2021
ANNUAL REPORT

WULFF

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We expect 2022 to hold more opportunities to make a difference sustainably.

2021 IN BRIEF

STRONG GROWTH IN EXCEPTIONAL CIRCUMSTANCES

The exceptional circumstances in Finland and worldwide continued in 2021, and we need to wait a little longer before we can settle down in the new normal. Hygiene and protective products increased in demand in 2020, and Wulff estimates that they will remain a permanent part of workplace product portfolios. The sales of these products continued to play a significant role in all Wulff's operating countries and sales channels in 2021.

Multichannel success

In many industries, the Covid-19 pandemic has accelerated the transition of business to online environments and the offering of online supplementary services. As a multichannel operator, Wulff was already in a good position to serve customers with a strong online presence in exceptional circumstances with our personal expertise – everyone at Wulff has been in frequent contact with their customers through Teams, Google Meets, on the phone and through email. This personal touch, knowing our customers and their business, is Wulff's recipe for success, even in exceptional circumstances.

Boost from a significant acquisition

In May 2021, the company made an important acquisition by acquiring Staples Finland Oy as part of the group in Finland. The acquisition allowed Wulff to reaffirm its position as a partner of large companies, groups, cities and municipalities. Thanks to the acquisition, Wulff's net sales almost doubled, and Wulff became a clear market leader in its field in Finland. The acquisition also brought great expertise in care and public sector products into the company, and significantly broadened the company's product and service portfolio.

The pandemic has motivated people and companies to care for the world even more than before and to make a difference. That is why Wulff has updated its strategy to make it even more sustainable. Our basic idea, making the world better one workplace at a time, will stay the same and continue to guide us to success and making a difference sustainably in 2022.

Our client Diakonissalaitos talks

Always ready with Wulff

DEACONESS FOUNDATION – FOR HUMAN DIGNITY

For human dignity – responsibly. The Deaconess Foundation (Diakonissalaitos) and Wulff share the will to do good, and an understanding that doing good is possible when your operations are efficient and productive. The values at the heart of the Deaconess Foundation's operations are boldly working for human dignity, taking care of people in the most vulnerable positions, and helping them to overcome life's problems. Wulff's core idea in societal influence is creating more decent work and financial growth in the world. For both organisations, responsibility is an important value guiding their work. Tiina Paussoi and Samira Jaakkola from the Deaconess Foundation tell us more about the Foundation's partnership with Wulff.

The Deaconess Foundation chose Wulff as its partner through a tender for the workplace and office supplies of its offices in 2014. The Foundation has administrative and service functions in several locations in Finland, and it has significantly grown through acquisitions in recent years. For Procurement Manager Samira Jaakkola, it was important to look at procurement needs as a whole, because as someone who has been responsible for procurements in different companies, she knows the benefits of using centralised procurement and a competent partner. Rinnekoti, which became part of the Deaconess Foundation in 2017, has been Cleaning Services Supervisor Tiina Paussoi's workplace since 1987. Her career has included being one of the first people to graduate as a cleaning technician in Espoo, being a mother and grandmother in her personal life, and seeing many great leaps of technological progress. The pandemic has accelerated some of the most recent leaps like digitalisation and the increase in remote work. The cleaning services for which Tiina is responsible are carried out in person and with real, physical supplies and products – we have to wait a little longer for virtual cleaning services. "Cleaning work is carried out by people, and the products they use in their work are important. To succeed in their work, the right products must be available to people, and their quality and features must serve their purpose," says Paussoi. "During the pandemic, it has also been important to know that your partners are reliable operators who won't struggle with availability. For example, it has been important to have reliable procurement of face masks, surgical masks and protective gloves. And when you constantly use this protective equipment in your work, it's important that your partner has expertise and knowledge that you can trust – about things like the level of protection provided by the masks, general recommendations, and consideration of allergies in the product

Foundation over 150 years old
Employs 2,300 people
Year 2020 turnover EUR 32.2 million

Operations on the rise

To the Deaconess Institute are united

Rinnekoti in 2020
Caritas in 2020

Social and health services nationwide operator

Work for dignity

?

Tiina Paussoi
Cleaning Services Supervisor

Ensuring the quality of service producers is an important part of Tiina Paussoi's work as the person in charge of cleaning services at Rinnekoti. She also manages the needs assessments for new locations and is the supervisor of Rinnekoti's rapid response cleaning team. As its name suggests, the team carries out individual and urgent cleaning work in addition to regular cleaning work.

Snowshoes and snow angels!
In her free time, Tiina enjoys spending time at her cabin, doing everything that comes with it: picking mushrooms, going to the sauna, Nordic walking, and making a hearty stew. In Savo, she enjoys the most beautiful cabin landscapes in Finland – and this winter, that includes the snow angels left behind by Tiina and her friends after a snowshoe hike and a round of karaoke.

options. Everything has worked very well with Wulff," Tiina continues. Procurement Manager Jaakkola is also satisfied with the Wulff partnership: "As Procurement Manager, the money we spend and what that spending gets us are important indicators for our operations. Cost-effectiveness always means time-efficiency too. With Wulff, we always have access to expertise in our field of work and products, as well as important industry- and customer-specific expertise. Our contact person, Tiina Ignatius, listens to us, knows us and our needs, and she can be proactive and make recommendations for development measures. For example, during the pandemic, we quickly added hand sanitisers to our MiniBar shelves and standard product ranges." The Deaconess Institute has various offices a total of 9 Wulff MiniBars.

The two Deaconess Foundation representatives have some wishes of their own, too: they would like to see even more sustainable products, for an important goal of the Deaconess Institute is to reduce the ecological footprint purposefully and systematically. They would be happy to see climate sustainability and the circular economy principles of material reuse and resource-efficiency represented more in the product selection. Wulff is glad to hear this wish. There is determined work underway to make the product selection even more sustainable. The sustainability indicators of procurement are already shared with our customers quite broadly, and further efforts are being made to develop them. For example, people are increasingly interested in the climate impact, carbon footprint and carbon handprint of products – and that is a good thing, because it guides the operations of companies and communities in a more sustainable direction.

To carry out Tiina Paussoi's other wish, Wulff invites everyone to participate! How can we make the care and cleaning industry shine as splendidly as the surfaces cleaned with Wulff supplies? Both the cleaning and care industries need workers and more visible appreciation. How can you personally make a tangible show of appreciation for them?

"By supporting the Hetkinen project, we help adolescents at risk of social exclusion and help ensure that the beginning of their life as an adult is as good as possible. I find that especially now, during the pandemic, adolescents are at risk of being left alone and without support. In many ways, our society is doing well in matters of equality when you look at things like education opportunities. But even though we're a welfare state, we have plenty of things left to improve, including with the availability of mental health services and support. A decent life also includes the readiness and capacity to work and feel your contributions are meaningful, and that's important just from the basic perspective of our society's age distribution and dependencies," says Wulff Group's CEO Elina Pienimäki.

Wulff sees the Deaconess Foundation's work as important. For example, for Christmas in 2021, the gift money that Wulff had reserved for gifts for group personnel in Finland was donated to the Deaconess Foundation's youth mental health work.

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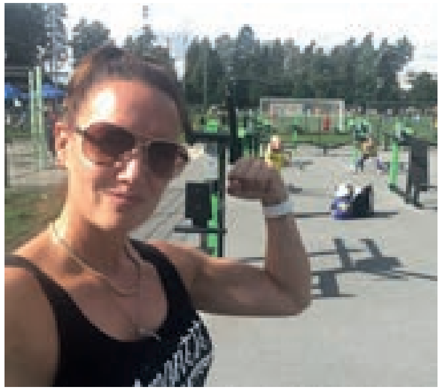
Samira Jaakkola
Procurement Manager

Samira Jaakkola has served as the Procurement Manager at the Deaconess Foundation for a little more than five years. She oversees procurement and tendering as a whole, while the daily orders are managed by each unit's person in charge of purchasing. "As the Deaconess Foundation has expanded its operations, it has been important to be able to centralise our procurement and develop our product management to offer our units a way to manage procurement that is easy and works for them."



Remote work in Spain!
During the pandemic, Samira worked remotely from Spain for quite some time. "Working through Teams with my colleagues and partners worked splendidly." The knowledge worker and mother of two children (10 and 12 years old) goes to the gym three times a week, which helps her stay active, even when sunshine and summer are far away.

In exceptional circumstances it is the strong sales attitude that made us successful. We have the will to be active, we are determined and recognize things we can affect.

CEO's review

NET SALES DOUBLED BY ACQUISITION

Elina Pienimäki
CEO
Wulff Group Plc

A YEAR OF AGENCY AND ACTION

I want to thank everyone at Wulff, our customers and partners – working with every one of you has made 2021 a fantastic year for work. In the last annual report, I said the pandemic times and exceptional circumstances had proved that Wulff has resilience in addition to its top sales expertise. Thanks to resilience, the capacity to adapt and survive, we continued to have a good result, even as the pandemic posed restrictions to companies and individuals. The exceptional circumstances, situations requiring quick reactions, and our good results continued in the last year. 2021 in particular was a year of agency and action for us. We have the will to take proactive measures, we're determined, we recognise the things that we can affect ourselves, and we ensure that we have the power to take action. It's great to be part of Wulff!

COMBINED EXPERTISE OF FINNISH WORKING LIFE

Wulff's position as a Finnish working life expert was reaffirmed through the acquisition of Staples Finland Oy and its Finnish parent company EMO Finland Oy in May 2021. The acquisition significantly accelerated the implementation of our growth strategy. Our net sales 2021 almost doubled from EUR 57.5 million to EUR 90.4 million, and we became a clear market leader in Finland. The acquisition is a new chapter in our great history: Staples (previously Oy Lindell Ab) was established in Helsinki in 1890 – a few months after Wulff Oy Ab. This acquisition connects the stories of the two oldest and most successful Finnish companies in their fields.

GROWING PRODUCT AND SERVICE PORTFOLIO

Thanks to the acquisition, our product and service portfolio has broadened, and our procurement capacity has increased. We also welcomed many new and skilled colleagues, valuable customers and great partners with whom we can to continue to develop our operations and services. The benefits such as our increased offering in care and public sector products and the strengthening of our procurement expertise have already borne fruit and won us new customers.

Continuously optimising our own operations and ensuring cost-effectiveness have always been important to Wulff. In Finland, we reorganised our structure

WULFF 'S FINANCIAL OBJECTIVES

following the acquisition by condensing overlapping and similar functions. As a result of the autumn's cooperation negotiations, we have achieved annual savings of nearly EUR 2 million. The reorganisation of our functions continues, and we expect to achieve cost synergies totalling approximately EUR 3 million in 2022–2023.

NEW SERVICE BUSINESS

In 2021, we also began strengthening our service businesses, and took our first steps towards offering financial management and accountancy services to our customers. The acquisition of Espoo-based financial management service company Carpentum, announced in the first days of 2022, increased the service field's net sales to EUR 2,2 million annually. In accordance with our strategy, we will proceed as quickly as possible to implement commercially successful practices and grow profitable business operations. There is potential for growth in financial management services, because it has historically been a stable growth industry.

RESPONSIBLE STRATEGY

The experiences, challenges, opportunities and successes of 2021 will serve as building blocks and inspiration for our updated strategy for the 2022–2026 period. The most important theme in our strategy continues to be sustainability, in accordance with our customers' and personnel's wishes. We started 2022 by having a discussion with our personnel about the update to our strategy and values. The updated strategy will first be implemented in practice in Finland. Wulff's Sustainability force field, created with Wulff and sustainability service company Third Rock and climate and environmental expert Leo Stranius for 2019–2020, became Wulff Sustainability, which guides Wulff operations. We want to make a difference with our own actions and the products and services we offer, particularly when it comes to positive climate acts and fostering equality in the world. In addition to these two themes, we also found a new goal: bringing more decent work and financial growth into the world.

A SUCCESSFUL STRATEGY SURVIVES CHANGE

We know that the market and operating environments can change quickly, both now and in the future. We know that our strategy, a better world – one workplace at a time, is resilient and can survive a pandemic and many other disruptions and changes. With more than 130 years of work, we have fostered a culture in which we can be proud of providing our customers with the best service and bold sales work. Our customers rely on us to always have up-to-date and sustainable solutions for all working environments, all from one provider.

