until maturity.

Loan receivables, trade receivables and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Their maturity determines whether they are recognized in current or non-current assets. Gains and losses are recognized in the income statement when the loans and other receivables are derecognized and impaired. Loan receivables, trade receivables and other receivables are carried at their anticipated realizable value, which is the original invoicing amount less possible credit amounts and estimated valuation allowances. A bad debt allowance is made for loan and trade receivables when there is objective evidence that the Group will not be able to collect all amounts according to the original terms of the receivables. A bad debt allowance may be recognized due to e.g. trade receivables falling significantly overdue, unsuccessful collecting attempts or the customer's known financial difficulties with an increased probability of customer insolvency. The assessment and decision for recognizing bad debt allowances is made locally in each business unit on a case-by-case basis. Uncertain receivables are assessed as frequently as necessary. Bad debt recognition is based on objective assessment and the recognition is reversed later if it proves unnecessary. Trade receivables' impairment losses are booked in other operating expenses and loan receivables' impairment losses are booked in other finance expenses. The bad-debt provision is accounted from the first date of recognising sales receivables according to the estimate of the expected credit losses. The estimate of the bad-debt provision is based on simplified approach according to the IFRS 15 on the share of expected credit losses based on the amount of sales receivables, credit losses accounted for historically and expectations of the development of the economic environment.

Other financial assets are classified as available-for-sale financial instruments. Upon the initial recognition, available-for-sale financial assets are measured at fair value by using quota market rates and market prices, discounted cash flow analyses and other appropriate valuation models. Available-for-sale financial assets include investments presented in Wulff Group's non-current assets and they consist of both publicly listed and non-listed shares. Publicly listed shares are measured at fair value. The unlisted shares for which fair values cannot be measured reliably are recognized at cost less impairment. The fair value changes of available-for-sale financial assets, net of tax, are recognized as other comprehensive income. Changes in fair value are transferred from the statement of other comprehensive income to the income statement when the instrument is sold or its value has decreased so that an impairment loss has to be recognized. Purchases and sales of available-for-sale financial assets are recognized on the trade date.

The Group's cash and cash equivalents comprise cash in hand, bank deposits held at call and other highly liquid investments. Bank overdrafts of those bank accounts included in the Group's consolidated bank account facility are netted against those other Group companies' bank account amounts because the Group has a contractual legal right to net those financial assets with each other.

Financial liabilities include current and non-current liabilities and they can be interest-bearing or non-interest-bearing. Financial liabilities are initially recognized at the fair value of the consideration received plus directly attributable transactions costs. After the initial recognition, they are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized, impaired and through the amortization process. Contingent considerations for business combinations are valued at fair value at the end of every reporting period and classified as non-interest-bearing financial liabilities. The changes in the fair value of contingent considerations are recognized in the profit and loss statement. The contingent consideration of business combination is discounted using the Group's interest rate of additional external financing.

PROVISIONS

Provisions are recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation or an economic loss will be evident and the amount of the obligation can be estimated reliably. If the Group expects some or all of the provision to be reimbursed by a third party, the reimbursement is recognized as a separate asset but only when the reimbursement is practically certain. Provisions are valued at the net present value of the expenses required to cover the obligation.

EQUITY AND DIVIDEND DISTRIBUTION

The contents of the Group's equity is described in Note 19.

On the acquisition date, the acquisition cost of the repurchased shares of Wulff Group Plc is recognized as a deduction in the consolidated equity in the fund 'Treasury Shares'. The acquisition, disposal and expenses related to treasury shares are presented in the Statement of Changes in Equity. On February 22, 2021 a decision was made on an incentive scheme for the CEO. More information regarding it is presented in Note 25 Related Party Information.

The dividend proposed by the Board of Directors is deducted from the distributable equity only after approval by the Shareholders' Annual General Meeting. Dividend distribution is described in Note 20.

OPERATING PROFIT

IFRS standards do not define the concept of operating profit. The Group has defined it as a net sum of net sales added with other operating income less purchase expenses adjusted with inventory change and deducted by employee benefits, other operating expenses as well as amortizations, depreciations and impairment. Other items of the income statement are presented below the operating profit.

STATEMENT OF CASH FLOW

Cash and cash equivalents presented in the cash flow statement comprise cash in hand, bank deposits held at call and other short-term highly liquid investments with original maturities of three months or less. Cash generated from operating activities has been reported using the direct method, as recommended by IFRS standards. All income taxes paid during the financial year are presented in net cash generated from operating activities, unless they can be particularly allocated to investing or financing cash flows.

KEY FIGURES

Based on IFRS standards, the earnings per share (EPS, Earnings per share) is calculated by dividing the net profit attributable to the parent company shareholders by the weighted average number of shares during the period. The total average number of shares is deducted by the average number of reacquired own shares because the EPS is determined for the outstanding shares. Wulff Group did not have share options in 2023 and thus the Group's undiluted EPS and diluted EPS are the same. The calculation formulas of key figures are presented along the key figures in Group notes.

GOING CONCERN

The consolidated financial statements are based on the assumption of going concern. The Group's equity ratio and financial status are good. The Group's profitability is on an adequate level for going concern. Wulff's clientele is broad and in different markets in Northern Europe which diminishes the Group's risks partly. The Group's effective risk management also ensures the Group's ability of going concern.

CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

The IFRS principles require the management to make estimates and assumptions when preparing financial statements. Although these estimates and assumptions are based on the management's best knowledge of today, the final outcome may differ from the estimated values presented in the financial statements. The changes in estimates affect the income and expenses for the financial period as well as the values of assets and liabilities in the balance sheet. Estimates and judgments are needed also for applying the Group's accounting policies.

Management's estimates and assumptions are based on historical experience and plausible future scenarios which are evaluated constantly. Possible changes in estimates and assumptions are recognized in the accounting period during which estimates and assumptions were revised, and in all subsequent accounting periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next accounting period, are related to the valuation of the Group's assets (inventories, receivables), goodwill impairment testing (future cash flow estimates, discount rates) and recognition of deferred taxes (the probability of utilizing tax losses).

FUTURE OUTLOOK

Demand for products is significantly affected by general economic and market developments as well as the employment rate. Wulff estimates that the overall market for workplace products and services will remain stable, despite rapid changes in work environments.

Wulff expects demand for hygiene, cleaning, and protection products to remain at a good level. The Covid 19 pandemic has brought lasting changes to the way we work; Multi-site teleworking has increased and increased the number of workstations and the demand for the products needed in the workstations. Demand for IT supplies, printing products and traditional office supplies is expected to stabilize at pre-pandemic level in the near future. This is due to the partial return to work and the increased number of new workstations created by the pandemic-driven change in working in homes and holiday homes. The company has a large customer base and long customer relationships. The company also has a very active new customer acquisition. Despite these, customers' needs and thus sales can differ significantly from history. Price inflation, its development and effects on the Nordic economy is a risk affecting the near-term operating environment, which duration and impact on demand is difficult to assess. These factors impair the predictability of the outlook.

EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF)

Annual Report of 2023 has also been published according to the European Single Electronic Format (ESEF) -reporting requirements as XHTML-file. The main statements in the consolidated financial statements are marked with XBRL. The ESEF-statement of Wulff Group plc is unaudited.

2. SEGMENT INFORMATION

Wulff Group consists of two strategically different operating segments: Contract Customers Segment and Expertise Sales Segment. Operating segments are based on IFRS 8 and the Group's internal reporting practice, where the different businesses are organized and led by segments. All 22 group companies belong to these operating segments based on their different services, marketing strategies and distribution channels. Contract Customers Segment consists of 16 subsidiaries and Expertise Sales Segment consists of 2 subsidiaries as shown in Note 26. Additionally the Group's parent company Wulff Group Plc, its subsidiary with leasing operations, Wulff Leasing Oy, Wulff Finances Oy with financial services and Mutual Real Estate Company Kilonkallio 1 make the Group Services segment which includes group management's general costs which cannot be allocated on a reasonable basis to Contract Customers and Expertise Sales Segments.

The Contract Customers Segment is the customer's comprehensive partner in the field of current hygiene products, workplace products, IT supplies, financial management and staffing services as well as international exhibition services. Larger companies and corporations can purchase their basic office supplies very fast and in a cost efficient way as the Group's contract customer. Being a contract customer grants the companies the possibility to concentrate on their core competence, when Wulff takes automatically care of its contract customers' office supply minibars' fill-in service. The smaller companies' basic office supply needs are fulfilled by the webstore Wulffinkulma.fi. Business promotional products and printing services are also a part of Contract Customers Segment.

The Expertise Sales Segment aims to improve its customers' daily operations with innovative products as well as the industry's most professional personal and local service. The product range of Expertise Sales companies consists of e.g. current hygiene products, office supply specialties, IT products as well as ergonomics and first aid products.

The segments' performance is reviewed and the Group Executive Board's and the Board of Directors' decision-making related to resource allocation is based on the segments' operating result (IFRS). Inter-segment transactions are market-priced. Intra-segment transactions are eliminated from the segment's income and the inter-segment eliminations are presented separately in the following reconciliation. Fixed management expenses from group services are allocated to Contract Customers and Expertise Sales in proportion of the usage of those internal services. Impairment of goodwill arising from an acquisition of a subsidiary is allocated to the segment of that subsidiary.

NET SALES BY OPERATING SEGMENTS

EUR 1 000	2023	2022
Contract Customers Segment		
Sales to external customers	87 350	93 697
Intragroup sales to other segments	94	1 321
Total Contract Customers Segment	**87 444**	**95 019**
Expertise Sales Segment		
Sales to external customers	6 430	8 473
Intragroup sales to other segments	10	39
Total Expertise Sales Segment	**6 441**	**8 512**
Group Services		
Sales to external customers	1	1
Intragroup sales to other segments	1 526	1 280
Total Group Services	**1 527**	**1 281**
Intragroup eliminations between segments	**-1 631**	**-2 640**
Total net sales	**93 782**	**102 171**

Revenue from any individual customer did not exceed 10 percent share of the consolidated revenue in 2023 or 2022.