Net sales 2021
90,4 meur

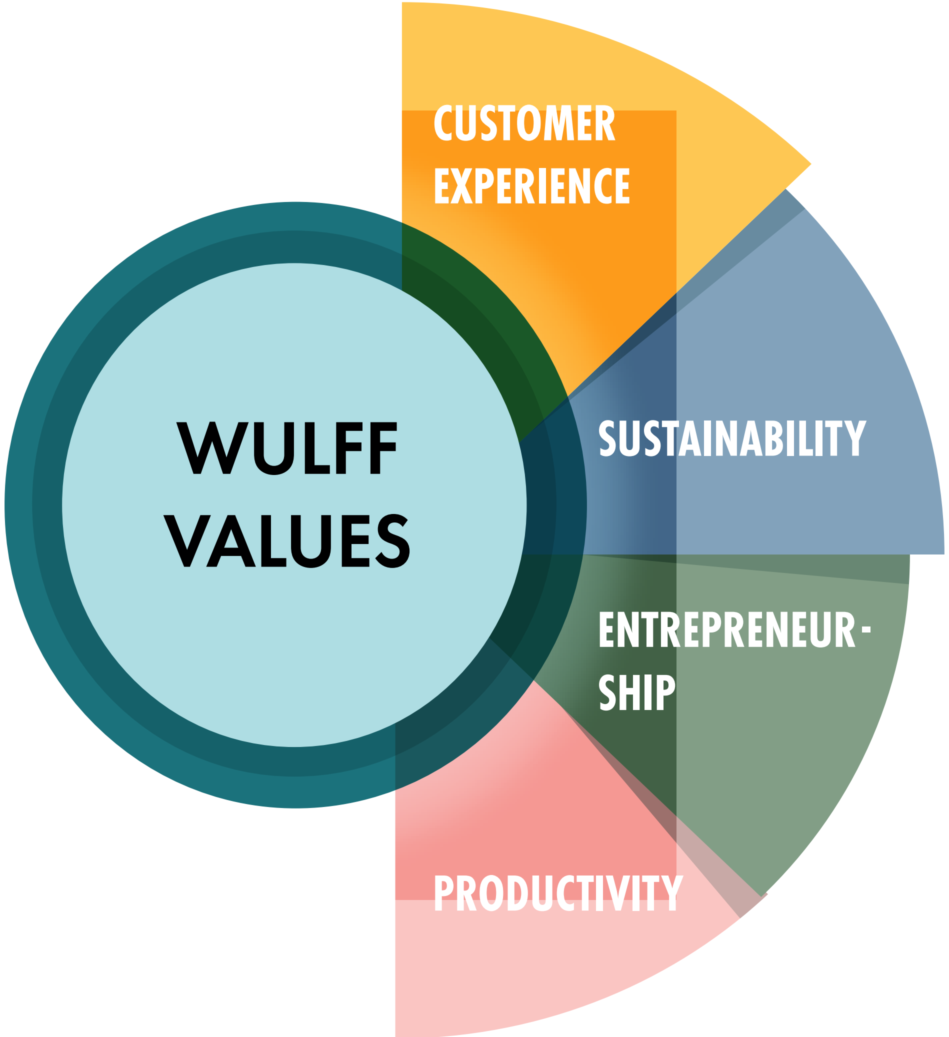
Operating profit 2021
3,9 meur

Dividend 2021
0,13 €/osake

VALUABLE VALUES

I'm proud of the values that have guided us in our daily work and decision making for a long time – more than a hundred years. Customer orientation, entrepreneurship and productivity have been our compasses in daily life, leading us to success. The values are long-term and timeless in the same way as they justify the existence of a good strategy, and sometimes they go through an update almost naturally. When we notice that a value is often highlighted in our own operations and our customers' evaluation, it's time to recalibrate our values.

Customer orientation was updated into customer experience, and our three values became four, with the addition of sustainability as our fourth value.



CHANGING WORLD AND THE FUTURE

We live in a changing world – and at Wulff, we are ready for change, and especially managing change. Taking agency is evident in our operations through our strong choices and bold actions such as significant acquisitions. Being sustainable and local, having multichannel expertise and the best sales expertise in the Nordic countries are all building blocks for a successful future and profitable growth, whatever the future may hold.

A warm thank you to all of you – our outlook is exciting with you on board!

THE NORDIC OPERATING ENVIRONMENT IN FIGURES

According to Wulff's estimate, the size of the workplace products and services market (EUR/year) has remained roughly the same for several years. Wulff estimates that the market size is approximately EUR 400 million in Finland, EUR 700 million in Sweden, EUR 450 million in Norway and EUR 400 million in Denmark.

OPERATING ENVIRONMENT

What is the operating environment for workplace products and services? How and where do we work now and in the future? The pandemic times accelerated the change in work, and Wulff estimates that work with physical presence will be done both as multi-local onsite work in teams and independent work.

GENERAL ECONOMIC DEVELOPMENT AFFECTS COMPANIES' PURCHASING POWER

In the Nordic countries, the demand of the trade industry follows general economic development. The economic downturn in Wulff's operating countries caused by the coronavirus pandemic has been smaller than previously estimated, but it may still weaken the preconditions for economic growth. The pandemic may also cut investments even further and slow the recovery of the labour market. The indirect effect of the pandemic from the perspective of economic development is the intensified shortage of raw materials, which widely impacts the availability of products. The ageing population in the Nordic countries is changing the dependency ratio. These and other factors also have an impact on Wulff's long-term preconditions for growth. However, Finland, one of Wulff's operating countries, has shown slow economic growth at the end of 2021 despite the pandemic, and the growth is expected to continue in 2022. The rapidly spreading Omicron variant raises the risk of production decrease, for example, due to a higher number of sick leaves and a weakened outlook for the global economy.

A STRONG PLAYER IN A FRAGMENTED MARKET

The Nordic market is very uniform in terms of the number of customers, purchasing behaviour and demand for products. Traditionally, the industry's market has been very fragmented. Entering the market is easy, which is why many small companies are operating in the field. Several companies enter and leave the market every year. In recent years, the industry has also seen a few takeovers. Wulff believes that the future of the industry will be in the hands of companies like itself and bigger players. Wulff estimates that company takeovers will continue in the future, and the consolidation development is likely to remain intense. Wulff is a pioneer in company takeovers in the industry and a strong player in a fragmented market. In 2021, the company made a significant acquisition in Finland by purchasing its strong competitor, Staples Finland (formerly Oy Lindell Ab). Wulff is expected to acquire more businesses in the future. The company feels that it can also influence the operating environment by reshaping the industry within, with all its workplace products and services. A good example of this is Wulff's investment in a new service business: financial management and accountancy services.

TRANSFORMATION GATHERS PACE

The operating environment for workplace products and services has been in a state of flux for a long time, and the COVID-19 pandemic is accelerating this development. The megatrends that will affect Wulff's operating environment include taking into account the state of the environment and improving it instead of resource use, an ageing and diversifying population, technology blending with all operations, and the transformation of work and consumption. Multi-local onsite work – remote work from a home office or holiday home, for example – has increased, and some people will continue to do particularly information-intensive and expert work remotely. In the future, onsite work is likely to be done also in teams multi-locally, from different locations and facilities that serve the situation best. Digitalisation is changing the world, and the development of information-intensive work methods is exceedingly rapid. At the same time, the pandemic period has increased the value of joint encounters. That is why we want to invest in spaces where colleagues, customers and partners are met, and we want to make such spaces as stimulating and functional as possible.

At Wulff, we are aware of the transformation of the operating environment. We actively observe the changes and see them above all as opportunities. For example, there will be a growing demand for tools that maintain and improve the ergonomics of workstations in the future. Great tools for working in shared offices, as well as home and other locations where people work, are investments that employers are keen to make when competing for the best and most profitable experts. In addition, many senior citizens want to do meaningful work for as long as they feel fit. Wulff can help people feel well in their work. Wulff sees that the most significant megatrend affecting Wulff's operating environment and its own operations is sustainability and especially environmental awareness: protecting the viable environment and improving its state. Value-based decision making will be increased, both in the procurement of individual products and when selecting partners. Wulff feels that sustainability thinking is the most significant factor contributing to competitiveness in the future.

WHO TO COMPETE WITH FOR CUSTOMERS

Wulff's competitors consist of unlisted small and medium-sized companies in all market sectors. In Finland, Wulff Group has approximately ten significant competitors. Wulff Oy Ab's contract customer concept faces com-

petition from Lyreco and RCK Finland. In the Scandinavian contract customer market, Wulff Supplies faces competition from for example Lyreco. Wulff's expertise sales companies compete for market share with Canncolor Group and Oy Rahmqvist Ab, among others.

International exhibition services, remote meeting solutions and products, services designed for construction sites, printing and document management services and, as our newest segment, financial management services broaden Wulff's operating environment from its traditional sphere.

Wulff Entre specialises in the Group's international trade shows and remote meeting services. Exhibitions are seasonal. Most sales are therefore generated in the second and last quarter of the year. Wulff Entre's sales and operations are influenced by trade show frequency, because many international exhibitions only occur every two or sometimes three years. Wulff Entre's competitors are international event production and marketing agencies, exhibition producers, trade show service houses and stand builders, mainly located in the Nordic countries, the Netherlands and Eastern European countries. The operating environment of the exhibition industry has changed radically recently, as the COVID-19 pandemic has forced a large number of international and domestic trade fair events to be cancelled or postponed. The My Remote Studio remote meeting solution for Wulff Entre's corporate customers is a growing business area. The number of various remote encounters has increased significantly during the pandemic, and companies need to ensure that these services are of high quality.

Wulff's operating environment in Finland and Scandinavia in the sale of lamination and protective product solutions is construction. Business opportunities are affected by the situation in residential and commercial construction. The still unpredictable pandemic situation makes forecasting growth challenging, even though the construction industry has recently been growing slowly and steadily in the company's operating countries.

According to Wulff, the operating environment for printing and document management services is most significantly affected by sustainability. The company believes that the companies that offer the most sustainable solutions will be the most successful in the industry. Wulff Group provides services in the Helsinki metropolitan area through Canon Business Center. Both Canon and Wulff are engaged in increasing and developing sustainable solutions to build competitiveness.

Wulff feels that there is room in the market for a new expert company in the field of accountancy and financial management services: Wulff. The industry has been profitable and growing steadily for a long time. Currently, the largest players in the industry are Accountor, Talenom and Rantalainen, while Wulff's operations are still relatively small.

FOR COMPANIES, ENTREPRENEURS AND COMMUNITIES

The products sold by Wulff are used throughout the year. In normal circumstances, demand is continuous and not seasonal in the areas of data storing solutions, cafeteria and catering, facility management, toner cartridges, paper and cleaning products, for example. Demand is influenced by the general economic situation. For example, as large companies hire more white-collar employees, consumption increases. Some products have a very long lifecycle. 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. Intangible gifts are also increasing in popularity, which is why traditional business Christmas and summer gift items will no longer appear as seasonal peak sales.

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.

VALUE-BASED GROWTH AND CHANGE

Wulff's most important change in the operating environment is the growing importance of sustainability thinking and value-based partner selection. The company builds its future growth and competitiveness around sustainable, ethical and environmentally friendly products and services. Wulff aims to be the most active player in its field. The company wants to develop and change its own and its customers' operations and the entire industry, and to influence the operating environment and values. Those who can take advantage of development and are leading the change will succeed in the industry.

BETTER CHOICES MATTER

Wulff estimates that the COVID-19 pandemic will affect the financial situation of companies for years to come – and the goals of companies for a long time and permanently: the COVID-19 pandemic has prompted us to see how our actions affects nature. During the COVID-19 pandemic, the performance and carrying capacity of the environment have recovered in a short time in some places, as pollution or emissions have been cut radically. Our actions, the better choices made by companies and individuals, matter. They are significant. Significance builds competitiveness. Companies want to select partners who share the same set of values. Products and services have to do more than solve everyday problems. For example, the carbon footprint or handprint of a product or service, or the ethicalness of its production methods, are crucial decision-making criteria. At Wulff, future success is built through the continuous development of our customer experience and our own operations.

Sustainability guides the future of Wulff and the entire world. We inspire our customers to make their work environments sustainable and to choose products and services that make work and the world better.

STRATEGY AND BUSINESS

STRATEGY AND VALUE UPDATE

Values
Wulff has strong and functional values that have remained the same for a long time – good values last. Values need to be updated when it is found that an issue or theme is constantly coming up to guide the activities. During 2021, Wulff updated its values: customer orientation was updated to a broader and more inclusive customer experience, and our three values grew by one, as sustainability became our fourth value. The updated values – customer experience, entrepreneurship, sustainability and effectiveness – were discussed with the personnel in Finland at the beginning of 2022 on the personnel's strategy and sales day and were further integrated into the daily operations of the Group and its subsidiaries abroad.

A better world one workplace at a time
The idea of making the world better one workplace at a time stayed at the heart of our strategy. This is Wulff's inspiring answer to the question "Why do we exist?". The strategy was updated to be even more sustainable to meet the wishes of customers, partners and staff. Wulff's Sustainability force field, created with Wulff and sustainability service company Third Rock and climate and environmental expert Leo Stranius for 2019–2020, became Wulff Sustainability, which broadly guides Wulff operations. Wulff wants to make a difference with its own actions, products and services, particularly when it comes to positive climate actions and fostering equality in the world. In addition to these two themes, a new goal was found: bringing more decent work and financial growth into the world. You can read more about Wulff's Sustainability on page 25.

Important in our operations
Focus areas help Wulff employees focus on what is relevant in their work. 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, Wulff believes that personal service will continue to be a competitive advantage in the future, alongside modern electronic service channels. Providing the best customer experience in the industry requires input from all Wulff employees as well as ideas and

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.

feedback from customers and partners. The customer experience is measured, monitored and developed. Immediate feedback is sought and received when customers are met, and a customer satisfaction survey is conducted annually for all of the Group's customers. In Finland, Wulff is also developing its operations based on the results of the study of sales of workplace products and services conducted by the Taloustutkimus research company (Working Life Decision makers, TEP) conducted by the Taloustutkimus research company.

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.

In 2021, the strategic focus areas were complemented by leadership. For Wulff, leadership means a culture of service leadership, personal leadership, self-leadership, and listening leadership in to partners and customers' thinking. Leadership emphasises humanity and leadership in thinking, especially insight toward sustainable solutions.

PROJECTS AND CONCEPTS

The best projects can grow into strong values that are incorporated in the operations of the company and the daily life of its employees. Sustainability is the most important value guiding Wulff's operations and the most significant driver of competitiveness. Wulff has made a strong commitment to sustainability, first with the Wulff Better Products project, which began in 2017 and aimed to increase the number of products and services that are sustainable and environmentally friendly. In 2019-2020, the Better Products project grew into a Sustainability force field for 2019-2020. The force field expanded last year into Wulff Sustainability. 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.

In addition, the Wulff Lab project has become a permanent operating model for the company, which encourages a culture of experimentation and the 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 Acad-

STRATEGIC FOCUS AREAS

Interesting and attractive sales work community and easy purchases for customers: Wulff aims to be the most recommended and responsible partner and employer in its field. It succeeds by investing in strategic focus areas.

emy 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 the company's digital capabilities and pioneer status. The best customer experience in the industry is created with all the mentioned aspects, committed people and a strong feeling of significance, a shared objective to make the world a better place.

A PERFECT WORKING DAY IS SUSTAINABLE

Value-based decision making is increasing in the procurement of individual products, as well as in selecting a partner. Companies and communities are not only expected to have opinions and issue 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?

Ensuring the performance of companies with relevant products has become more important in all of our operating countries and sales channels over the past couple of years. At workplaces, hygiene and protective products in particular have been needed: products that have been used to make working days safe. At Wulff, we believe that these products will remain an important part of our selection in the future as well. Once we are done with the COVID-19 pandemic, we want these products to communicate the company's values and brand as well – as product selections nowadays inevitably do. Products are expected not only to be fit for their purpose but also have other values or properties. For example, the user wants a hand sanitiser to ensure health and safety and also have moisturising properties.

What kind of products are purchased from Wulff, and what are workplace products? In addition to hygiene and protective products, the most sold workplace products last year were coffee, toner cartridges and printing 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.

Wulff's product selection is extensive. You can easily order more than 25,000 different products, and we have more than 15,000 ready products available in our warehouse. Our selection features hygiene, protection and safety products, air cleansing, cafeteria and break room supplies, property maintenance and cleaning supplies, office and IT supplies, ergonomics, first aid, and innovative products for construction sites. In air purification and the construction product range, for example, the company invests in quality products sold exclusively. For example, Aeramax air purification is used in top European hospitals as well as in the Finnish Ski Association's buses. Xyron Pro lamination and PrimaCover protective products are the favourites among those working in construction thanks to their top quality and good usability.

Wulff's product range also includes services: In Finland, Canon Business Center Vantaa, which is part of Wulff Group, is among the strongest sellers of data and document management and printing solutions in the Helsinki metropolitan area.

PROVEN TO BE A LEADING COMPANY IN ITS FIELD

The Working Life Decision Makers TEP 2021 survey was again conducted in Finland by the Taloustutkimus research company in the field of workplace products and services (Office Supplies in the survey). All the companies surveyed enjoyed excellent scores. Our industry has received praise from Taloustutkimus: it is less common to get excellent averages, close results and a positive score trend worth admiring.

The survey once again rated our customer service the best in the field (shared number one). We also took the top positions in customer awareness, overall score, price-quality ratio, reliability and delivery speed.

Canon Business Group Vantaa, which belongs to the Wulff Group, is part of Canon's sales and service network that covers the whole of Finland.

The network has offices in 35 locations across Finland. Canon's unified way to operate ensures consistency and high-quality of service. Together with Canon's product and service concept and Wulff's sales organisation, Canon Business Center Vantaa believes that it will win new customers and continue to succeed. Canon Oy selected Canon Business Center Vantaa (Mavecom Palvelut Oy) as the Canon Business Center reselling company for 2020-2021. The recognition was granted for the third time.

In the Helsinki Metropolitan Area, Wulff also provides its customers with high-quality, Finnish and sustainable catering services under the Wulff Catering brand.

LEAP IN GROWTH AND THE LARGEST ACQUISITIONS

The year 2021 continued to be exceptional worldwide. The coronavirus and the resulting restrictions and recommendations affected the operations of companies and individuals. Wulff continued to respond well and adapt. In line with its strategy, the company strengthened its position and also grew through acquisitions.

In May 2021, Wulff acquired its domestic competitor, Staples Finland Oy, and its Finnish parent company, EMO Finland Oy. With this transaction, Wulff became the clear market leader in its field in Finland and almost doubled its annual turnover.

The merger of two originally Finnish working life expert companies made Wulff an even more powerful player in the market and significantly increased the number of customers. The Group's customers will benefit from the even wider product range and strengthened expertise brought about by the merger. Staples (formerly Oy Lindell Ab) was founded in 1890 in Helsinki and has been known in recent years as a strong contract supplier of workplace products and work environment solutions for large companies and the public sector. Staples's net sales in 2020 were EUR 55.8 million. As a result of the acquisition, Wulff's net sales in 2021 almost doubled from EUR 57.5 million to approximately EUR 90.4 million.

The entire share capital of Staples Finland was owned by EMO Finland, and Wulff purchased EMO Finland Oy and Staples Finland Oy for EUR 6.0 million. Due to the negotiated purchase price (the net assets of the target company at the time of acquisition on 3 May 2021 were approximately EUR 10.5 million), the goodwill in the transaction remained negative by EUR 4.5 million and has been recognized as other operating income; the entry is reported as a non-recurring item affecting comparability.

PROFITABLE GROWTH

It is important for Wulff to grow profitably, and therefore two organisations (Wulff Oy Ab and Staples Finland) serving the same target group were reorganised as soon as possible after the acquisition. Staples Finland also changed its name to Wulff Solutions Oy, and Wulff's Finnish contract sales units will later be legally merged into the same company. In line with the strategy, the common brand

the concepts

name Wulff is already widely used and the operations will be merged as quickly as possible. As a result of the reorganisation of operations, the termination of employments and the reorganisation of the cost structure and cost savings of the acquired company, Wulff estimates that it will achieve annual savings of almost EUR 2 million in 2022 and a total of approximately EUR 3 million by 2023.

NEW SERVICE BUSINESS

Wulff is looking for growth from especially in new service and product areas, as well as through acquisitions. Last year, financial management services were found to complement the service offering very well, and the company has been investing in that industry by growing organically and through minor acquisitions. In January 2022, the company announced the acquisition of Carpentum, an Espoo-based financial management service, and increased the annual net sales of its new service area to approximately EUR 2.2 million and the number of personnel of the operation to more than 20 top professionals. Founded in 1997, Carpentum has an annual turnover of approximately EUR 1.2 million and an adjusted operating profit of approximately EUR 0.2 million. The purchase price was EUR 0.9 million. Wulff is actively looking for new services that complement its operations, and is willing to invest in new product groups and services through acquisitions and mergers in line with its strategy also in the future.

IMPORTANT INVESTMENT

In 2022, the new Wulff House in Kilo, Espoo, will serve all of Wulff's personnel in Finland. In 2019, modern and comfortable business premises were renovated for use by the Group. The company also got its own solar power station on the roof of Wulff House in Espoo. At the end of 2021, a new renovation of Wulff House began, when the previously rented space was transferred to Wulff's use, and the Group will have 850 square meters of new premises by the summer of 2022. Wulff Entre, which operated in Niittykumpu, Espoo, moved to Wulff House in Kilo, Espoo, in late 2021. Staples Finland, which was acquired by the Group in the spring, has operated in Pitäjänmäki, Helsinki, and the staff will also move from these premises to Espoo during 2022. The new facilities will stimulate energetic encounters and collaboration and support the multi-local onsite work of the future.

MULTICHANNEL WULFF

In addition to Finland, Wulff operates in Sweden, Norway and Denmark. The service models of this multichannel group complement one another splendidly. They both 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.

A significant portion of Wulff's net sales comes from contract sales of workplace products and services. Wulff is clearly the industry's strongest in Finland and among the most significant workplace product and services contract operators in Scandinavia, and a significant number of the largest Nordic companies trust its expertise.

The Contract Customer concept makes it easier for customers to make regular purchases. One of the most popular time and cost-saving supply solutions in Finland is Wulff's MiniBar, and in Scandinavia, the Cabinet Service, which can be found in hundreds of large organisations and corporations. MiniBar and Cabinet Service work like their hotel namesakes. The shelves of the automated refilling services offer ready-to-use office and IT supplies, catering and facility management products. The COVID-19 pandemic has affected the contents of MiniBar: the demand for IT, cafeteria and property maintenance products and office supplies has decreased as remote work has become more common. However, significant numbers of hygiene and cleaning products are needed and purchased for workplaces. The new normal means investing in cleanliness and safety in the future as well. A progressive employer is also a caring employer that also delivers the tools and products for good ergonomics and wellbeing at work for home offices.

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Wulff continued great response and adaptation in 2021 continued exceptional circumstances.

LOCALLY AND PERSONALLY

Expertise Sales offers local and personal service to companies of all sizes. In exceptional circumstances, Wulff's Expertise Sales has proven to be competitive in terms of flexibility, responsiveness and an excellent knowledge of customers and their business. The key to achieving good results has been the rapid development of the product range, active sales work and presence in the everyday lives of customers, taking into account the circumstances.

FOR SMALL BUSINESSES AND CONSUMERS

Customers are also served in person at Wulff shops. In Finland, Wulffinkul-


WULFF

ma stores can be found in Konala and Sörnäinen, Helsinki, and in Jyväskylä, Lahti and Turku.

The online network has increased its significance as a customer service channel, but it also complements personal sales. Contract Customers are served more widely on the internet with customised solutions, and the use of our online service is constantly growing. Especially micro, small, and medium-sized companies are served online by the Wulffinkulma.fi online store, which find new customers continuously. Opportunities brought about by digitalisation play an important role in our development of the Wulff of tomorrow.