2. SEGMENT INFORMATION

RESULT BY OPERATING SEGMENTS 2023

EUR 1 000	Contract Customers	Expertise Sales	Group services and non-allocated items	Eliminations	**Group**
Net sales	87 444	6 441	1 527	-1 631	**93 782**
Expenses	-82 868	-6 821	-1 289	2 307	**-88 671**
Earnings before depreciation (EBITDA)	**4 576**	**-381**	**238**	**676**	5 110
Depreciations	-739	-22	-503	-676	**-1 940**
Operating profit (EBIT)	**3 837**	**-402**	**-265**	**0**	3 170
Financial income (non-allocated)			68		**68**
Financial expenses (non-allocated)			-1 106		**-1 106**
Profit before taxes	**3 837**	**-402**	**-1 302**	**0**	2 132

RESULT BY OPERATING SEGMENTS 2022

EUR 1 000	Contract Customers	Expertise Sales	Group services and non-allocated items	Eliminations	**Group**
Net sales	95 019	8 512	1 281	-2 640	**102 171**
Expenses	-90 100	-8 627	-896	3 665	**-95 959**
Earnings before depreciation (EBITDA)	**4 919**	**-115**	**385**	**1 024**	6 213
Depreciations	-687	-27	-487	-1 024	**-2 224**
Operating profit (EBIT)	**4 233**	**-142**	**-102**	**0**	3 988
Financial income (non-allocated)			20		**20**
Financial expenses (non-allocated)			-735		**-735**
Profit before taxes	**4 233**	**-142**	**-817**	**0**	3 273

2. SEGMENT INFORMATION

GEOGRAPHICAL INFORMATION

Wulff Group companies are located in the Nordic countries. According to IFRS 8, the consolidated net sales are presented by the geographical location of both the group companies and the customers. Non-current assets of the group companies located in different countries consist of goodwill as well as other intangible and tangible assets. As required by IFRS 8, these geographical segments' assets do not include non-current financial assets and deferred tax assets.

NET SALES BY GROUP COMPANIES' LOCATIONS

EUR 1 000	2023		2022	
Finland	68 420	73%	73 629	72%
Sweden	19 908	21%	22 530	22%
Norway	11 127	12%	12 083	12%
Denmark	1 150	1%	1 163	1%
Net sales between countries	-6 823	-7%	-7 234	-7%
Net sales total	**93 782**	**100%**	**102 171**	**100%**

NET SALES BY CUSTOMERS' LOCATIONS

EUR 1 000	2023		2022	
Finland	67 326	72%	70 931	69%
Sweden	12 906	14%	15 860	16%
Norway	11 223	12%	12 409	12%
Denmark	1 462	2%	1 498	1%
Estonia	64	0%	78	0%
Other European countries	219	0%	810	1%
Other countries	582	1%	585	1%
Net sales total	**93 782**	**100%**	**102 171**	**100%**

NON-CURRENT ASSETS BY GROUP COMPANIES' LOCATIONS

EUR 1 000	2023		2022	
Finland	16 047	79%	16 121	79%
Sweden	4 297	21%	4 399	21%
Norway	4	0%	1	0%
Total non-current assets	**20 347**	**100%**	**20 521**	**100%**

3. BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

ACQUISITIONS

There were no new acquisitions during 2023.

In January 2022 Wulff Group Plc and the owner of Carpentum Oy signed an agreement of sale by which Wulff Group Plc acquired the share capital of Carpentum Oy. The transaction entered into force on the day of the agreement's signing, on January 4, 2022. The purchase price was EUR 0.9 million, EUR 0.4 million of which was paid by transferring 82,448 Wulff's own shares to the owner of Carpentum Oy. The remaining EUR 0.5 million was paid in cash.

Founded in 1997, Carpentum Oy's net sales from July 1, 2020 to June 30, 2021, were approximately EUR 1.2 million and adjusted operating profit was approximately EUR 0.2 million. Carpentum Oy's balance sheet total transferred in the transaction was approximately EUR 250 thousand, equity EUR 120 thousand, and cash and cash equivalents EUR 108 thousand. The balance sheet did not include interest-bearing liabilities.

During Wulff's strategy update, financial management services were found to complement service offering very well. Wulff has been investing in the industry by growing organically and through minor acquisitions. The annual net sales of financial management services are around EUR 2.0 million.

MERGERS

Wulff Solutions AB merged with its parent company Wulff Beltton AB on February 21, 2023. Wulff Oy Ab and Wulff Solutions Oy merged to Wulff Finland Oy on May 31, 2023; the merged company took the name Wulff Oy Ab in the same connection.

SALES

Wulff Group Plc sold Wulff Beltton AB and Wulff Beltton AS, which were responsible for the loss-making Scandinavian Expertise Sales, to a minority owner on September 1, 2023. The sale price in cash was EUR 0.1 million. Cash and cash equivalents transferred in the transactions amounted to EUR 0.2 million and the balance sheet total transferred amounted to EUR 1.1 million. The sales loss from the transaction was EUR 0.3 million and it increases other operating expenses from the comparison period. The sales loss has been removed from the comparable result of the review period. The net sales of Scandinavian Expertise Sales in the financial year 2022 was EUR 3.4 million.

CHANGES IN SHARES OF NON-CONTROLLING INTERESTS

In May 2023, the Group acquired 2% of the share capital of S Supplies Holding AB and owned 89% of the company's shares after the acquisition. The purchase price was EUR 0.1 million in cash.

There were no changes in the shares of minority shareholders in 2022.

4. NET SALES

EUR 1 000	2023	2022
Sales of workplace products and services	89 349	96 822
Sales of exhibition services	4 433	5 349
Total	**93 782**	**102 171**

5. OTHER OPERATING INCOME

EUR 1 000	2023	2022
Sales gains from tangible assets	34	29
Rental income	49	44
Other	75	286
Total	**158**	**359**

Wulff Entre received Government business cost support by the Finnish State Treasury approximately EUR 0.2 million due to the Covid 19 -pandemic during the comparison period.

6. MATERIALS AND SERVICES

EUR 1 000	2023	2022
Materials, supplies and products		
Purchases during the financial year	57 984	64 584
Change in inventories	1 022	-153
Freights	5 206	5 726
External services	826	1 029
Total	**65 038**	**71 185**

7. EMPLOYEE BENEFITS

EUR 1 000	2023	2022
Salaries and fees	13 261	13 877
Pension expenses (defined contribution plans)	2 090	2 085
Other personnel expenses	1 139	1 354
Share-based incentives (share rewards payable in shares)	-	46
Total	**16 489**	**17 361**

Average number of employees in accounting period	262	286
Personnel at the end of period	234	280

Information about the management's employment benefits and loans is presented in Note 25 Related party information. Details about related party shareholdings are presented under Board and management.

8. OTHER OPERATING EXPENSES

EUR 1 000	2023	2022
Rents	171	171
Travel and car expenses	937	923
ICT expenses	1 043	1 042
External logistics expenses	1 277	1 551
Marketing, PR and entertainment expenses	763	703
Credit losses and amortization of sales receivables	9	125
Credit loss allowance of customer contracts according to IFRS 9	-17	-12
Fees to auditors*	91	85
Other	3 029	3 184
Total	**7 303**	**7 772**

* Fees to auditors total in all group companies.

The Group did not have material research and development expenses in the current or previous year.

APPROVED AUDIT FIRM BDO

EUR 1 000	2023	2022
Audit	23	37
Total	**23**	**37**

OTHER APPROVED AUDIT FIRMS

EUR 1 000	2023	2022
Audit	58	37
Tax services	7	8
Other services	2	3
Total	**68**	**49**

9. AMORTIZATION, DEPRECIATION AND IMPAIRMENT

EUR 1 000	2023	2022
Amortization and depreciation during the period:		
Amortization of intangible assets:		
Other intangible assets	457	446
Total amortization of intangible assets	457	446
Depreciation of tangible assets:		
Machinery and equipment	386	344
Total depreciation of tangible assets	386	344
Depreciation of buildings:		
Buildings	429	447
Total depreciation of buildings	429	447
Depreciation of right-of-use assets:		
Buildings	423	653
Machinery and equipment	245	334
Total depreciation of right-of-use assets	668	987
Total amortization and depreciation	**1 940**	**2 224**

There was no impairment of goodwill in other long term intangible or tangible assets during 2023 or 2022.

10. FINANCIAL INCOME AND EXPENSES

EUR 1 000	2023	2022
Financial income:		
Interest income	41	15
Dividend income	17	-
Foreign exchange gains and other financial income	11	4
Financial income total	**68**	**20**
Financial expenses:		
Interest expenses	898	445
Interest expenses on finance leases	24	30
Other financing expenses	159	184
Foreign exchange losses and other financial expenses	25	75
Financial expenses total	**1 106**	**735**

11. INCOME TAXES

INCOME TAXES IN THE INCOME STATEMENT

EUR 1 000	2023	2022
Income taxes for the financial year	-282	-316
Deferred taxes:		
Change in deferred tax assets	311	190
Change in deferred tax liabilities	-16	-3
Total	**13**	**-129**

INCOME TAX RECONCILIATION

EUR 1 000	2023	2022
Profit before taxes	2 132	3 273
Income taxes according to the Finnish tax rate (2023-2022: 20.0%)	-426	-655
Different tax rates abroad	-28	-28
Non-deductible expenses and tax-free income	-80	-3
Tax impact from the current year's losses for which no deferred tax asset is recognized	-71	-9
Changes in deferred tax assets and liabilities from previous years	674	582
Group consolidation and eliminations	-57	-18
Income taxes in the income statement	**13**	**-129**
Effective tax rate	**-0.6%**	**3.9%**

11. INCOME TAXES

For the Group companies' previous years' confirmed taxable losses, a deferred tax asset of EUR 891 thousand (597) has been booked, of which EUR 853 thousand (426) will fall due in five to ten years and EUR 36 thousand (53) can be utilized indefinitely. As of December 31, 2023, the Group had confirmed tax losses carried forward of EUR 7 060 thousand (10 467) for which the deferred tax asset of EUR 1 412 thousand (2 099) has not been recognized in the consolidated financial statements because the realization of the tax benefit before their expiry is uncertain. The consolidated balance sheet as of December 31, 2023 includes deferred tax assets of EUR 25 thousand (32) in group companies which made a loss in 2023. The recognition of these assets is based on profit estimates, which indicate that the realization of these deferred tax assets is probable. The Finnish companies' deferred tax assets from previous years' confirmed losses, which can be used in 10 years, can be utilized against the company's own future profits and also against group contributions granted by other Finnish group companies where the Group's ownership is 90 percentages at minimum.