Challenges in the trade fair and event industry continued: 2021 was a particularly challenging year for Wulff Entre, which sells the company's international exhibition services, and Wulff Catering, a provider of restaurant services. The cancellation or postponement of international and domestic exhibitions and events continued due to the COVID 19 situation. Wulff Entre, which normally holds exhibitions in more than 30 countries every year, invested in own efficiency and the renewal of its industry, and continued to develop and sell new, sustainable products. The Exhibition On Demand concept takes remote encounter to a whole new level. The Meeting Design method ensures that the meetings are personal, informative, experiential and of high quality. Another product developed by Wulff Entre is My Remote Studio. It brings together audio-visual experiences available to all companies and entrepreneurs in an affordable package that is easy to use. Organising a remote meeting, webinar, workshop, presentation or training event is easy with My Remote Studio as a self-service from your own studio.

AN EFFECTIVE DISTRIBUTION CHANNEL OF HIGH-QUALITY SERVICES AND PRODUCTS

Wulff is a significant partner for the companies with which it collaborates. The Group companies are a desired distribution channel for suppliers' new products. For example, a nationwide sales channel makes launching new products to customers in a tight timeframe possible while serving each customer personally. 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.

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NETWORKING IS A PART OF BUSINESS

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.

WHAT DOES THE FUTURE LOOK LIKE?

Wulff estimates that net sales and comparable operating profit in 2022 will grow from the 2021 level. Wulff'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 company updated its medium-term financial targets with a view to doubling net sales to EUR 200 million in 2026. The aim is to reach an annual net sales growth of 15-20%.

Sustainability guides Wulff's work widely as a value, a concept and as projects.

THE SUSTAINABLE WULFF

The importance of sustainability at Wulff, as in the operations of all companies and communities, has grown significantly in recent years. In 2021, sustainability became the fourth value at Wulff, and Wulff Sustainability sprouted from the Sustainability force field. As a value, concept and sustainability project, sustainability broadly guides Wulff's operations.

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 finds 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.

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, CO2 emissions burdening the environment are monitored in Contract Customer sales, as well as company- and customer-specifically. The environmental calculator counts the operations' carbon footprint and indicates how much offset CO2 emissions are created. Customer-specific CO2 emissions reports have been part of Wulff's Contract Customer sales' standard reporting for a long time. Customers are also actively steered towards low-emission operations by optimising the number of deliveries.

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. Decreasing and calculating CO2 emissions is realised using Posti's environmental programme, and the remaining emissions are compensated

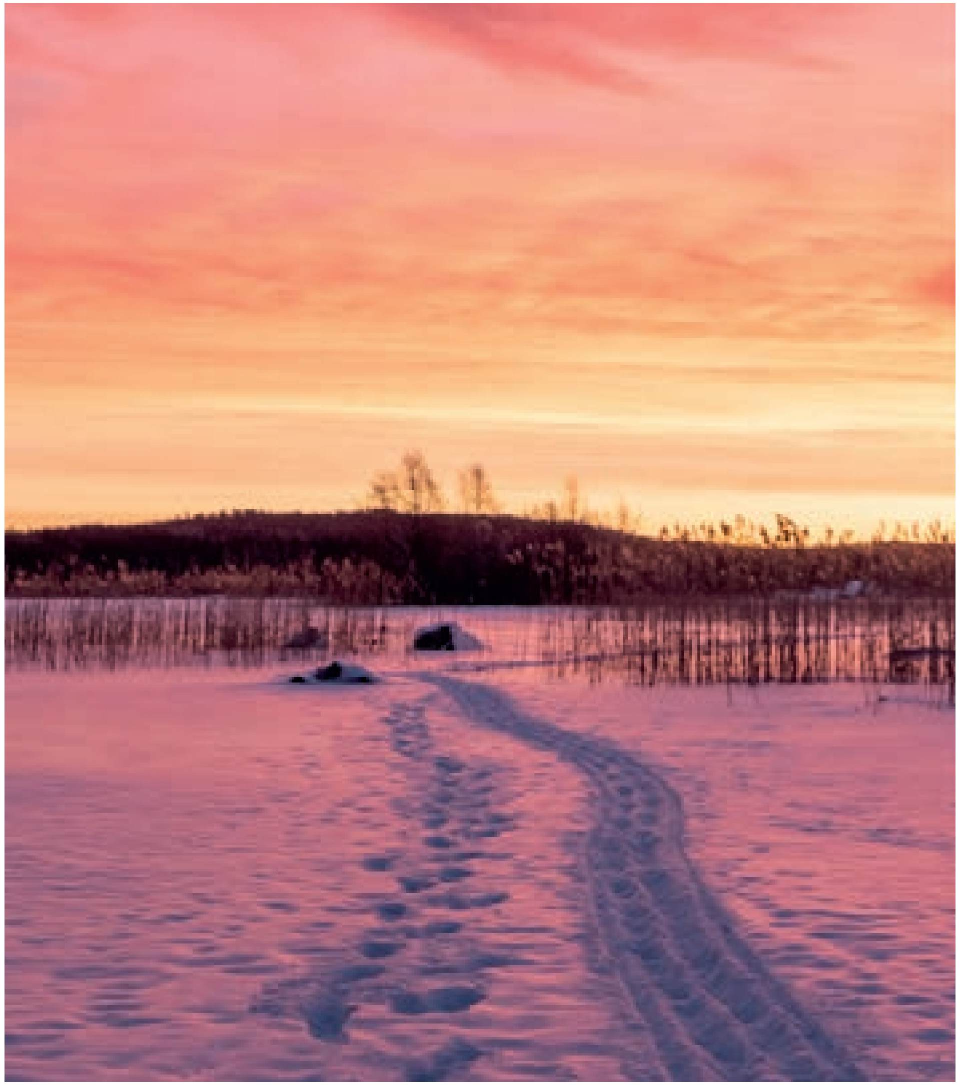
When partnering with workplace products procurement by Wulff, it is easy to choose sustainability.

by funding certified climate projects in countries with no emission ceilings.

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.

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. 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 environment, we also create the preconditions for people and our company to succeed in the future.



For the Wulff people, responsibility means positive climate action and equality in particular adding to the world.

Driving constitutes part of the Wulff carbon footprint. The job of many Wulff employees is meeting customers in different corners of the country, sometimes far away. At Wulff House in Kilo, Espoo, we have two electric car charging stations that are available for our personnel and customers to use. The car policy of Wulff Group includes renewing our fleet to include vehicles that burden the environment as little as possible. 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, for example, enjoying the greenness of nature. And a little exercise break works wonders for the mind and body!

The increase in remote meetings has cut the kilometres driven, and the exceptional circumstances due to the COVID-19 pandemic have accelerated the transformation, where in-person meetings can also be an experiential online encounter. Teams, Zoom and Google Meet meetings will also be part of Wulff employees' ecological daily life in the future.

CARBON-NEUTRAL PRODUCTS WILL REPRESENT A SIGNIFICANT SHARE BY 2030

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 have updated our own ethical guidelines, which we will review with our annual contract partners by the end of 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.

SUSTAINABLE SUPPLY CHAIN AND CARBON-NEUTRAL OFFICES

The Wulff supply chain has long been the most environmentally friendly in the industry, and it is well on its way to becoming progressive in its sustainability. The products' entire logistical order and supply chain, from the supplier to the customer, is transformed to become as low-emission as possible, and any possibly remaining

Wulff's goal is a 100% carbon-neutral order-supply chain in 2022. The supply chain includes import transportation from the supplier to Wulff's warehouses, energy used in storage, transportation of orders to customers and recycling / return.

emissions are fully compensated The supply chain includes import delivery from the supplier to a Wulff warehouse, the energy used in storage, order deliveries to customers, and recycling and/or returning.

In its own operations, Wulff is actively decreasing the emissions, consumption and waste created in its operations. In 2022, company's own office will become carbon-neutral. Wulff House in Kilo, Espoo, already produces its own energy with the solar power station built on the roof of the building in summer, and similar projects have been initiated in other countries of operations. The capacity of the power station is 107 kWp, and the total production is 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. By investing in its own solar power station producing 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 are planting trees in North Savo and other regions.

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.

SOCIAL RESPONSIBILITY, HAPPY WULFF EMPLOYEES, AND A MORE EQUAL WORLD

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 for each of us 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

Sales is an equal profession in which everyone can affect their own success and career advancement.

> *”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.*

at work of Wulff employees with an annual employee survey. Wulff employees actively respond to the survey. The job satisfaction in Group has remained at a very good level and some of its aspects have also developed positively.

In 2021, leadership at Wulff became one of the strategic focus areas. Leadership at Wulff means a culture of service leadership in particular, and the leadership of one's own thoughts and actions, self-leadership. The pandemic times have highlighted the need to be present, to care, and to lead and encounter people as individuals. At Wulff, this theme is focused through coaching and training and actively discussing the topic.

DIVERSE AND VERSATILE WULFF 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 11 days. Sales is experienced as an equal profession where you can influence your work greatly, and opportunities of advancing in your career are great. Wulff has received a lot of praise from students, educational institutions, interns and TE 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 know-how 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 by an annual survey.

SOCIALLY ACTIVE

Wulff is an active social operator. Every year, Wulff supports charity projects it finds important that have a positive effect on the climate, increase equality or are otherwise in line with Wulff's values and strategy by increasing the appreciation of sales work or encouraging healthy lifestyle, for example. Wulff encourages its own employees to give their time to do good: every Wulff employee can use four hours per year of their working hours on voluntary work they deem important or a project promoting positive climate action, equality, decent work or economic growth, for example.

A HEALTHY FINANCIAL POSITION ENSURES SUSTAINABLE OPERATIONAL DEVELOPMENT

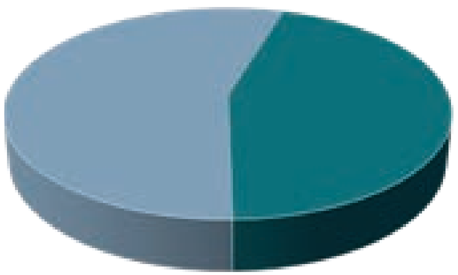
The Group's financial success enables the operational development in line with sustainable and responsible development. Wulff's objective in all its operating countries is to create value for its stakeholders: customers, suppliers and employees. For its shareholders, Wulff produces value in the form 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 08/04/2022 that a dividend of EUR 0.13 per share be paid for the financial year 2021.

A CAREER WITH WULFF –
A CAREER WITH A SALES TEAM

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 in many ways an equal employer: it employs people of all ages, and with various educational and work experience 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 wants to hire new specialist sales personnel in all its operating countries.

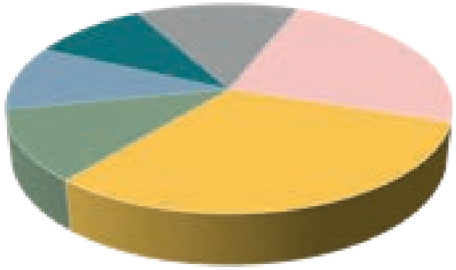
Wulff is largely a sales company, and selling is an equal job that is suitable for many different people, regardless of age or gender. In January–December 2021, the Group's personnel totalled an average of 248 (189) employees. Wulff's personnel increased by 114 due to the acquisition of Wulff Solutions. At the end of December 2021, the Group had 278 (176) employees, of whom 67 (60) persons were employed in Sweden, Norway or Denmark. The Group's personnel consists of 45% (57) of employees in sales operations, and 55% (43) in sales support, logistics and administration. 51 % (48) of the personnel are women and 49 % (52) are men.

Sales/administration and logistics



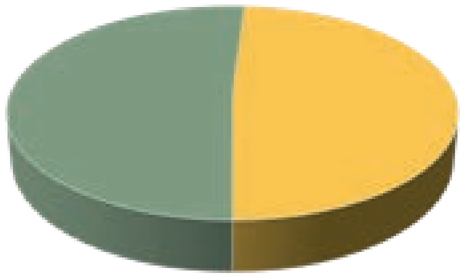
- Sales support 55%
- Sales 45%

Age



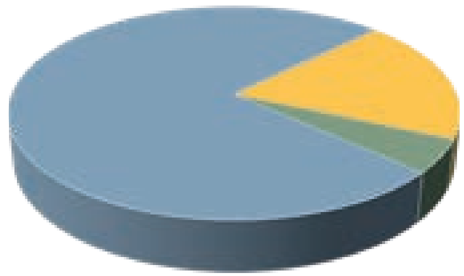
- Under 30 year old 10%
- 30-35 year old 10%
- 36-40 year old 14%
- 41-50 year old 24%
- 51-60 year old 31%
- Over 60 year old 11%

Gender



- Women 51%
- Men 49%

Personnel by countries



- Finland 76%
- Sweden 19%
- Norway 5%

BOARD AND MANAGEMENT | Board

JUSSI VIENOLA

b. 1995

Board Member

Responsibilities: Finance

Substantial education, experience and positions of trust:

- Aalto University, Master of Science in Business Administration, Finance, since 2019
- Aalto University, Bachelor of Science in Business Administration, Finance, 2016-2019
- Suomen Vaihtoauto Oy, CEO, since 2020
- PwC, Trainee since 10/2019 – 2/2020
- JOOL Group, Trainee 8/2019–9/2019
- Wulff Group Plc, Board Member since 4/2018
- PYN Fund Management, Trainee 6/2017–9/2017
- Wulff ownership as of December 31, 2021: 30,070 Wulff shares representing 0.4% of the company's shares and votes.

KRISTINA VIENOLA

b. 1996

Board Member

Responsibilities: Communications and Marketing

Substantial education, experience and positions of trust:

- Turku School of Economics at the University of Turku, Marketing, 2021
- Leadfeeder, Business Development Specialist since 1/2021
- Azets Oy, Customer Success Trainee since 11/2019
- Wulff Group Plc, Board Member since 4/2018
- Wulff ownership as of December 31, 2021: 28,262 Wulff shares representing 0.4% of the company's shares and votes.

KARI JUUTILAINEN

b. 1966

Chairman of the Board

Responsibilities: Sales Development and management coaching

Substantial education, experience and positions of trust:

- Qualification in Business and Administration
- FinHunt Oy, only Board Member since 2/2022
- InHunt Boards Oy, only Board Member since 4/2020
- Wulff Group Plc, Chairman of the Board since 4/2019
- Wulff Group Plc, Board Member since 4/2018
- InHunt World Oy, Board Member since 8/2017
- InHunt Group Oy, CEO and Board Member since 12/2014
- InHunt Group Oy, Partner/Headhunter since 2012
- GT Design Oy, CEO, Chairman of the Board, 10/2004–2011
- Securitas Direct Oy, Sales Director 4/2004–10/2004
- Leo Longlife Group Ltd, Sales Director 1991–2004
- Wulff ownership as of December 31, 2021: 12,699 Wulff shares representing 0.2% of the company's shares and votes.

LAURI SIPPONEN

b. 1969

Board Member

Responsibilities: Business Development

Substantial education, experience and positions of trust:

- University of Jyväskylä, M.Sc. (Econ), Accounting and marketing 1998
- Vaasa Business College, Merchant in foreign trade 1993
- Wirtschaftsakademie Schleswig-Holstein, Industrie- und Außenhandelsassistent, Groß- und Außenhandelskaufmann, Kiel 1993
- VR Group, CEO since 8/2021
- Wulff Group Plc, Board Member since 4/2020
- CAP-Group Oy, Chairman of the Board since 2020
- Repolar Pharmaseuticals Oy, Board Member since 2006
- Deutsch-Finnische Handelskammer DFHK, Board Member since 2021
- Service Sector Employers Palta, Board Member since 2022
- Lidl Suomi Ky, CEO, 2010–2019, Administration Director 2008–2010, Regional Director 2003–2008, Auditing Manager 2002–2003, Business Controlling Manager 2001–2002
- Kaupan Liitto, Finnish Commerce Federation, Board Member 2015–2019
- PTY Finnish Grocery Trade Association, Board Vice Chairman 2011–2019
- Yritys-Sampo Insurance (IF), Business Controller, Marketing Manager 1998–2001
- Wulff ownership as of December 31, 2021: 20,000 Wulff shares respresenting 0.3% of the company's shares and votes.

ELINA PIENIMÄKI

b. 1979
Wulff Group Plc CEO, Chairman of the Executive Board
Responsibilities: Wulff Group Plc's CEO

Substantial education and experience and other significant positions:

- Master of Science in Economics
- Wulff Group Plc CEO since 9/2019
- Kreate Group Oyj, Board Member since 1/2020
- Aallon Group Ltd CEO 2018–2019
- 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
- Wulff ownership as of December 31, 2021: 30,000 Wulff shares representing 0.4% of the company's shares and votes.

ATTE AILIO

b. 1977
Wulff Group Plc Chief Financial Officer (CFO), Executive Board Member since 1.2.2022
Responsibilities: Finance, Investor Communications, Secretary of the Board of Directors

Substantial education and experience and other significant positions:

- Master of Science in Economics
- Wulff Group Plc, CFO, Secretary of the Board of Directors, Executive Board Member since 2/2022
- Stark Suomi Oy, CFO 2/2017–8/2021
- Empower AB, CFO 2/2016–1/2017
- Metsä Group
  - Metsä Wood, CFO 1/2011–2/2016
  - Metsä Group Treasury Oy, Head of Market Operations 12/2006–1/2011
- Wulff ownership as of 31.1.2022: 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 education and experience and other significant positions:

- Wulff Group Plc, Executive Board Member since 2011
- Wulff Supplies AB, Managing Director since 2009
- Strålfors, various positions 1998–2009, Member of Management Group, and Scandinavian Director in Supplies business area 2006–2009
- Strålfors Norway, Managing Director 2002–2006
- 3M, Sales and Marketing Manager 1986–1998
- Wulff ownership as of December 31, 2021: 0 shares.

VEIJO ÅGERFALK

b. 1959
Wulff Beltton Managing Director, Executive Board Member
Responsibilities: Expertise Sales Scandinavia and its development

Substantial education and experience and other significant positions:

- Wulff Group Plc, Executive Board Member since 2004
- Wulff Group Plc, Head of Expertise Sales Scandinavia since 2012
- Beltton Svenska AB, Managing Director since 1997
- Beltton Svenska, Country Manager 1993–1998
- Liftpoolen AB, Managing Director and Partner 1990–1993
- Wulff ownership as of December 31, 2021: 69,018 Wulff shares representing 1.0% 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 education and experience and other significant positions:

- Specialist Qualification in Marketing Communications
- NLP Trainer, NLP Coach, CxO Certified Business Mentor
- Stepfamily Association of Finland, Board Member since 2021
- Era Nova Bookshop Oy, Chairman of the Board since 2/2018
- Wulff Group Plc, Executive Board Member since 2009
- Wulff Group Plc, Communications and Marketing Director since 2009
- Finnish NLP Association, Board Member 2007-2018, Chairman of the Board since 2018-2021, Board Member since 2021
- 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
- Wulff ownership as of December 31, 2021: 1,600 Wulff shares representing 0.0% of the company's shares and votes.

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 2021, Wulff Group Plc's Annual General Meeting was held on April 8. The Annual General Meeting adopted the financial statements for the financial year 2020 and discharged the Members of the Board of Directors and CEO from liability. The AGM decided to pay a dividend of EUR 0.12 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 2020. 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 2022, Wulff Group Plc's Annual General Meeting will be held on April 8.

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 8, 2021 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 2021, 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 0.2%, and Members of the Board Jussi Vienola and Kristina Vienola owned 0.4% each and Lauri Sipponen owned 0.3% of the outstanding shares on 31.12.2021. Considering the portion of the shareholding the dependence of the company is considered insignificant. A Member of the Board of Directors until April 8, 2020, Ari Pikkarainen, was a major shareholder owning 17.0% of the shares at the time. The Members of the Board were not employed by the company in 2021 or 2020. According to the Board's assessment, the Members of the Board were independent of the company and significant shareholders in 2021 and 2020, with the exception of Ari Pikkarainen, who was not independent of the company's significant shareholders.

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 17 times (18) in 2021. The average meeting attendance of the Board Members was 96 percent (97). The Chairman of the Board Kari Juutilainen an Board Member Jussi Vienola attended all meetings. Board Member Kristina Vienola attended 16 meetings and Board Member Lauri Sipponen attended 15. At its organising meeting the Board approved the charter and action plan for 2021 and evaluated the independence of its members. According to the meeting plan for 2022, 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 2021.

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 Pienimäki 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 8, 2021, 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, 2022. According to the authorization the company can acquire treasury shares to support the implementation of an incentive scheme or to be otherwise disposed of. During the second quarter of 2020, between May 25 and June 11, Wulff Group Plc repurchased 65,260 shares at the market price quoted through public trading on NASDAQ OMX Helsinki, 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. In January-December 2021 no own shares were reacquired.

CEO

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. The Group did not have any option schemes or share-based remuneration plans in force as a part of the CEO's bonus and incentive schemes in 2020.

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 Pienimäki as the Wulff Group Plc CEO on September 17, 2019 and she started in her position on September 30, 2019. In 2021, the remuneration of CEO Elina Pienimäki consisted of monetary wages and fringe benefits of the amount of EUR 168 thousand (145) and share-based incentives of EUR 23 thousand. 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 remuneration plans currently in force as a part of Group Executive Board Members' remuneration plan. The company does not apply long-term remuneration and no specific performance and vesting periods are applied in the remuneration.

Of the Executive Board Members, Tarja Törmänen's communication and marketing director service is obtained as an outsourced service and during 2021, the service costs amounted to EUR 81 thousand (69). The outsourced service is included in other operating expenses and has been presented also in the Note for Related Party transactions.

During 2021 and 2020 the Group Executive Board consisted of Trond Fikseaunet, Elina Hanén, Tarja Törmänen, Veijo Ågerfalk, Tomi Hilvo between August 3, 2020 and July 26, 2021, and Ninni Arion until August 3, 2020, and CEO Elina Pienimäki.

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 monthly 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 Direc-

SUMMARY OF BOARD MEMBERS' BENEFITS TOTAL

EUR 1000	2021	2020
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	11
Ari Pikkarainen, Chairman of the Board 9/2017-4/2019 and member -4/2020	-	5
Board members' benefits total	**60**	**61**

SUMMARY OF GROUP EXECUTIVE BOARD'S EMPLOYMENT BENEFITS

EUR 1000	2021	2020
Salaries and other short term	659	731
Fringe Benefits	22	36
Bonuses	60	56
Other long term remuneration, additional pension benefits	35	36
Share-based incentives	23	-
Group executvie board's employee benefits total	**799**	**859**

tors, which 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 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 107 (85) thousand in 2021, of which EUR 46 thousand (29) 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 2021, 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

THE SALES COMPANY GREW PROFITABLY

WULFF GROUP PLC: FINANCIAL YEAR KEY FIGURES 1.1. –31.12.2021

- Net sales totalled EUR 90.4 million (57.5), increased by 57.1% (2.1)
- EBITDA was EUR 9.1 million (5.2), 10.1% of net sales (9.0) and comparable EBITDA was EUR 6.1 million (5.2), 6.7% of net sales (9.0)
- Operating profit (EBIT) was EUR 6.9 million (3.5) and comparable operating profit (EBIT) was EUR 3.9 million (3.5). Comparable operating profit (EBIT) grew 9.7% (109.9)
- Earnings per share (EPS) were EUR 0.87 (0.32) and comparable earnings per share were EUR 0.42 (0.32)
- Equity-to-assets ratio was 38.1 % (41.9)
- The Board proposes to the Annual General Meeting to be held on April 8, 2022 that a dividend of EUR 0.13 per share to be paid
- Wulff estimates that net sales in 2022 will increase clearly and comparable operating profit will increase compared to 2021

WULFF GROUP BOARD OF DIRECTORS:

2021 was a year of action, doing, and profitable growth for Wulff. The most significant event of the year was the acquisition of Staples Finland Oy. The acquisition made Wulff the clear market leader in its field in Finland. The company's product and service range expanded, purchasing power increased and professional expertise in strategically important areas strengthened. For example, the growth of the care sector's expertise and product range has led to important competitive gains and new customers. During the year, Wulff's net sales and profitability developed positively. The increase in sales was mainly due to the growth brought by the acquisition and new customers. The development of profitability is influenced by Wulff's own actions and choices: in 2021, priority was given to reorganizing any overlapping operations in Finland as soon as possible after the acquisition. Wulff's success in exceptional circumstances is also affected by the company's strong sales-dna. The people at Wulff have the will to be active and determination. The company focuses on matters that can be influenced by it's own actions and takes care of its operational strength. As the Board of Directors, we thank all Wulff employees, Wulff customers and partners. With you and thanks to you, 2021 was a great year for Wulff!