CHANGES IN DEFERRED TAXES 2023

EUR 1 000	Jan 1, 2023	Income statement	Business arran-gements	Other changes	Dec 31, 2023
Deferred tax assets:					
Confirmed losses and tax credits	614	294	-16		891
Provisions	52	8			60
Depreciation differences	448	-7			440
Other temporary differences	134	17		-89	63
Deferred tax assets total	1 248	311	-16	-89	1 454
Deferred tax liabilities:					
Other temporary differences	244	16		-84	177
Deferred tax liabilities total	244	16	-	-84	177
Deferred tax assets, net	**1 004**	**295**	**-16**	**-4**	**1 277**

CHANGES IN DEFERRED TAXES 2022

EUR 1 000	Jan 1, 2022	Income statement	Other changes	Dec 31, 2022
Deferred tax assets:				
Confirmed losses and tax credits	369	229	16	614
Provisions	103	2	-53	52
Depreciation differences	580	-29	-103	448
Other temporary differences	5	-12	141	134
Deferred tax assets total	1 058	190	1	1 248
Deferred tax liabilities:				
Other temporary differences	176	3	65	244
Deferred tax liabilities total	176	3	65	244
Deferred tax assets, net	**881**	**186**	**-64**	**1 004**

12. EARNINGS PER SHARE

	2023	2022
Profit for the period attributable to the equity holders of the parent company, EUR 1 000	2 087	3 052
/ Weighted average number of shares; diluted = non-diluted (1,000 shares)	6 796	6 852
Earnings per share (EPS); Diluted = non-diluted, EUR	0.31	0.45

13. GOODWILL, INTANGIBLE AND TANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

EUR 1 000 2023	Goodwill	Other intangible assets*	Advance payments	Intangible assets total	Land	Buildings	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost, Jan 1	**13 212**	**4 792**	**1**	**18 005**	**1 160**	**7 880**	**3 064**	**166**	**12 270**
Additions		1 190		**1 190**		3	461	5	**468**
Disposals		-51		**-51**			-403		**-403**
Reclassifications between accounts		98	-1	**97**	85	-169	-13		**-97**
Translation differences	3	-26		**-22**		-22	-54	-1	**-77**
Acquisition cost, Dec 31	**13 216**	**6 004**	**-**	**19 219**	**1 245**	**7 692**	**3 055**	**169**	**12 161**
Accumulated depreciation and impairment, Jan 1	**-4 391**	**-3 130**	**-**	**-7 521**	**-**	**-1 181**	**-2 157**	**-70**	**-3 408**
Disposals		33		**33**			356		**356**
Depreciation during the period		-457		**-457**		-429	-373	-13	**-815**
Translation differences		26		**26**		26	53	1	**81**
Accumulated depreciation and impairment, Dec 31	**-4 391**	**-3 529**	**-**	**-7 920**	**-**	**-1 584**	**-2 121**	**-82**	**-3 787**
Book value, Jan 1	**8 821**	**1 662**	**1**	**10 484**	**1 160**	**6 699**	**907**	**96**	**8 862**
Book value, Dec 31	**8 824**	**2 475**	**-**	**11 299**	**1 245**	**6 108**	**934**	**87**	**8 374**

EUR 1 000 2022	Goodwill	Other intangible assets*	Advance payments	Intangible assets total	Land	Buildings	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost, Jan 1	**12 550**	**3 768**	**107**	**16 425**	**1 160**	**7 038**	**4 435**	**230**	**12 862**
Additions	**783**	979	1	**1 763**		1 049	489	22	**1 561**
Disposals				**-**			-1 863	-85	**-1 948**
Reclassifications between accounts		3	-107	**-103**		87	16		**103**
Translation differences	-121	42		**-79**		-294	-13	-1	**-308**
Acquisition cost, Dec 31	**13 212**	**4 792**	**1**	**18 005**	**1 160**	**7 880**	**3 064**	**166**	**12 270**
Accumulated depreciation and impairment, Jan 1	**-4 390**	**-2 634**	**-**	**-7 024**	**-**	**-791**	**-3 657**	**-146**	**-4 594**
Disposals				**-**			1 835	85	**1 920**
Depreciation during the period		-446		**-446**		-447	-335	-9	**-791**
Translation difference	**-1**	-50		**-51**		57			**57**
Accumulated depreciation and impairment, Dec 31	**-4 391**	**-3 130**	**-**	**-7 521**	**-**	**-1 181**	**-2 157**	**-70**	**-3 408**
Book value, Jan 1	**8 160**	**1 134**	**107**	**9 401**	**1 160**	**6 247**	**778**	**84**	**8 268**
Book value, Dec 31	**8 821**	**1 662**	**1**	**10 484**	**1 160**	**6 699**	**907**	**96**	**8 862**

*Wulff recognises incremental costs of obtaining a contract in other intangible assets when the company has aquired a customer and the costs are expensed over the contract period, normally over three years time. The amount of incremental costs of obtaining customer contracts within the other intangible asstes amounted to EUR 0.2 million (0.2) at the end of the financial year.

13. GOODWILL, INTANGIBLE AND TANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

Right-of-use assets total

EUR 1 000 2023	Buildings	Machinery and Equipment	Right-of-use assets total
Acquisition cost, Jan 1	**3 249**	**1 644**	**4 893**
Additions	155	232	**387**
Disposals	-13	-207	**-220**
Acquisiton cots, Dec 31	**3 391**	**1 668**	**5 060**
Accumulated depreciation and impairment, Jan 1.	**-2 514**	**-1 203**	**-3 717**
Depreciation during the period	-423	-245	**-668**
Accumulated depreciation and impairment, Dec 31	**-2 937**	**-1 448**	**-4 385**
Book value, Jan 1	**735**	**441**	**1 176**
Book value, Dec 31	**455**	**220**	**675**

The majority of lease agreements are recognized as right-of-use assets, which include buildings, and machinery and equipment, such as cars and printing devices. The IFRS 16 Lease Agreements -standard was implemented as of 1.1.2019.
Lease agreement liabilities have been presented in Note 21.

Right-of-use assets total

EUR 1 000 2022	Buildings	Machinery and Equipment	Right-of-use assets total
Acquisition cost, Jan 1	**2 871**	**1 585**	**4 456**
Additions	378	59	**437**
Acquisiton cots, Dec 31	**3 249**	**1 644**	**4 893**
Accumulated depreciation and impairment, Jan 1.	**-1 861**	**-869**	**-2 730**
Depreciation during the period	-653	-334	**-987**
Accumulated depreciation and impairment, Dec 31	**-2 514**	**-1 203**	**-3 717**
Book value, Jan 1	**1 010**	**716**	**1 726**
Book value, Dec 31	**735**	**441**	**1 176**

The expenses relating to short-term leases amounted to EUR 0.2 million (0.1). The cash-flow of all lease agreements was EUR 0.6 million (1.0). Right-of-use assets were not subleased. There are no material variable lease payments that are not included in the measurement of right-of-use assets. There were no leases with residual value guarantees. There was a EUR 0.4 million option for continuing leases of premises.

14. SUBSIDIARIES AND SHARES OF NON-CONTROLLING INTERESTS

The following table shows information about the group's structure as of the closing date.

	Number of subsidiaries fully owned	
Field of business	**2023**	**2022**
Office supplies and printing solutions	2	4
Financial management services	2	2
Exhibition services	1	1
Group services	3	3

The specification of the group companies is presented in Note 26.

SPECIFICATION OF SHARES OF SIGNIFICANT NON-CONTROLLING INTERESTS IN THE GROUP

		Non-controlling interest shareholders' share of voting right		Non-controlling shareholders' share of profit/loss		Non-controlling shareholders' share of equity	
	Domicile	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
S Supplies Holding AB	**Sweden**	11%	13%	11%	13%	11%	13%
Wulff Beltton AB*	**Sweden**		25%		25%		25%

14. SUBSIDIARIES AND SHARES OF NON-CONTROLLING INTERESTS

THE SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARIES WITH NON-CONTROLLING INTEREST SHAREHOLDING

	S Supplies Holding AB		Wulff Beltton AB*	
EUR 1 000	2023	2022	2023	2022
Short term assets	126	-		1 199
Long term assets	3 147	3 140		71
Short term liabilities	1 327	1 059		1 130
Long term liabilities	541	719		-
Net sales/income	555	401	1 476	2 672
Expenses	-83	-56	-1 644	-2 745
Net profit/loss	472	346	-168	-73
Profit/loss attributable to equity holders of the company	420	301	-126	-55
Profit/loss attributable to non-controlling interests	52	45	-42	-18
Total comprehensive income	472	346	-168	-73
Total comprehensive income attributable to equity holders of the company	420	301	-126	-55
Total comprehensive income attributable to non-controlling interests	52	45	-42	-18
Dividends paid to non-controlling interests	50	44		45

* Wulff Group Plc sold Wulff Beltton AB and Wulff Beltton AS, which were responsible for the loss-making Scandinavian Expertise Sales, to a minority owner on September 1, 2023.

Changes in the shares of subsidiaries are presented in Note 3.

15. GOODWILL ALLOCATION AND IMPAIRMENT TEST

EUR 1 000	2023	2022
Contract Customers segment:		
Workplace products and services / Finland (Wulff Oy Ab)	3 500	3 500
Workplace products and services / Scandinavia (Wulff Supplies AB)	1 446	1 442
Exhibition services (Wulff Entre Oy)	1 671	1 671
Workplace products and services / Printing services (Mavecom Palvelut Oy)	1 424	1 424
Financial management services (Carpentum Oy)	783	783
Goodwill total	**8 824**	**8 820**

Consolidated goodwill is not amortized systematically but their book values are tested for possible impairment at least annually and additionally when the management has noted signs of possible impairment, e.g. due to decreased profitability performance. Wulff Group tests its goodwill values separately for each cash-generating unit. Changes in goodwill during the financial period are presented in Note 13 where all intangible assets are presented.

In goodwill impairment tests the carrying amount is compared to the unit's discounted present value of the recoverable cash flows i.e. the value in use, where the previous profit performance level, the next year's budget as well as the sales and profit estimates for future years are considered. The testing calculations' five-year estimate period consists of the budget year and the following four estimate years where a moderate, approximately two-percent annual growth is estimated in each business areas. After this five-year estimate period, the so-called eternity value is based on a 1.0%-point growth assumption. The budgets and later years' estimates used in the testing are carefully estimated and the growth expectations are moderate considering also the impacts of economic slowdown. The assets tested include goodwill together with that cash-generating unit's other assets and working capital.

The discount factor in the impairment tests is based on weighted average cost of capital (WACC) before taxes. Weighted average cost of capital represents the overall expense of both equity and external loan financing, taking into account also the different return expectations and special risks related to different assets. The discount rate was based on reference groups' equity structure, balance sheets, and annual financial data.

Goodwill for the Finnish workplace products and services business was EUR 3.5 million (3.5) arising from the acquisition of Wulff Oy Ab on December 31, 2023. The assets tested totalled approximately EUR 15.6 million (8.8). The discounted value-in-use is approximately EUR 22.0 million. According to the management, the key factors in the testing calculations are the moderate growth and retaining the customer profitability, logistics' cost management and synergies from Nordic purchase cooperation in office supplies.