GROUP'S NET SALES AND RESULT PERFORMANCE

In January–December 2021, net sales totalled EUR 90.4 million (57.5), and EUR 27.6 million (15.3) million in the last quarter. Net sales increased by 57.1% (2.1) during the whole financial year, and 80.5% (1.5) in the last quarter. The growth in net sales resulted particularly from the acquisition of Wulff Solutions (Staples Finland Oy and EMO Finland Oy) on May 3, 2021 in the Contract Customers segment. The Expertise Sales Segment's net sales of hygiene and protective products decreased from the previous financial year, when the demand for products related to the Covid-19 pandemic peaked.

A price of EUR 6.0 million was paid for the acquisition of Wulff Solutions. Due to the negotiated acquisition price (less than the net assets of the company at the acquisition date of May 3, 2021, approximately EUR 10.5 million) the goodwill gain of EUR 4.5 million resulting from the completed acquisition has been recognised in other operating income. The negative goodwill reversal has been treated as a non-recurring item affecting comparability.

In January–December 2021, the gross margin amounted to EUR 28.7 million (20.7), 31.7% (36.1) of net sales, and EUR 8.9 million (5.3) in the last quarter, 32.1% (34.9) of net sales. The gross margin increased by EUR 8.2 million in the entire reporting period and EUR 2.9 million in October–December because of the acquisition of Wulff Solutions on May 3, 2021. The gross margin growth was affected by the increased net sales' emphasized in the Contract Customers segment where the average gross margin is lower than that of the Expertise Sales segment. The decrease in the overall relative gross margin from the comparison period was also affected by the stabilisation of hygiene product prices to a lower level from the pandemic year 2020.

In January–December 2021, employee benefit expenses amounted to EUR 16.4 million (11.6), 18.1% (20.1) of net sales, and EUR 5.1 million (2.8), 18.6% (18.3) of net sales in the last quarter. Wulff's personnel increased by 114 employees as a result of the acquisition. Personnel costs relative to net sales decreased. In 2021, non-recurring personnel expenses arising from the completion of the acquisition and termination of employment amounted to approximately EUR 0.9 million.

Other operating expenses amounted to EUR 8.3 million (4.6) in January–December 2021, 9.2% (8.0) of net sales, and EUR 2.5 million (1.4), 8.9% (9.3) of net sales in the last quarter. The non-recurring costs related to the completion of the acquisition during the financial year were approximately EUR 0.5 million.

In January–December 2021, EBITDA amounted to EUR 9.1 million (5.2), or 10.1% (9.0) of net sales, and EUR 1.4 million (1.5) in the last quarter, or 5.0% (10.0) of net sales. Goodwill recognition of EUR 4.5 million due to the favourable acquisition during the second quarter and EUR 1.4 million of costs arising from the implementation of the acquisition have been deducted from the comparable results. The reporting period 2020 did not include items affecting comparability. In January–December 2021, comparable EBITDA amounted to EUR 6.1 million (5.2), or 6.7 % (9.0) of net sales, and in October–December, it amounted to EUR 2.1 million (1.5), or 7.6% (10.0) of net sales.

In January–December 2021, operating profit (EBIT) amounted to EUR 6.9 million (3.5), or 7.7 % (6.2) of net sales, and EUR 0.8 million (1.2), or 2.8% (7.5) of net sales in the last quarter. The comparable operating profit (EBIT) for the entire reporting period amounted to EUR 3.9 million (3.5), or 4.3% (6.2) of net sales, and EUR 1.5 million (1.2), or 5.3% (7.5) of net sales in the last quarter. In January–December, the comparable operating profit (EBIT) increased by 9.7% (109.9).

In January–December 2021, the financial income and expenses totalled (net) EUR -0.4 million (-0.4), including interest expenses of EUR -0.3 million (-0.2), and mainly currency-related other financial items (net) totalled EUR -0.2 million (-0.2). In the fourth quarter, the financial income and expenses (net) totalled EUR -0.1 million (0.1).

In January–December 2021, the result before taxes was EUR 6.6 million (3.1), and EUR 0.7 million (1.2) in the last quarter. The financial year's comparable result before taxes was EUR 3.5 million (3.1), while the comparable result before taxes was EUR 1.4 million (1.2) in the last quarter.

Net profit in the reporting period was EUR 6.1 million (2.5) in January–December 2021, and EUR 0.6 million (1.0) in the last quarter. In January–December 2021, the comparable profit was EUR 3.1 million (2.5), and EUR 1.3 million (1.0) in the last quarter.

Earnings per share (EPS) were EUR 0.87 (0.32) in January–December 2021, and EUR 0.09 (0.14) in the last quarter. Comparable earnings per share (EPS) for the entire reporting period were EUR 0.42 (0.32), and EUR 0.19 (0.14) 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 as well as international exhibition services and remote stuodia services in Finland and Scandinavia. For the company it is important to better 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 2021, the Contract Customers segment's net sales totalled EUR 78.3 million (42.5), and EUR 25.6 million (12.4) in the last quarter. In January–December 2021, the operating profit (EBIT) was EUR 2.5 million (1.5), and EUR 0.9 million (0.9) in the last quarter. The net sales the Contract Customers segment increased by EUR 33,1 million during the whole reporting period due to Wulff Solutions' net sales. Wulff Solutions is renowned as a strong provider of products and services for work environments. It has a wide customer base in private sector as well as and public administration. The important target demographics include customers in the healthcare and industrial sectors. Public administration customers include, for example, municipalities and schools. Wulff Solutions' extensive and competitive range of products and services for workplace solutions complements Wulff's Contract Customers sales offering, enabling sales synergies. Wulff Oy Ab and Wulff Solutions Oy, the Contract Customers sales units in Finland, were merged along with the harmonisation of management systems and operating models. The sales, support functions and administration of the acquired company will move to the shared facilities at Wulff House in Espoo in 2022. The termination of employment relationships following the cooperation negotiations due to the merging of the organisations caused non-recurring expenses to the amount of EUR 0.7 million in the last quarter of 2021. At the same time, reorganisations accrued savings in personnel and information system costs to the amount of EUR 0.7 million in the last quarter of 2021.

In 2021, Wulff Entre provided remote meeting services for its customers with its My Remote Studio and Exhibition On Demand concepts. The first international exhibitions to be held in person after the long pause caused by the Covid-19 pandemic took place in September 2021. The company's net sales increased from 2020, where traditional international exhibition services were still being sold in January–February. The net sales and profitability were still affected by the situation overshadowing the international exhibition industry: due to the travel and gathering restrictions, no exhibitions were held during the first half of 2021. The company expects the industry to recover, with the appreciation and importance of conventional encounters increasing after the pandemic crisis, even though economic recovery may be gradual. Companies that are boldly renewing the industry are thriving in the event market: for this reason Wulff Entre is investing heavily in the sale of new remote meeting services. In 2021, Wulff Entre moved from the Niittykumpu offices in Espoo to Wulff House in Kilo in Espoo. Remote meeting studios will also be built on the premises for the use of Wulff employees and to be introduced to customers.

Wulff's Contract Customers include several major companies and corporations which purchased less traditional workplace related products, such as coffee and property maintenance products as well as office supplies, for their premises during the reporting period. At the same time, topical hygiene and protective products were sold to workplaces and work environments, which are now expected to remain part of the daily lives of companies. A caring employer will continue to ensure the safety of employees, and it seems a natural solution to protect against seasonal influenza with face masks and disinfectant. As vaccination rates increase, people have been excited to return to the offices and work in person, and Wulff has once again been able to serve its customers with the entire breadth of its product portfolio. We have received special thanks for our quick reactions to even the larger and more surprising needs of our customers. With Wulff, it is easy to make arrangements such as a shared breakfast moment with instant porridge and energy bars provided by the company, even at 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 hundreds of large organisations and corporations. The refill and shelving services and the MiniBar operate like their namesakes in a hotel. The automated refilling services house ready-to-use current and traditional 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 have also affected the content of the refilling services: hygiene and cleaning products have become popular along with office supplies and IT, coffee and maintenance products. The new normal means investing in cleanliness and safety in the future as well.

The share of knowledge intensive work, remote work and mobile work of all work done has been increasing for a long time. In the exceptional circumstances the policies and guidelines given by the government and the Finnish Institute for Health and Welfare shifted working from offices to homes and leisure homes, for example. A significant share of work will be done remotely and in different changing environments going forward too. Wulff is therefore investing in a product portfolio that enables safe, ergonomic and pleasant ways of working not just on business premises, but also in multiple locations: in home offices, secondary residences, public spaces like cafes or office hotels, and while moving from place to place.

The biggest impact of the coronavirus pandemic on the Wulff Group has been the decline in the sales of international exhibition services.

No exhibitions have been held and several events have been postponed. Despite the recent upturn, the recovery of the event industry is expected to be slow and the effects of the pandemic will accelerate change in the industry. Therefore, new remote encounter services have been developed at Wulff. The Exhibition on Demand and My Remote Studio service concepts enable exhibition-like and inspiring encounters safely and virtually. Wulff Entre's new experiential remote encounter services will be sold and implemented under the leadership of the company's Chief Operating Officer Sami Hokkanen. Premium Exhibition services will be sold for the fall and next year. Under normal circumstances, the company annually exports the know-how of Finnish companies to more than 30 countries. In addition to Finnish companies, Wulff Entre serves customers from such countries as Germany, Sweden, Norway, and the United States.

Printing services are increasingly being outsourced nowadays. Wulff Group's Canon Business Center offers high quality solutions for office and professional printing and database handling. The printing services business was stable despite the pandemic. Canon Business Center serves customers in the Helsinki metropolitan area.

Wulff's open web shop Wulffinkulma.fi is constantly being developed. Lately, the web shop, which is geared towards small companies and self-employed people has focused on also serving consumers. The web shop, which has always offered customers a product range that is more diverse than that of its traditional competitors, further expanded its assortment this year. The assortment has now got more than 4,000 products. In addition to hygiene and protective products, the web shop is equipped with lots of healthy snacks, savoury dry foods, sweets, and pet food products.

The Wulffinkulma.fi web shop is known for its fast and reliable deliveries. This versatile and mobile-friendly web shop's advantages are secure and accurate delivery. Whether it is to business premises, the home, remote office or a self-employed person's desk in a co-working space, the Wulffinkulma.fi web shop 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 web shop 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 latest products on the market with the most professional, personal and local service.

In January–December 2021, the Expertise Sales segment's net sales totalled EUR 12.9 million (16.0), and EUR 2.8 million (4.0) in the last quarter. In January–December 2021, operating profit totalled EUR 0.8 million (2.4), and EUR 0.0 million (0.4) million in the last quarter. Sales of hygiene and protective products in the Expertise Sales segment declined from the peak in the pandemic year 2020, and the stabilisation of the price level of topical products reduced operating profit. The Expertise Sales segment's strength has been taking hold of the sales of topical products fast and contacting regional customers quickly to offer exactly the products they need. Wulff's sales expert is a trusted contact, whose knowledge and expertise is highly valued. Expertise Sales provide personal and local service, identifying the specific characteristics of the customer's operations. Cleaning and hygiene products, as well as equipment used in remote work, still sold well, and indoor air quality is also considered important.