Goodwill for the Scandinavian workplace products and services business was EUR 1.4 million (1.4) arising from the acquisition of Wulff Supplies AB. The assets tested totalled approximately EUR 4.7 million (6.7) and the discounted value-in-use is approximately EUR 8.2 million. According to the management, the key factors in the testing calculations are the moderate growth and retaining the customer profitability, logistics' cost management and synergies from Nordic purchase cooperation in office supplies.

The goodwill arising from the acquisition of Wulff Entre Oy operating in exhibition and event services totalled EUR 1.7 million (1.7) and the assets tested totalled approximately EUR 1.2 million (1.3). The discounted value-in-use is approximately EUR 1.4 million. The management's estimate is based on My Remote Studio- and Exhibiiton on Demand -service concepts' continued sales development in line with the develpoment in 2023 and in the gradual recovery of the international exhibition business to the pre-pandemic level.

The goodwill arising from the Canon Business Center printing services related to the workplace products and services business, i.e. the acquisition of Mavecom Palvelut Oy, totalled EUR 1.4 million (1.4) and the assets tested totalled approximately EUR 1.5 million (1.5). The discounted value-in-use is approximately EUR 1.9 million.

Goodwill for the financial management services, arising from the acquisition of Carpentum Oy totalled EUR 0.8 million (0.8) and the assets tested totalled approximately EUR 0.6 million (0.7). The discounted value-in-use is approximately EUR 3.3 million.

SENSITIVITY ANALYSIS IN IMPAIRMENT TESTING

The key assumptions used in determining value in use are defined by the Group Management. The most important assumptions are

- discount rate
- average EBITDA margin (EBITDA/Net sales).

Sensitivity analyses have been made on the assumption that the average EBITDA margin will decrease or that the discount rate will increase. The table below presents a change in the key assumption which (with other assumptions remaining unchanged) would cause the recoverable amount to equal the carrying amount.

15. GOODWILL ALLOCATION AND IMPAIRMENT TEST

	Dec 31, 2023		Dec 31, 2022	
Workplace products and services, Finland	**Used value**	**Change**	**Used value**	**Change**
Discount rate	14.4%	increase of 5.6 percentage points	14.2%	increase of 6.0 percentage points
Average EBITDA, % of sales	4.9%	decrease of 1.1 percentage points	5.3%	decrease of 1.8 percentage points
Workplace products and services, Scandinavia	**Used value**	**Change**	**Used value**	**Change**
Discount rate	13.3%	increase of 9.4 percentage points	12.6%	increase of 3.6 percentage points
Average EBITDA, % of sales	5.7%	decrease of 1.7 percentage points	4.6%	decrease of 1.1 percentage points
Exhibition services	**Used value**	**Change**	**Used value**	**Change**
Discount rate	14.1%	increase of 1.6 percentage points	14.4%	increase of 31.7 percentage points
Average EBITDA, % of sales	3.0%	decrease of 0.3 percentage points	7.9%	decrease of 5.3 percentage points
Printing services	**Used value**	**Change**	**Used value**	**Change**
Discount rate	14.8%	increase of 3.4 percentage points	14.8%	increase of 4.0 percentage points
Average EBITDA, % of sales	14.2%	decrease of 2.6 percentage points	12.7%	decrease of 3.2 percentage points
Financial management services	**Used value**	**Change**	**Used value**	**Change**
Discount rate	14.6%	increase of 80.2 percentage points	14.7%	increase of 34.6 percentage points
Average EBITDA, % of sales	25.4%	decrease of 19.8 percentage points	21.9%	decrease of 14.9 percentage points

16. INVENTORIES

EUR 1 000	2023	2022
Products	12 031	14 032
Work in process	3	3
Prepayments for inventories	266	105
Total	**12 300**	**14 140**

17. FINANCIAL ASSETS

FINANCIAL ASSETS BY VALUATION GROUPS

	2023			2022		
EUR 1 000	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other shares						
Non-listed shares			312			312
Valued at amortized cost						
Long-term receivables from others		123			71	
Other short-term receivables		2 111			2 185	
Trade receivables		12 743			14 602	
Cash assets	151			1 028		
Total	**151**	**14 977**	**312**	**1 028**	**16 858**	**312**

TRADE RECEIVABLES

EUR 1 000	2023	2022
Trade receivables from others	12 743	14 602
Trade receivables total	**12 743**	**14 602**

Sales receivables are non-interest-bearing and fall due in 14-60 days. Credit losses expensed during the financial year 2023 and bad debt allowance expense according to the IFRS 9 are reported in Note 8.

17. FINANCIAL ASSETS

AGING STRUCTURE OF TRADE RECEIVABLES

EUR 1 000	2023 Trade receivables gross	2023 Bad debt provision	2023 Trade receivsbles net	2023	2022 Trade receivables gross	2022 Bad debt provision	2022 Trade receivables net	2022
Not due (value not impaired)	10 921	-12	10 910	86%	12 245	0	12 245	84%
Due (value not impaired):								
Less than 1 month	1 614	-15	1 599	13%	1 756	-4	1 752	12%
More than 1 month - less than 3 months	324	-90	234	2%	388	-51	337	2%
More than 3 months - less than 6 months	39	-39	0	0%	261	-17	244	2%
More than 6 months	191	-191	0	0%	276	-252	24	0%
Trade receivables total	**13 090**	**-347**	**12 743**	**100%**	**14 925**	**-324**	**14 602**	**100%**

OTHER RECEIVABLES

EUR 1 000	2023	2022
Valued added tax receivables	14	30
Other receivables	63	269
Other receivables total	**77**	**299**

ACCRUED INCOME AND EXPENSES

EUR 1 000	2023	2022
Income tax receivable	-	97
Sales accruals of exhibitions	156	217
Other accruals	1 878	1 572
Accruals total	**2 034**	**1 886**

Sales accruals of exhibitions included purchases paid to suppliers for exhibitions held after the end of the financial year and uninvoiced sales receivables under customer agreements for exhibitions already held and other completed projects.

18. CASH AND CASH EQUIVALENTS

EUR 1 000	2023	2022
Cash and bank	151	1 028
Total	**151**	**1 028**

The Group has a credit limit of EUR 5.5 million, of which EUR 4.5 million was unused at the end of the financial year 2023. The valuation of cash and cash equivalents by valuation groups is reported in Note 17.

19. NOTES ON EQUITY

	Share total	Treasury shares	Outstanding shares
Jan 1, 2022	6 907 628	-137 260	6 770 368
Transfer of own shares		92 448	92 448
Purchase of own shares		-66 812	-66 812
Dec 31, 2022	6 907 628	-111 624	6 796 004
Dec 31, 2023	6 907 628	-111 624	6 796 004

SHARE CAPITAL
The parent company's share capital EUR 2.65 million consists of 6 907 628 shares with one vote each and with no par value. There were now changes in treasury shares during 2023. In 2022 own shares were transferred and purchased, of which additional information is provided below.

TREASURY SHARES
At the end of December 2023, the Group held 111,624 (111,624) own shares representing 1.6% (1.6) of the total number and voting rights of Wulff shares. In 2022, 82,488 own shares were transferred as a part of Carpentum Oys purchase price and 10,000 own shares in accordance with the decision of the Board of Directors on February 21, 2022. During the financial year 2022 the Board of Directors of Wulff Group Plc decided to start buying back its own shares in accordance with the authorization granted by the Annual General Meeting. The repurchases started on October 26, 2022 and ended on November 29, 2022. Wulff Group Plc repurchased 66,812 shares at the market price quoted through public trading on Nasdaq Helsinki Ltd, in accordance with the rules regarding the acquisition of company's owns shares. The acquired shares are intended to be used to finance acquisitions and other arrangements according to the company's growth strategy.

SHARE OPTIONS AND SHARE REWARDS
The Board of Directors decided on an incentive scheme for the CEO on February 22, 2021. Information about the scheme is presented in Note 25 Related Party Information.

SHARE PREMIUM FUND AND FUND FOR INVESTED NON-RESTRICTED EQUITY
Share premium fund and the fund for invested non-restricted equity consist of the share value exceeding the par value in share issues in 1999-2008. There were no changes in the share premium fund and the fund for invested non-restricted equity.

TRANSLATION DIFFERENCES
Translation differences arise from translation of foreign-currency-denominated subsidiaries.

20. DISTRIBUTABLE FUNDS AND DIVIDEND DISTRIBUTION

PARENT COMPANY'S DISTRIBUTABLE FUNDS:

EUR	31.12.2023	31.12.2022
Fund for invested non-restricted equity	676 051	676 051
Treasury shares	-331 804	-331 804
Retained earnings from previous years	361 751	651 854
Net result for the period	824 503	661 338
Distributable funds total	1 530 501	1 657 439
- dividend to be distributed	-1 019 401	-951 441
Funds left in retained earnings	**511 100**	**705 998**

EUR	31.12.2023	31.12.2022
Shares total	6 907 628	6 907 628
- Treasury shares held	-111 624	-111 624
Shares which are paid dividend	6 796 004	6 796 004
x Dividend per share (EUR)	0.15	0.14
Dividends total (EUR)	**1 019 401**	**951 441**

The Group's parent company Wulff Group Plc's distributable funds totalled EUR 1.5 million. The Board of Directors proposes to the Annual General Meeting that dividend of 0.15 euros per share will be distributed for the financial year 2023 totalling EUR 1.0 million. After the dividend the parent company's distributable funds will be EUR 0.5 million. More information on the change of treasury shares during the financial year 2022 has been presented in Note 19.

21. FINANCIAL LIABILITIES

PAYMENT SCHEDULE FOR THE FINANCIAL LIABILITIES

	Book value	Payment schedule (years):					
EUR 1 000	31.12.2023	2024	2025	2026	2027	2028	Later
Non-current financial liabilities:							
Loans from financial institutions	9 666		2 005	1 956	1 956	2 623	1 126
Lease agreement liabilities	324		250	55	19	-	-
Non-current financial liabilities total	**9 991**		**2 255**	**2 012**	**1 975**	**2 623**	**1 126**
Current financial liabilities:							
Credit facility		1 012					
Loans from financial institutions		269					
Lease agreement liabilities		527					
Current financial liabilities total		**1 808**					

CHANGES IN INTEREST-BEARING LIABILITIES

EUR 1 000	Jan 1, 2023	Cash flow	Foreign exchange difference	Fair value change	Other change	Dec 31, 2023
Non-current interest-bearing liabilities	9 931	-2 744	-3	-	2 482	9 666
Current interest-bearing liabilities	2 752	1 008	-1	-	-2 479	1 281
Total	**12 683**	**-1 736**	**-4**	**-**	**4**	**10 947**

CHANGES IN INTEREST-BEARING LIABILITIES

EUR 1 000	Jan 1, 2022	Cash flow	Foreign exchange difference	Fair value change	Other change	Dec 31, 2022
Non-current interest-bearing liabilities	8 839	1 842	133	-	-882	9 931
Current interest-bearing liabilities	2 166	-164	23	-	727	2 752
Total	**11 005**	**1 678**	**155**	**-**	**-155**	**12 683**

The Group's bank loans are based on variable interest rates and their fair values correspond to their carrying amounts in the balance sheet. The bank loans' average interest rate based on mainly short market interest rates, was approximately 5.9% at the end of 2023 (3.3).