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 locality and domestic nature. 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 increasingly important grounds for choices. In the midst of the pandemic, it has been vital to secure hygiene, protection and safe ways of working. Due to the aging workforce, Nordic companies are increasingly investing in ergonomics and first aid products for the workplace. Office 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. 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. Expertise Sales actively raises customer's awareness of solutions that make workdays better.

Wulff is known for being the workplace for successful salespeople. An increasing number of executive leaders and company managers have a background in sales, and there is growing appreciation of sales skills in our society today. Successful recruiting and the number of sales personnel have a significant effect on the performance of the Expertise Sales Segment in particular. New talent and future sales experts are always welcome at Wulff! Wulff's own induction and training programs ensure that not only does every salesperson get a comprehensive training and an exciting start to their career, but also further education on how to improve their expertise.

FINANCING, INVESTMENTS AND FINANCIAL POSITION

In January–December 2021, the cash flow from operating activities was EUR 5.0 million (2.8). The cash flow from operating activities increased along with the growth in net sales. In addition, cash flow generation was affected by the commitment of cash to working capital items. Usually in the industry, it is typical that the result and cash flow are generated in the last quarter.

Inventories increased with Wulff Solutions' products by EUR 5.3 million and trade receivables by EUR 7.2 million. The company's trade payables were EUR 4.0 million and ordinary other liabilities and accrued liabilities related to business operations totalled EUR 3.2 million. The fully automated Tuusula logistics centre, owned by Wulff Solutions, increased tangible fixed assets in the balance sheet by EUR 1.5 million. Wulff Solutions leases store premises in Helsinki's Sörnäinen district, Tampere and Jyväskylä as well as premises in Pitäjänmäki. The company also rents cars. These leases increased leasing assets and liabilities by EUR 0.5 million.

To finance the Wulff Solutions acquisition, Wulff Group Plc took out senior financial loans totalling EUR 6.8 million, which will be repaid within five years. On 8 May 2020, Wulff Group Plc took a loan of EUR 1 million to cover the additional financing needs during the Covid-19 pandemic period, which was repaid before 30 September 2020. During the second quarter of 2020, the company agreed to transfer the two 2020 instalments of long-term loans to loan capital to be repaid in the future. As a result of the payment arrangement, the loan repayments for the 2020 comparison period were EUR 0.4 million lower than the original payment schedule. Total repayments of long-term loans during the reporting period amounted to EUR 1.2 million (0.5). Short-term loans were repaid to the amount of EUR 2.0 million (-0.3).

Lease agreement payments were EUR 1.1 million (0.8). Recognition of lease agreements on the balance sheet increased group assets by EUR 1.7 million (1.2), and liabilities by EUR 1.8 million (1.3), at the end of the reporting period.

Investments during the reporting period amounted to EUR 1.4 million (0.7). Wulff invested more in its information systems in the period under review than in the comparison period as part of the integration work related to the acquisition. The renovation of the facade of the Kilo premises was completed in the spring, costing EUR 0.2 million.

In April 2021, dividends totalling EUR 0.8 million were paid to the owners of the parent company.

In November 2020, dividends totalling EUR 0.7 million were paid to shareholders.

The cash flow of financing activities was EUR 1.4 million (-1.8) in 2021.

The Group's cash balance increased by EUR 0.3 million in January–December (0.2). The Group's bank and cash funds totalled EUR 0.5 million (0.3) at the beginning of the year, and EUR 0.8 (0.5) million at the end of the reporting period.

Equity attributable to the shareholders of the parent company was EUR 2.73 per share (2.00) at the end of December 2021.

SHARES AND SHARE CAPITAL

Wulff Group Plc's shares are listed on Nasdaq OMX 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 4.92 (3.24) and the market capitalisation of the outstanding shares totalled EUR 33.3 million (21.9). In 2021, the trade volume for the stock was 6,403,381 (3,538,157), and the number of shareholders as of 31 December 2021 was 2,641 (1,867).

In January–December 2021, no own shares were reacquired. During the second quarter of 2020, 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 May 25, 2020 and ended on June 11, 2020. Wulff Group Plc repurchased 65,260 shares at the market price quoted through public trading on the Nasdaq OMX Helsinki, in accordance with the rules regarding the acquisition of a 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.

The Board of Directors decided to establish a short- and long-term incentive scheme for CEO Elina Pienimäki 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. In addition, the Board of Directors decided to issue 7,000 of the company's own shares to CEO Pienimäki as remuneration for 2020. The transfer of the shares was based on the authorisation given to the Board of Directors by the Annual General Meeting on 23 April 2020.

At the end of December 2021, the Group held 137,260 (144,260) treasury shares, representing 2.0% (2.1) of the total number of the parent company's shares and voting rights.

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 8, 2021. The Annual General Meeting verified the financial statements for the financial year 2020 and discharged the members of the Board of Directors and CEO from liability for the financial period Jan 1– Dec 31, 2020. The Annual General Meeting decided on a dividend of a total of EUR 0.12 per share for the financial year 2020. The Annual General Meeting approved the remuneration report proposed 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, elected Kari Juutilainen as Chair of the Board. 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 named the auditor of Wulff Group Plc.

The Annual General Meeting authorized the Board of Directors to decide on the acquisition of a maximum of 300,000 own shares. The authorization is valid until April 30, 2022. The Board of Directors decided to continue buying back the company's shares in accordance with the authorisation granted by the Annual General Meeting on April 8, 2021.

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, 2022.

PERSONNEL

In January–December 2021, the Group's personnel totalled an average of 248 (189) employees. Wulff's personnel increased by 114 due to the acquisition of Wulff Solutions. At the end of December, the Group had 278 (176) employees, of whom 67 (60) persons were employed in Sweden, Norway or Denmark. The Group's personnel consists of 45% (57) of employees in sales operations, and 55% (43) in sales support, logistics and administration. 51 % (48) of the personnel are women and 49 % (52) are men.

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

General economic and market developments as well as the employment rate have a significant impact on the demand for workplace products and services. The general uncertainty in the global economy also impacts Wulff's operations. The effects of the coronavirus pandemic and the restrictions in place to contain an mitigate the virus have a broad impact on the needs of both the global and local economy and customers. In addition, megatrends in the global economy, such as digitalization and responsibility, are affecting market change. There are both risks and opportunities involved in developing a range of products and services in line with changing markets and needs. Typical business risks include the successful implementation of Wulff's strategy, such as the integration of operations from business acquisitions, and operational risks arising from the personnel, logistics and IT environment. Intense competition in the workplace products and services industry can affect the profitability of the business. Changes in exchange rates affect the Group's net result and balance sheet.

SUBSEQUENT EVENTS

Wulff Group Plc signed an agreement of sale on January 4, 2022 through which Wulff Group Plc acquired the share capital of Carpentum Oy. The transaction entered into force on the day of the agreement's signing. Of the total purchase price of EUR 0.9 million, EUR 0.5 million was paid in cash, and the remaining EUR 0.4 million will be paid by transferring 82,488 of Wulff's own shares to the seller of Carpentum Oy.

On January 17, 2022, Wulff Group Plc announced a change in the Group Executive Board. Elina Hanén, CFO and member of the Executive Board, resigned. The Group's CFO and member of the Executive Board will be Atte Ailio, M.Sc.Econ.

BOARD OF DIRECTORS' PROPOSAL FOR THE ANNUAL RESULT

The Group's parent company Wulff Group Plc's distributable funds totalled EUR 1.7 million (1.4). The Group's net result attributable to the equity holders of the parent company for the financial year was EUR 5.9 million (2.2), or EUR 0.87 per share (0.32). The Board of Directors proposes to the Annual General Meeting to be held on 8 April 2022 that a dividend of EUR 0.13 per share be paid for the financial year 2021, totalling EUR 0.9 million, and the remaining distributable funds be transferred in retained earnings in the shareholders' equity.

STRATEGY

On December 9, 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

Megatrends play a role in Wulff's operations. The company's operating environment is positively affected by the growing share of knowledge work in all work performed. On the other hand, demographic developments are actively reducing the number of people in employment at present. The integration of technology into products and services is an opportunity for Wulff. Digitalization brings new ways for an already multi-channel company to reach and serve customers and streamline its own operations. The most significant for Wulff's operations and future success is responsible operations and, in particular, consideration for the environment: whether the environment is treated as a resource or is the goal to improve the state of the environment. Future success is strongly built on these themes carrying growing importance in business and consumer decision-making. Wulff has chosen responsibility, particularly positive climate action and increasing equality as important elements of its strategy.

Demand for products is significantly affected by general economic and market developments as well as the employment rate. Before the Covid-19 pandemic, the market for workplace products and services in the Nordic countries had remained stable for several years. Wulff estimates that the overall market for workplace products and services will remain stable, despite ongoing rapid changes in work environments. As vaccination rates increase, protective products will no longer be essential, as they were during the breakout and spreading of the pandemic. However, safe encounters will continue to be important. Wulff expects demand for hygiene, cleaning, and protection products to remain at a good level despite the change. At the same time, the Covid-19 pandemic has brought long-lasting changes to how we work; the growth of multi-location working has increased the number of workstations and the demand for ancillary products required. Demand for IT supplies, printing products and traditional office supplies is expected to stabilize at the pre-pandemic levels in the near future. This is due to the partial return to on-site work and the increased number of new workstations created by the pandemic-driven change in working life taking place at homes and leisure homes. The Group's net sales and operating profit are affected by the trends of the international convention services industry, as the industry is gradually recovering from the Covid-19 pandemic. Demand for Wulff Entre's traditional Premium Exhibition services is recovering as the industry reopens, and the advancement of the Covid-19 pandemic are affecting the amount of market activity taking place.

The reorganisation of Wulff's contract sales organisation in Finland along with the cooperation negotiations conducted with Wulff Oy Ab and Wulff Solutions Oy (previously Staples Finland Oy) in August–September resulted into merger in sales, administration and support functions. As a result of the cooperation negotiations, the company will achieve annual cost savings of approximately EUR 1.9 million in personnel costs. With the implemented and planned restructuring measures such as the consolidation of information systems, logistical and operational processes, and facility changes, Wulff expects to achieve total annual cost synergies of approximately EUR 3.0 million in a phased manner. A significant portion of these cost synergies will already be realised in 2022.

Wulff aims to grow profitably, and it has the continuing ability to be a more active player in M&A than its competitors.

Wulff estimates that net sales in 2022 will increase clearly and comparable operating profit will increase compared to 2021.

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, such as the acquisition of Wulff Solutions on May 3, 2021, 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 1000	2021	2020	2019	2018	2017
Net sales	90 424	57 541	56 344	55 889	56 931
Change in net sales %	57.1%	2.1%	0.8%	-1.8%	-4.0%
Earnings before taxes, depreciation and amortization (EBITDA)*	9 128	5 204	3 067	1 920	461
% of net sales*	10.1%	9.0%	5.4%	3.4%	0.8%
Comparable earnings before taxes, depreciation and amortization (EBITDA)*	6 073	5 204	3 067	1 920	461
% of net sales*	6.7%	9.0%	5.4%	3.4%	0.8%
Operating profit/loss*	6 940	3 541	1 570	1 508	74
% of net sales*	7.7%	6.2%	2.8%	2.7%	0.1%
Comparable operating profit/loss*	3 885	3 541	1 570	1 508	74
% of net sales*	4.3%	6.2%	2.8%	2.7%	0.1%
Profit/Loss before taxes	6 552	3 101	1 194	1 243	-247
% of net sales	7.2%	5.4%	2.1%	2.2%	-0.4%
Comparable profit/loss before taxes	3 497	3 101	1 194	1 243	-247
% of net sales	3.9%	5.4%	2.1%	2.2%	-0.4%
Net profit/loss for the financial year attributable for the shareholders of the parent company	5 896	2 174	1 039	1 025	-193
% of net sales	6.5%	3.8%	1.8%	1.8%	-0.3%
Comparable net profit/loss for the financial year attributable for the shareholders of the parent company	2 841	2 174	1 039	1 025	-193
% of net sales	3.1%	3.8%	1.8%	1.8%	-0.3%
Cash flow from operations	4 974	2 783	3 777	1 085	1 389
Return on equity (ROE) %	36.3%	19.1%	8.5%	9.3%	-2.0%
Return on investment (ROI) %	25.0%	15.2%	7.9%	9.5%	-1.1%
Equity ratio %	38.1%	41.9%	39.2%	49.1%	47,0%
Gearing, %	62.1%	57.3%	66.2%	15.8%	19.8%
Balance sheet total	52 045	35 353	33 093	26 412	24 933
Gross investments in fixed assets	1 388	719	7 359	446	426
% of net sales	1.5%	1.2%	13.1%	0.8%	0.8%
Average number of personnel during the financial year	248	189	198	191	198
Number of personnel at the end of financial year	278	176	200	191	195

* The presentation of the Consolidated Statement of Income has been changed in the first quarter of 2018 in such a way that all bank expenses have been classified as financial expenses. The comparison period 2017 has been adjusted according to the new reporting principle. The effect of the change in the presentation on the comparison period is presented on the next page.