At the end of 2023, Wulff Group Plc arranged its bank loans in such a way that loan periods were extended.

Two of the loans from financial institutions, approximately EUR 1.6 million, were withdrawn in Swedish crowns to finance the Swedish contract sales premises acquisition. Of these EUR 0.3 million (0.3) are due within a year, EUR 1.1 million (1.1) are due within 1-5 years and EUR 0.2 million (0.5) are due after 5 years from the reporting date.

21. FINANCIAL LIABILITIES

Fair values of the financial liabilities measured at amortised cost

This fair value hierarchy presents the valuation methods for different financial instruments:

December 31, 2023, EUR 1 000	Total	Level 1	Level 2	Level 3
Loans from financial institutions	9 935			9 935
Credit limit	1 012			1 012
Lease agreement liabilities	851			851
Total	**11 798**	**0**	**0**	**11 798**

December 31, 2022, EUR 1 000	Total	Level 1	Level 2	Level 3
Loans from financial institutions	12 683			12 683
Credit limit	-			-
Lease agreement liabilities	1 274			1 274
Total	**13 958**	**0**	**0**	**13 958**

FAIR VALUE HIERARCHY LEVELS

The fair values of the financial liabilities on the hierarchy level 1 are based on quoted market prices of similar financial instruments traded in an active market. Currently there are no financial liabilities on level 1.

The fair values of the financial liabilities on the hierarchy level 2 are based on other price information than quoted market prices for a significant part of the valuation. This information is supported by observable market inputs either directly (i.e. prices) or indirectly (i.e. derived from prices). Currently there are no financial liabilities on level 2.

The fair values of the financial liabilities on the hierarchy level 3 are calculated using a valuation technique based on assumptions that are not supported by available observable market data. For example management estimates are utilized in generally accepted valuation models of the financial instruments on level 3. Majority of the Group's loans are based on variable interest rates and mainly the interest is based on e.g. euribor market interests of 3 months and thus the loans' fair values are seen to correspond with their original book value.

The fair value hierarchy level, into which the entire financial instrument is classified, is determined based on the lowest-hierarchy-level information being significant for the valuation of that particular financial asset or liability. The significance of the information is estimated considering the financial instrument in its entirety.

No significant transfers between the hierarchy levels took place during the financial period.

22. FINANCIAL RISK AND CAPITAL MANAGEMENT

Wulff Group's internal and external financing and financial risk management are mainly handled by the parent company. Group companies with non-controlling minority shareholders may make more independent financial decisions but always within the limits defined by the Group's Board. The Board of Directors determines the principles of financial risk management in order to minimise the effects that price fluctuations in the financial markets, as well as other uncertainty factors may have on the result, balance sheet and cash flow.

Financial risks include currency risks, interest rate risks, liquidity risks and credit risks managed in each subsidiary.

CURRENCY RISKS

Approximately 2/3 of the Group's sales are made in euros and the rest is made in Swedish, Norwegian and Danish crowns. In terms of import, the exposure to currency risks affects especially the currency risks of Wulff Supplies subgroup through changes between Sweden and Norway. The Group has only minor transactions in other currencies than euros and Nordic currencies, e.g. in US dollars. Short- and long-term loans by currencies are presented in Note 21 of the consolidated financial statements. The Group does not practice any speculative hedging. No separate hedging measures against currency risks are taken. Conversion of other than euro currency transactions to local bookkeeping currency euro poses currency exchange risk and the fluctuation of the currencies affect the Group's net result and financial position. A decrease of 10% in Swedish and Norwegian crowns financial year's average exchange rate and financial year's ending rate would have decreased the financial year's operating profit by EUR 148 thousand (126) and net profit and therefore equity by EUR 131 thousand (138). In addition the translation risk impacts the balance sheet value. The aforementioned 10% decrease of currency rates would have increased the change in translation difference and decreased the balance sheet value by approximately EUR 285 thousand (389).

INTEREST RATE RISKS

The Group is exposed to interest rate risk due to loans from financial institutions and bank account limit facilities tied with variable interest rates. Changes in market rates impact directly the Group's interest payments in the future. More information on the interest rates of the Group's interest-bearing liabilities is presented in Note 10 of the consolidated financial statements. The Group does not make any speculative interest rate agreements and to date, no interest rate swaps have been utilized for managing interest rate risks. One percentage point increase of the interest rates in 2023 would have resulted in 113 thousand euros (127) higher interest expenses, hence 113 thousand euros (126) lower equity and a 0.1 percentage point (0.2) lower equity ratio.

LIQUIDITY RISKS

Group companies operate with their own cash flows and if necessary, they are funded also with the Group's internal financing. In order to ensure good liquidity, the Group emphasises the subsidiaries' independence in the management of operating cash flow and working capital. Liquidity risk is managed on the group level with Group bank account arrangements in Finland and Scandinavia. Continuous supervision is used to assess and monitor the financing needed for the subsidiaries' operations. The availability and flexibility of financing is ensured with bank account credit limits. On December 31, 2023 the unused credit limits totalled EUR 4.5 million (5.5) in Finland. The maturity of loans is presented in Note 21.

CREDIT AND DEFAULT RISKS

The uncertainties relating to the general economic development especially due to the Covid 19 pandemic has emphasized the importance of monitoring the credit and default risks associated with customers and other counterparties. The subsidiaries manage their customers' credit analyses and active credit control independently. Together with the local company management, the subsidiaries' working capital management and related risks are monitored also on segment and group level. The Group's sales receivables consist of an extensive customer base, and most of the annual sales volume is from well-known and solvent customers. The credit loss risk of trade receivables has been assessed in accordance with IFRS 9 at the time of reporting, based on an estimate of future credit losses on open trade receivables at the reporting date.

The risk management policy of each company defines the credit risks and credit worthiness requirements, as well as the terms of delivery and payment. Credit risk monitoring is primarily the responsibility of the subsidiaries' management, while the parent company's financial management monitors regularly the compliance with the risk management principles and examines the efficiency of the centralised own collection operations and the outsourced collection partner. Traditionally the group companies' credit losses have been small in relation to their net sales. Aging analysis of sales receivables is presented in Note 17 of the consolidated financial statements.

CAPITAL MANAGEMENT

Wulff Group's capital structure management aims to ensure and improve the operating conditions of the group companies and to increase the Group's shareholder value in a sustainable, optimal way. The Group's capital structure is evaluated by monitoring the development in equity ratio where the long-term target is approximately 40 percent. Group companies operate with their own cash flows and if necessary, they are funded also with the Group's internal financing. The Group emphasises the subsidiaries' independence in the management of operating cash flow and working capital. The Group Finance controls centrally the group companies' working capital management. The Group Finance takes centrally care of the external loan financing and agrees on the loans' repayment schedules with the financiers.

A part of the Group's loan agreements include covenants, according to which the equity ratio shall be 35.0% at minimum and the interest-bearing debt/EBITDA ratio shall be 3.5 at maximum in the end of each financial year. At the end of financial year 2023 there were no covenant breaches.

23. NON-INTEREST-BEARING LIABILITIES

SHORT-TERM NON-INTEREST-BEARING LIABILITIES

Trade payables and advance payments

EUR 1 000	2023	2022
Trade payables	8 590	10 086
Exhibition advances from customer contracts	1 248	1 445
Total	**9 838**	**11 531**

Advances 1 248 thousand euros are advances according to the customer contracts of future exhibitions after the reporting period. The Exhibition contracts total for events after year-end 31.12.2023 was 1 784 thousand euros (1 702), of which 1 248 thousand euros (1 445) were invoiced and presented as advances from customer contracts.

23. NON-INTEREST-BEARING LIABILITIES

OTHER CURRENT LIABILITIES

EUR 1 000	2023	2022
Value added tax liabilities	1 664	1 815
Additional purchase price		221
Other current liabilities	492	499
Other current liabilities total	**2 156**	**2 536**

MATURITY OF SHORT-TERM NON-INTEREST-BEARING LIABILITIES

EUR 1 000	2023	2022
Due within one month	10 340	12 892
Due 1 month to 6 months	4 705	5 456
Due from 6 months to 1 year	543	247
Due from 1 year to 5 years	1	6
Total	**15 589**	**18 601**

ACCRUED INCOME AND EXPENSES

EUR 1 000	2023	2022
Accruals for employee benefits	2 453	3 066
Income tax liabilities	197	267
Interest accruals	107	63
Sales accruals	181	64
Other accruals	658	1 075
Accrued income and expenses total	**3 595**	**4 535**

24. COMMITMENTS

EUR 1 000	2023	2022
Mortgages and guarantees on own behalf		
Business mortgage for the Group's loan liabilities	16 650	8 050
Business mortgages, free	7 064	1 900
Subsidiary shares pledged as security for group companies' liabilities	10 556	15 090
Real estate mortgages	3 500	3 500

Subsidiary shares pledged as security for group companies' liabilities are presented here in their book value in the parent company's balance sheet and they consist of Wulff Entre Oy (EUR 1 387 thousand), Wulff Oy Ab (6 435), S Supplies Holding AB (1 178), and Mutual Real Estate Company Kilonkallio1(1 556). Guarantees will be lost if external bank loans fall due.

Rent agreements have been presented on the group balance sheet accoring to the IFRS 16 Lease agreements -standard.

Wulff Group Plc has pledged the Wulff Supplies AB's loan from Nordea to Nordea raised on 9.1.2019.

The rents expensed during the financial year are presented in Note 8.

25. RELATED PARTY INFORMATION

Group's related parties consist of parent company's Board of Directors and Group Executive Board members.
The Group's parent and subsidiary relationships have been presented in Note 26. The Group does not have any investments in associates or joint ventures.

SUMMARY OF BOARD MEMBERS' BENEFITS TOTAL

EUR 1 000	2023	2022
Board members' salaries and fees		
Kari Juutilainen 4/2018- Chairman of the Board 4/2019-	15	15
Jussi Vienola 4/2018-	15	15
Kristina Vienola 4/2018-	15	15
Lauri Sipponen 4/2020-	15	15
Board members' benefits total	**60**	**60**

SUMMARY OF GROUP EXECUTIVE BOARD'S EMPLOYMENT BENEFITS

EUR 1 000	2023	2022
Salaries and other short-term remuneration	690	734
Fringe Benefits	39	31
Bonuses	56	60
Other long-term remuneration, additional pension benefits	23	43
Share-based incentives	-	45
Group Executive Board's employee benefits total	**808**	**913**

REMUNERATION OF THE BOARD

According to the Company's Articles of Association, the Annual General Meeting determines the remuneration of the Board Members. The fees of the Board Members are paid in fixed amounts of cash. In 2023 and 2022 a monthly fee of EUR 1,250 was paid to the Chairman of the Board and Board Members.

The Group has not granted loans, guarantees or other contingencies to the Board Members.

REMUNERATION OF THE GROUP CEO

The Board determines the Group CEO's remuneration and other contractual issues. The Group CEO is entitled to statutory pension. Pension age and additional pension benefits have not been determined in the Group CEO contracts.

The Board appointed Elina Rahkonen as the Wulff Group Plc CEO on September 17, 2019 and she started in her position on September 30, 2019. In 2023, the remuneration of CEO Elina Rahkonen consisted of monetary wages and fringe benefits of the amount of EUR 208 thousand (correspondingly in 2022 in total EUR 255 thousand, of which monetary wages and fringe benefits 210 and share-based incentives 45).

The Board of Directors decided to establish a short- and long-term incentive scheme for CEO Elina Rahkonen on February 22, 2021. The programme is established within the framework of the remuneration policy approved by the Annual General Meeting on 23 April 2020. The programme aims to promote the implementation of the company's strategy and its long-term profitability. The Board of Directors decided that the CEO is entitled to a short-term incentive for 2021, depending on the development of the adjusted operating profit and share price in 2021. The maximum amount of the remuneration is 10,000 Wulff Group Plc shares. The Board of Directors decided that the CEO is entitled to a long-term incentive for the period between January 1, 2021 and December 31, 2023, depending on the development of the share price during the period in question and the CEO's shareholdings on December 31, 2023. The maximum amount of the remuneration is 30,000 Wulff Group Plc shares. The remuneration to be paid through the scheme is equal to the value of a maximum of 40,000 shares in Wulff Group Plc (excluding indirect wage costs). On February 22, 2021 the Board of Directors decided to issue 7,000 of the company's own shares to the CEO as remuneration for 2020. On February 21, 2022, the Board of Directors decided to issue 10,000 of the company's own shares to the CEO in accordance with the short-term incentive scheme decided on February 22, 2021. They also decided that the CEO is entitled to a short-term incentive for 2022, depending on the development of the adjusted operating profit and share price in 2022.

The Group CEO is entitled to bonus holiday pay and to a bonus scheme to be determined later. The period of notice is three months from the Group CEO side and six months from the company's side. In case the company resigns the Group CEO contract one-sidedly the Group CEO is entitled to a severance payment equal to three months salary.

REMUNERATION OF SENIOR MANAGEMENT

Remuneration of senior management consists of salaries paid in cash, fringe benefits, additional pensions, annually-determined performance-based bonuses and possible share-based incentives. Bonuses paid in addition to fixed monthly salaries are based on financial performance and the person's individual goal-setting. No share-based incentives were paid in 2023 or 2022.

The Group CEO determines the contractual terms, salaries and possible other benefits and incentives of the Executive Board Members. The remuneration of the Group Executive Board is presented in the attached table. In 2023 and 2022, the Group Executive Board consisted of Atte Ailio until August 4, 2023, Sami Hokkanen until August 21, 2023, Iiris Pohjanpalo from August 21, 2023, Tarja Törmänen, Trond Fikseaunet, Veijo Ågerfalk until August 21, 2023, and Group CEO Elina Pienimäki.

Of the Executive Board members, Tarja Törmänen's communication and marketing director service is obtained as a outsourced service and during 2023, the service costs amounted to EUR 108 thousand (104). The outsourced service is included in other operating expenses and has been presented also in the note for Related Party transactions.

BUSINESS TRANSACTIONS WITH RELATED PARTIES

EUR 1 000	2023	2022
Sales to related parties	81	94
Purchases from related parties	115	115

Sales and purchases with the related parties consist of normal, market-priced transactions with the non-group companies under control of influence of the Board members or top management. The purchases from related parties include communication and marketing director service EUR 108 thousand (104).

The Group had no loan receivable from a company under influence of a related party at year-end 2023 or 2022.

In addition to this, the Group Companies have made payments to each other for e.g. products and services. These internal income and expenses have been eliminated within the Group Financial Statements according to the ordinary group consolidation regulations.

26. GROUP COMPANIES

Companies by countries	Operating segment	Group's ownership and voting rights %	Parent company's ownership and voting rights %
1. Parent company Wulff Group Plc, Finland	Group Services		
Subsidiaries in Finland:			
2. Carpentum Oy	Contract Customers	100%	100%
3. Mutual Real Estate Company Kilonkallio 1	Group Services	100%	100%
4. Mavecom Palvelut Oy	Contract Customers	100%	100%
5. Naxor Finland Oy	Expertise Sales	75%	0%
6. Naxor Holding Oy	Expertise Sales	75%	75%
7. Talouspalvelut Helmitaulu Oy	Contract Customers	100%	0%
8. Wulff Entre Oy	Contract Customers	100%	100%
9. Wulff Finances Oy	Group Services	100%	100%
10. Wulff Leasing Oy	Group Services	100%	0%
11. Wulff Oy Ab	Contract Customers	100%	100%
12. Wulff Works Oy	Contract Customers	51%	51%
13. Wulff Works Etelä Oy	Contract Customers	35.7%	0%
14. Wulff Works Keski Oy	Contract Customers	35.7%	0%
15. Wulff Works Länsi Oy	Contract Customers	35.7%	0%
16. Wulff Works Pirkanmaa Oy	Contract Customers	35.7%	0%
17. Wulff Works Pohjanmaa Oy	Contract Customers	35.7%	0%
18. Wulff Works Savo Oy	Contract Customers	35.7%	0%
Subsidiaries in Sweden:			
19. S Supplies Holding AB	Contract Customers	89%	89%
20. Wulff Supplies AB	Contract Customers	89%	0%
Subsidiaries in Norway:			
21. Wulff Supplies AS	Contract Customers	89%	0%
Subsidiaries in Denmark:			
22. Wulff Supplies A/S	Contract Customers	89%	0%

PARENT COMPANY'S FINANCIAL STATEMENT, FAS

PARENT COMPANY'S INCOME STATEMENT, FAS

EUR 1 000	Note	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Net sales	2	**462**	**432**
Other operating income	3	66	60
Personnel expenses	4	-519	-593
Other operating expenses	5	-50	-70
Depreciation and amortization according to plan	6	-159	-159
Operating profit/loss		**-201**	**-331**
Financial income	7	2 977	829
Financial expenses	7	-2 184	-565
Profit/Loss before appropriations		**591**	**-66**
Appropriations	8	128	754
Profit/Loss before taxes		**720**	**688**
Income taxes	9	105	-27
Net profit/loss for the period		**825**	**661**

PARENT COMPANY'S BALANCE SHEET, FAS

EUR 1 000	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
FIXED ASSETS			
Intangible assets			
Trademarks	10	1 200	1 350
Other intangible assets	10	6	-
Tangible assets			
Machinery and equipment	10	4	4
Other tangible assets	10	38	45
Investments			
Shares in Group companies	11	16 534	17 670
Other shares and holdings		251	251
Non-current receivables			
Receivables from Group companies	12	2 806	3 515
Receivables from others		34	-
Deferred tax receivables	9	109	4
TOTAL FIXED ASSETS		**20 981**	**22 838**
CURRENT ASSETS			
Current receivables			
Trade receivables		31	31
Receivables from Group companies	12	538	940
Prepaid expenses and accrued income	13	65	43
Current receivables total		633	1 013
Cash and cash equivalents	14	45	626
TOTAL CURRENT ASSETS		**678**	**1 639**
TOTAL ASSETS		**21 659**	**24 477**

PARENT COMPANY'S BALANCE SHEET, FAS

EUR 1 000	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
SHAREHOLDERS´ EQUITY			
Share capital	15	2 650	2 650
Share premium fund	15	7 890	7 890
Treasury shares	15	-332	-332
Invested unrestricted equity fund	15	676	676
Retained earnings	15	362	652
Net profit for the financial year	15	825	661
TOTAL SHAREHOLDERS´ EQUITY	**15**	**12 070**	**12 197**

EUR 1 000	Note	Dec 31, 2023	Dec 31, 2022
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	16	8 373	8 373
Total Non-current liabilities		8 373	8 373
Current liabilities			
Loans from credit institutions	16	1 012	2 484
Trade payables		5	11
Amounts owed to group companies	18	48	1 014
Other liabilities	17	25	260
Accrued liabilities and deferred income	19	126	138
Total current liabilities		1 216	3 907
TOTAL LIABILITIES		**9 589**	**12 280**
TOTAL EQUITY AND LIABILITIES		**21 659**	**24 477**

PARENT COMPANY CASH FLOW STATEMENT

EUR 1 000	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
CASH FLOW FROM OPERATIONS:		
Payments received from sales	385	463
Payments received from other operating income	66	60
Amounts paid for operating expenses	-1 553	-535
CASH FLOW FROM BUSINESS OPERATIONS BEFORE FINANCIAL ITEMS AND TAXES	**-1 102**	**-13**
Interests and other financial costs paid	-534	-298
Interest received from operations	460	188
Dividend received from operations	2 412	551
CASH FLOW FROM OPERATIONS	**1 235**	**428**
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Investments in intangible and tangible assets	-8	-1
Acquisition of shares in subsidiaries	-221	-709
Investments in other shares	-	-251
Loans granted	-1 085	-1 256
Loan receivables repaid	706	844
CASH FLOW FROM INVESTMENT ACTIVITIES	**-607**	**-1 374**
CASH FLOW FROM FINANCIAL ACTIVITIES:		
Dividend distribution paid	-951	-892
Purchase of own shares	-	-220
Changes in the shares of minority shareholders	-81	-
Group contributions received	754	510
Group balance accounts (net)	1 554	-290
Withdrawals of long-term loans	-	4 000
Repayments of long-term loans	-2 484	-1 875
CASH FLOW FROM FINANCIAL ACTIVITIES	**-1 209**	**1 232**
CHANGE IN CASH AND CASH EQUIVALENTS	**-581**	**287**
CASH AND CASH EQUIVALENTS ON JANUARY 1	**626**	**339**
CASH AND CASH EQUIVALENTS ON DECEMBER 31	**45**	**626**

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES

Wulff Group Plc's financial statements are prepared in accordance with the Finnish accounting legislation whereas the consolidated financial statements are prepared according to IFRS standards. The accounting principles applied in the consolidated financial statements are described in the notes of the consolidated financial statements.

All figures are presented as thousands of euros and have been rounded to the nearest thousand euros. Therefore the total sums do not necessarily fully reconcile to the sum of individual figures.

Statutory pensions are taken care of in an external pension company and pensions are expensed when incurred.

Income taxes are booked based on the Finnish tax and accounting regulations.

Non-current intangible and tangible assets are valued in their acquisition prices deducted by depreciations according to plan.

THE AMORTIZATION AND DEPRECIATION TIMES ACCORDING TO PLAN ARE:

Trademarks:	20 year straight-line basis
Immaterial rights:	5 year straight-line basis
IT equipment:	3 years straight-line basis
Other machines and equipment:	5 years straight-line basis
Other tangible assets:	10 years straight-line basis

2. NET SALES

Net sales consist of sales income deducted by value added taxes and discounts. Service income is recognized upon the delivery of the service. Parent company's net sales consist of only administrational services in Finland.

3. OTHER OPERATING INCOME

EUR 1 000	2023	2022
Rental income	41	36
Other	24	24
Total	**66**	**60**

4. PERSONNEL EXPENSES

EUR 1 000	2023	2022
Salaries, wages and fees	443	460
Pension expenses	67	80
Other personnel expenses	9	7
Share-based incentives	-	46
Total	**519**	**593**
Average number of employees in accounting period	3	3
Personnel at the end of period	3	3

Information about the management's employment benefits and loans is presented in Note 25 of the Consolidated Financial Statements. Information on related party shareholdings is presented under Board and Management.

5. OTHER OPERATING EXPENSES

EUR 1 000	2023	2022
Travel expenses	10	12
ICT expenses	18	9
Marketing, PR and entertainment expenses	46	43
Fees to auditors *	4	8
Bank expenses	74	75
Other	-103	-77
Total	**49**	**70**

* Fees to auditors:

EUR 1 000	2023	2022
Audit	4	8
Total	**4**	**8**

6. AMORTIZATION AND DEPRECIATION DURING THE FINANCIAL YEAR

EUR 1 000	2023	2022
Amortization of intangible assets:		
Trademarks	150	150
Other intangible assets	0	-
Total amortization of intangible assets	150	150
Depreciation of tangible assets:		
Machinery and equipment	9	9
Total depreciation of tangible assets	9	9
Total amortization and depreciation	**159**	**159**

7. FINANCIAL INCOME AND EXPENSES

EUR 1 000	2023	2022
Financial income:		
Dividends from group companies	2 412	551
Other interest and financial income from group companies	530	273
Other interest and financial income from others	35	5
Total	2 977	829
Financial expenses:		
Interest expenses to group companies	-239	-163
Interest expenses to others	-799	-307
Foreign exchange losses	-18	-74
Other financial expenses	-1 128	-21
Total	-2 184	-565
Financial income and expenses total	**792**	**265**

8. APPROPRIATIONS

EUR 1 000	2023	2022
Appropriations: group contributions received	128	754
Total	**128**	**754**

9. INCOME TAXES

INCOME TAXES IN THE INCOME STATEMENT:

EUR 1 000	2023	2022
Change in deferred tax asset	105	-27
Total	**105**	**-27**

INCOME TAXES IN THE BALANCE SHEET:

EUR 1 000	2023	2022
Deferred tax receivables	109	4
Total	**109**	**4**

10. INTANGIBLE AND TANGIBLE ASSETS

EUR 1 000

2023	Trademarks	Other intangible assets	**Intangible assets total**	Other tangible assets	Machinery and equipment	**Tangible assets total**
Acquisition cost, Jan 1	3 000	-	**3 000**	67	10	**77**
Additions		6	**6**		2	**2**
Acquisition cost, Dec 31	3 000	6	**3 006**	67	12	**79**
Accumulated depreciation and impairment, Jan 1	-1 650	-	**-1 650**	-22	-6	**-28**
Depreciation during the period	-150	0	**-150**	-7	-2	**-9**
Accumulated depreciation and impairment, Dec 31	-1 800	0	**-1 800**	-29	-9	**-37**
Book value, Jan 1	**1 350**	**-**	**1 350**	**45**	**4**	**49**
Book value, Dec 31	**1 200**	**6**	**1 206**	**38**	**4**	**42**

EUR 1 000

2022	Trademarks	**Intangible assets total**	Other tangible assets	Machinery and equipment	**Tangible assets total**
Acquisition cost, Jan 1	3 000	**3 000**	67	9	**76**
Additions				1	**1**
Acquisition cost, Dec 31	3 000	**3 000**	67	10	**77**
Accumulated depreciation and impairment, Jan 1	-1 500	**-1 500**	-15	-4	**-19**
Depreciation during the period	-150	**-150**	-7	-2	**-9**
Accumulated depreciation and impairment, Dec 31	-1 650	**-1 650**	-22	-6	**-28**
Book value, Jan 1	**1 500**	**1 500**	**52**	**5**	**57**
Book value, Dec 31	**1 350**	**1 350**	**45**	**4**	**49**

11. SHARES IN GROUP COMPANIES

EUR 1 000	2023	2022
Acquisition cost, Jan 1	21 934	21 019
Additions	81	914
Sales	-102	-
Acquisition cost, Dec 31	21 913	21 934
Accumulated depreciation and impairment, Jan 1	-4 264	-4 264
Additions	-1 115	-
Accumulated depreciation and impairment, Dec 31	-5 379	-4 264
Book value, Jan 1	**17 670**	**16 755**
Book value, Dec 31	**16 534**	**17 670**

In 2023, the Group acquired 2% of the share capital of S Supplies Holding AB and owned 89% of the company's shares after the acquisition

Wulff Group Plc sold Wulff Beltton AB and Wulff Beltton AS, which were responsible for the loss-making Scandinavian Expertise Sales, to a minority owner on September 1, 2023. The sale price was EUR 0.1 million. The net sales of Scandinavian Expertise Sales in the financial year 2022 was EUR 3.4 million. Wulff Group Plc recorded an EUR 1.1 million impairment of Wulff Entre Oy's subsidiary shares.

On January 4, 2022, Wulff Group Plc aquired Carpentum Oy for EUR 0.9 million, of which EUR 0.4 was paid by transferring 82,448 Wulff's own shares and the remaining EUR 0.5 million was paid in cash.

12. RECEIVABLES FROM GROUP COMPANIES

EUR 1 000	2023	2022
Non-current:		
Capital loans	600	1 130
Other loans	2 206	2 385
Non-current receivables total	2 806	3 515
Current:		
Trade receivables	87	37
Other receivables	323	149
Accrued income and expenses	128	754
Current receivables total	538	940
Receivables from group companies total	**3 344**	**4 455**

13. PREPAID EXPENSES AND ACCRUED INCOME

EUR 1 000	2023	2022
Accruals for employee benefits	2	3
Other accruals	64	40
Total	**65**	**43**

14. CASH AND CASH EQUIVALENTS

EUR 1 000	2023	2022
Carrying amount, Jan 1	626	339
Additions during the financial year	-581	287
Total	**45**	**626**

15. EQUITY

EUR 1 000	2023	2022
Share capital as of Jan 1	2 650	2 650
Share capital as of Dec 31	**2 650**	**2 650**
Share premium fund as of Jan 1	7 889	7 889
Share premium fund as of Dec 31	**7 889**	**7 889**
Invested unrestricted equity fund as of Jan 1	676	676
Invested unrestricted equity fund as of Dec 31	**676**	**676**
Treasury shares as of Jan 1	-332	-343
Acquisitions of treasury shares*	-	-220
Transfer of treasury shares*	-	231
Treasury shares as of Dec 31	**-332**	**-332**
Retained earnings from previous financial years as of Jan 1	1 313	1 329
Dividend distribution	-951	-892
Transfer on treasury shares*	-	215
Retained earnings from previous financial years as of Dec 31	362	652
Net profit for the financial year	825	661
Retained earnings total as of Dec 31	**1 186**	**1 313**
Equity total as of Dec 31	**12 070**	**12 197**

Distributable funds in EUR 1 000 as of Dec 31	31.12.2023	31.12.2022
Invested unrestricted equity fund	676	676
Treasury shares*	-332	-332
Retained earnings from previous financial years	362	652
Net profit for the financial year	825	661
Distributable funds total	**1 531**	**1 657**

*In 2022 the Board of Directors of Wulff Group Plc decided to start buying back its own shares in accordance with the authorization granted by the Annual General Meeting. The repurchases started on October 26, 2022 and ended on November 29, 2022. Wulff Group Plc repurchased 66,812 shares at the market price quoted through public trading on Nasdaq Helsinki Ltd, in accordance with the rules regarding the acquisition of company's owns shares. The acquired shares are intended to be used to finance acquisitions and other arrangements according to the company's growth strategy. In 2022, 82,488 own shares were transferred as a part of Carpentum Oy's purchase price and 10,000 own shares in accordance with the decision of the Board of Directors on February 21, 2022, of which more information is provided in Note 25 Related parties. At the end of December 2023, the Group held 111,624 (111,624) own shares representing 1.6% (1.6) of the total number and voting rights of Wulff shares.

16. INTEREST-BEARING LIABILITIES

PAYMENT SCHEDULE FOR THE LOANS

EUR 1 000	Book value Dec 31, 2023	Payment schedule (years): 2024	2025	2026	2027	2028	Later
Non-current							
Loans from financial institutions	8 373		1 737	1 688	1 688	2 354	906
Total	**8 373**		**1 737**	**1 688**	**1 688**	**2 354**	**906**
Current							
Loans from financial institutions	1 012	1 012					
Total	**1 012**	**1 012**					

Loans from financial institutions include a short-term bank account credit limit.

17. OTHER LONG-TERM AND SHORT-TERM NON-INTEREST BEARING LIABILITIES

EUR 1 000	2023	2022
Other short-term non-interest bearing liabilities	-	221
Total	**-**	**221**

On August 14, 2018, Wulff Group Plc acquired the entire share capital of Mavecom Palvelut Oy that specializes in printing solutions. The preliminary purchase price for the share capital of Mavecom was approximately EUR 1.5 million. The purchase prices consisted of directed share issue and additional price to be paid in cash:

With the authorization granted by the Annual General Meeting to the Board of Directors, Wulff Group Plc carried out a directed share issue of 300,000 shares to the owners of Mavecom Palvelut Ltd. The value of the new shares was approximately EUR 0.5 million. The share subscription price corresponded to the volume weighted average price of the company's shares quoted on NASDAQ OMX Helsinki Ltd ("Helsinki Stock Exchange") between May 1, 2018 and July 31, 2018. The directed share issue increased Wulff Group Plc's invested unrestricted equity by EUR 0.5 million.

The final additional purchase price of the shares was paid in cash based on the profitability of Mavecom Palvelut Oy's business during 2018-2022. No limit was set for the additional purchase price. The last installment of the additional purchase price was paid during 2023. During financial year 2023 EUR 221 thousand (195) was paid in cash of the acquisition. The additional purchase price was paid yearly on the basis of the approved financial statements of the subsidiary.

18. AMOUNTS OWED TO GROUP COMPANIES

EUR 1 000	2023	2022
Accounts payable	48	25
Other short-term liabilities	-	990
Total	**48**	**1 014**

19. ACCRUED LIABILITIES AND DEFERRED INCOME

EUR 1 000	2023	2022
Accruals for employee benefits	40	96
Interest accruals	85	42
Total	**126**	**138**

20. COMMITMENTS

EUR 1 000	2023	2022
Mortgages and guarantees on own behalf		
Subsidiary shares pledged as security for own liabilities	10 556	15 090
Own business mortgages given as quarantee for own liabilities	12 600	5 600
Mortgages and guarantees on behalf of subsidiaries		
Guarantees for the loans of subsidiaries	234	234
Pledges and guarantees given for the group companies' off-balance sheet commitments (rents, customs etc)	-	580

Subsidiary shares pledged as security for group's liabilities are presented as book values and they consist of Wulff Entre Oy (1 387 thousand euros), S Supplies Holding AB (1 178), Wulff Oy Ab (6 435), and Mutual Real Estate Company Kilonkallio 1 (1 556).

Wulff Group Plc has pledged the Wulff Supplies AB's loan from Nordea to Nordea raised on 9.1.2019. The loan was raised to acquire the subsidiary's logistic center on 9.1.2019.

SIGNATURES TO THE FINANCIAL STATEMENTS AND REPORT OF THE BOARD OF DIRECTORS

Signatures of the Board and Group CEO to the Financial Statements

Espoo, March 8, 2024

Elina Rahkonen
CEO

Kari Juutilainen
Chairman of the Board

Lauri Sipponen
Member of the Board

Jussi Vienola
Member of the Board

Kristina Vienola
Member of the Board

Auditor's note

We have today submitted the report on the conducted audit.

Espoo, March 8, 2024

BDO Oy,
Authorized Public Accountant Firm

Juha Selänne
Authorized Public Accountant

AUDITOR'S REPORT (TRANSLATION OF THE FINNISH ORIGINAL)

To the Shareholder's Meeting of Wulff-Yhtiöt Oyj

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Wulff-Yhtiöt Oyj (business identity code 1454963-5) for the year ended 31 December, 2023. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014.

We have not provided to the parent company and group companies other services than audit services.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group - Valuation of inventories

We refer to the Basis for Preparation of the consolidated financial statements and to the note 16 of the consolidated financial statements.

The inventory balance in the consolidated statement of financial position amounted to EUR 12.3 million.

- Inventories are measured at the lower of cost and net realizable value or repurchase price in the financial statements.
- The Group's business and the nature of industry in which the Group operates require maintaining a certain level of inventories and product range. Inventories may include slow-moving items. This also increases the risk that the carrying amounts of inventory items exceed their net realizable values or repurchase price.
- This matter is a significant risk of material misstatement referred to in EU Regulation No 537/241, point (c) of Article 10(2).

How our audit addressed the Key Audit Matter

- We tested manual and automatic controls designed to ensure the accuracy of inventory pricing and performed substantive procedures.
- Using data analytics, we compared the products' inventory values at the year end to product revenues received and reviewed possible negative margins and the reasons to the negative margins.
- We analyzed inventory turnover figures and the development in the slow moving stock.
- We tested the adequacy of the write-downs at the financial year end, for example by comparing the development of the amount of the stock items with low turnover rates to the prior year and by comparing products' values to changed market values.

Key audit matter in the audit of the group - Impairment of goodwill

We refer to the Basis for Preparation of the consolidated financial statements and to the note 15.

- The value of goodwill in the consolidated balance sheet amounted to EUR 8.8 million.
- Goodwill is not amortized, but is tested annually for impairment. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.
- Determination of the key assumptions in future cash flow forecasts underlying the impairment tests requires management make judgements over certain key inputs, for example discount rate, growth rates and profitability levels.
- This matter is a significant risk of material misstatement referred to in EU Regulation No 537/241, point (c) of Article 10(2).

How our audit addressed the Key Audit Matter

- We assessed the allocation basis, i.e. the allocation of goodwill to the tested cash-generating units complies with the allocations principles defined by the company.
- We evaluated the reliability of the Group's business plans and budgeting procedures and assessed the historical accuracy of forecasts by comparing the actual results for the year 2023 with the forecasts made in previous years.
- We involved our own valuation specialist when assessing the assumptions used in determining the discount rate to market and industry information.
- Furthermore, we considered the accuracy of sensitivity analysis and the appropriateness of the notes in respect of impairment testing.

Key audit matter in the audit of the parent company - Valuation of the subsidiary shares and long-term receivables

We refer to the Basis for Preparation of the Consolidated financial statements and the Notes to the Parent Company financial statements 11, 12 and 15

.

- The equity of the parent company is € 12.1 million as of 31 December 2023, of which the distributable equity amounts to € 1.5 million.
- A significant portion of the parent company's assets consist of investments in the subsidiaries. The subsidiary shares and long-term loan receivables amount to € 19.3 million as of 31 December 2023. The measurement of these investments has a material impact when calculating the parent company's distributable equity.
- According to the Finnish Bookkeeping Act, if the fair value of the long-term investment is evaluated to be permanently lower than the book value, the difference must be written down.
- Cash-flow based impairment tests are provided also for the subsidiary shares.
- Determination of the key assumptions in future cash flow forecasts underlying the impairment tests requires management to make judgements over certain key inputs, for example discount rate, growth rates and profitability levels.

How our audit addressed the Key Audit Matter

- We evaluated the reliability of the Group's budgeting procedures and assessed the historical accuracy of forecasts by comparing the actual results for the year 2023 with the forecasts made in previous years.
- We involved our own valuation specialist when assessing the assumptions used in determining the discount rate to market and industry information.
- We assessed the assumptions used in the valuation of the subsidiary shares and long-term receivables to market and industry information.
- We analyzed the valuation of the subsidiary shares and long-term receivables compared to subsidiaries' equities and EBIT.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities in the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropri-

ate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 6.4.2017, and our appointment represents a total period of uninterrupted engagement of seven years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Espoo 8.3.2024

BDO Oy, Audit Firm

Juha Selänne
Authorized Public Accountant

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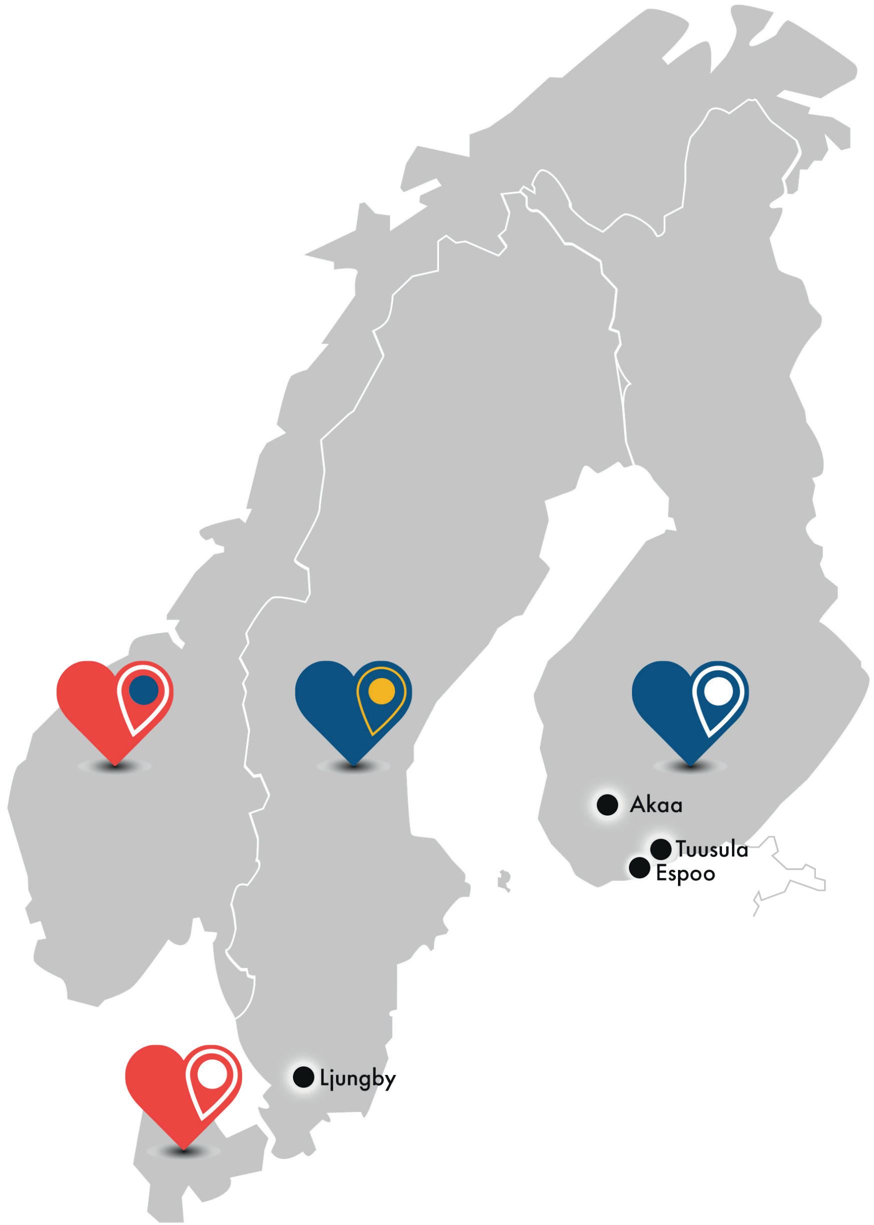

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