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 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 write-downs of goodwill. Comparability in 2021 was affected by the acquisition of EMO Finland Oy's share capital. Items affecting comparability included the recognition of negative goodwill, salary expenses related to the acquisition arrangements and the resulting cooperation negotiations, and DD expenses. 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

EUR 1000	2021	2020	2019	2018	2017
Earnings per share (EPS), EUR	0.87	0.32	0.15	0.15	-0.03
Comparable earnings per share (EPS), EUR	0.42	0.32	0.15	0.15	-0.03
Equity per share, EUR	2.73	2.00	1.76	1.72	1.64
Dividend per share, EUR*	0.13	0.12	0.11	0.10	0.05
Payout ratio %	15%	38%	72%	65%	-167%
Comparable payout ratio %	31%	38%	72%	65%	-167%
Effective dividend yield %	2.6%	3.7%	6.2%	5.9%	3.0%
Price/Earnings (P/E)	5.6	10.1	11.6	11.0	-55.9
Comparable price/earnings (P/E)	11.7	10.1	11.6	11.0	-55.9
P/BV	1.80	1.62	1.00	0.98	1.01
EBITDA / share, EUR**	1.35	0.77	0.45	0.28	0.07
Comparable EBITDA / share, EUR**	0.90	0.77	0.45	0.28	0.07
Cash flow from operations / share, EUR	0.73	0.41	0.55	0.16	0.21
Share prices:					
Lowest share price, EUR	2.90	1.31	1.50	1.32	1.43
Highest share price, EUR	5.34	3.40	1.91	1.79	1.79
Average share price, EUR	4.14	2.01	1.67	1.54	1.65
Closing share price, EUR	4.92	3.24	1.77	1.69	1.65
Market value as of Dec 31, MEUR	33.3	21.9	12.1	11.5	10.8
Number of outstanding shares on average during the financial year	6 769 352	6 791 043	6 828 628	6 643 696	6 528 628
Number of outstanding shares at the end of the financial year	6 770 368	6 763 368	6 828 628	6 828 628	6 528 628
Number of shares traded	6 403 381	3 538 157	736 299	190 354	565 733
% of average number of shares	94.6%	52.1%	10.8%	2.9%	8.7%
Shares traded, EUR	25 279 930	7 459 624	1 232 914	293 735	930 970

* The Board of Directors' dividend proposal from year 2021 to the Annual General Meeting to be held on April 8, 2022.

** The presentation of the Consolidated Statement of Income has been changed in the first quarter of 2018 in such a way that all bank expenses have been classified as financial expenses. The comparison period 2017 has been adjusted according to the new reporting principle. The effect of the change in the presentation on the comparison period is presented in the table.

Effect of the change of presentation:**	2017
Earnings before taxes, depreciation and amortization (EBITDA)	107
% of net sales	0.2%
Operating profit/loss	107
% of net sales	0.2%
EBITDA / share, EUR	0.02

CALCULATION PRINCIPLES OF KEY FIGURES

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

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 still affected by the organizations' personnel lay-offs and cost-saving initiatives made during the economic downturn. The general economic uncertainty may still persist, which 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 Group's Board. In addition to other risk management policies, the parent company's Board of Directors determines the principles of financial risk management. The goal of risk management is 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
Approximately 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, 2021, unused credit limits totalled EUR 5.5 (3.6) 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 31.12.2021.

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 and the most significant IT risks are evaluated also on group level. 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 Oy Ab favours companies committed to sustainable development. The company chooses products that use environmentally friendly raw materials and production methods. In addition, the Wulffinkulma.fi webshop provides a wide range of green office products that are produced in an environmentally friendly way. 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 Oy Ab'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, has developed a 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. The impact of the Coronavirus pandemic and restrictions associated with containing the virus, have far-reaching affects on the global and local markets and customers' needs.

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.

Wulff Group keeps a close eye on changes and develops and searches for products and services that meet the new needs. 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 2021 or 2020.

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 8, 2021 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, 2022.

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 2021 or 2020.

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

The Annual General Meeting on April 8, 2021 authorised the Board of Directors to resolve on the acquisition of maximum 300,000 own shares. The authorization is effective until 30.4.2022. The authorization encompasses the acquisitions of the own shares through the public trading arranged by NASDAQ OMX Helsinki Oy 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 2021 and 2020.

TREASURY SHARES

According to the Annual General Meeting's authorisation on April 8, 2021, 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, 2022.

The shares are acquired through public trading on NASDAQ OMX Helsinki 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.

During 2021 own shares were disposed. On February 22, 2021 the Board of Directors decided to dispose 7,000 of the companys shares to the CEO as remuneration for 2020.

During the second quarter of 2020 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 May 25, 2020 and ended on June 11, 2020. Wulff Group Plc repurchased 65,260 shares at the market price quoted through public trading on NASDAQ OMX Helsinki, 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.

At the end of December 2021, the Group held 137,260 (144,260) own shares representing 2.0% (2.1) 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. Wulff Group had no share reward plan in force in 2020.

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 2021, a total of 6,403,381 (3,538,157) Wulff shares were traded which represents 94.6% (52.1) of the total outstanding number of shares. The trading was worth EUR 25,279,930 (7,459,624). In 2021, the highest share price was EUR 5.34 (3.40) and the lowest price was EUR 2.90 per share (1.31). At the end of 2021, the share was valued at EUR 4.92 (3.24) and the market capitalization of the outstanding shares totalled EUR 33.3 million (21.9).

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 8, 2021 that dividend of EUR 0.13 per share be paid for the financial year 2021 totalling EUR 0.9 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. The changes in Varma Mutual Pension Insurance Company's and Ari Pikkarainen's share holdings were disclosed in a stock exchange release in May and December 2020 as well as in April and June 2021.

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, 2021

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, 2021	Number of shares	% of shares
1	**Vienola Heikki**	**2 520 000**	**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**	**318 100**	**4.6%**
	Nordea Nordic Small Cap Equity Fund	296 128	4.3%
	Nordea Life Assurance Finland	20 000	0.3%
	Nordea Bank Finland Plc	1 972	0.0%
4	**TCF-Myynti Ltd**	**170 000**	**2.5%**
5	**Op-Suomi Mikroyhtiöt-Erikoissijoitusrahasto**	**150 000**	**2.2%**
6	**Wulff Group Plc**	**137 260**	**2.0%**
7	**Pikkarainen Ari**	**124 344**	**1.8%**
8	**Ågerfalk Veijo**	**69 018**	**1.0%**
9	**Varma Mutual Pension Insurance Company**	**67 984**	**1.0%**
10	**Laakkonen Mikko**	**64 185**	**0.9%**
11	**Tolppola Kim**	**58 979**	**0.9%**
12	**Ypyä Antti**	**47 883**	**0.7%**
13	**Heikki Tervonen Oy**	**45 000**	**0.7%**
14	**Progift Oy**	**41 162**	**0.6&**
15	**Lindsay von Julin & Co Ab**	**40 000**	**0.6%**
	Total of 15 biggest shareholders	**4 615 015**	**66.8%**
	Total of other shareholders	**2 292 613**	**33.2%**
	Total number of shares	**6 907 628**	**100.0%**
	- Own shares	**-137 260**	
	Total number of outstanding shares	**6 770 368**	

SHAREHOLDERS BY GROUP AS OF DECEMBER 31, 2021

Owner groups	Number of shareholders	%	Number of shares	%
Companies	82	3.1%	673 128	9.7%
Financial and insurance institutions	9	0.3%	890 292	12.9%
Public entities	2	0.1%	417 984	6.1%
Non-profit organisations	4	0.2%	13 235	0.2%
Private persons	2 517	95.3%	4 667 514	67.6%
Foreign shareholders	18	0.7%	22 085	0.3%
Nominee-registered shareholders	9	0.3%	223 390	3.2%
Total	**2 641**	**100.0%**	**6 907 628**	**100.0%**

SHAREHOLDERS BY THE NUMBER OF SHARES OWNED DECEMBER 31, 2021

Number of shares	Number of shareholders	%	Number of shares	%
1-500	1 863	70.5%	296 215	4.3%
501-1000	367	13.9%	294 017	4.3%
1 001-10 000	357	13.5%	955 583	13.8%
10 001-100 000	44	1.7%	1 016 047	14.7%
100 001-	10	0.4%	4 345 766	62.9%
Total	**2 641**	**100.0%**	**6 907 628**	**100.0%**

INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING 2022

Wulff Group Plc's Annual General Meeting will be held on April, 8 2022 at 12.00 noon. The meeting is held by way of exception without the presence of shareholders or their representatives in the Wulff house at Kilonkartanontie 3, Espoo.

The company's shareholders and their representatives may attend the meeting and exercise their shareholder rights only by voting in advance and by submitting counter-proposals and questions in advance. The list of participants in the Annual General Meeting and the results of voting are determined solely on the basis of advance voting. 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 https://www.wulff.fi/en/investors/board-and-corporate-governance/annual-general-meeting/.

A shareholder who is registered in the company's shareholder register maintained by Euroclear Finland Ltd on Tuesday, March 29, 2022 has the right to participate in the Annual General Meeting by voting in advance. Advance voting will begin on March 17, 2022 at 9:00 am, 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 Wednesday, April 6, 2022 at 10:00 am, 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 the shares on the basis of which he or she would be entered in the shareholder register maintained by Euroclear Finland Ltd on the record date of the Annual General Meeting on March 29, 2022. 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 April 5, 2022 at 10.00.

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 2021

The Board of Directors of Wulff Group Plc proposes to the Annual General Meeting that a dividend of EUR 0.13 per share in total shall be paid for the financial year 2021 in two instalments equal in amount. The intial instalment of the dividend approved by the Annual General Meeting will be paid on April 21, 2022, 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 12, 2022. The second instalment will be paid on October 21, 2022, 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 12, 2022.

FINANCIAL REPORTING 2022

Wulff Group Plc will release the following financial reports in 2022:

Interim Report, January-March 2022
Monday April 25, 2022

Half-Year Report, January-June 2022
Monday July 25, 2022

Interim Report, January-September 2022
Monday October 24, 2022

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
email: investors@wulff.fi

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.

CONTACT PERSON FOR INVESTOR RELATION

Group CEO
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CONSOLIDATED FINANCIAL STATEMENT, IFRS

CONSOLIDATED INCOME STATEMENT, IFRS

EUR 1000	Note	Jan 1 - Dec 31, 2021	Jan 1 - Dec 31, 2020
Net sales	2, 4	**90 424**	**57 541**
Other operating income	5	5 133	668
Materials and services	6	-61 739	-36 793
Employee benefit expenses	7	-16 354	-11 594
Other operating expenses	8	-8 336	-4 618
Earnings before depreciation (EBITDA)		**9 128**	**5 204**
Depreciation and amortization	9	-2 188	-1 664
Operating profit (EBIT)		**6 940**	**3 541**
Financial income	10	53	72
Financial expenses	10	-441	-512
Profit before taxes		**6 552**	**3 101**
Income taxes	11	-446	-558
Net profit/loss for the period		**6 106**	**2 543**
Attributable to:			
Equity holders of the parent company		5 896	2 174
Non-controlling interests		210	369
Earnings per share for profit attributable to the equity holders of the parent company:			
Earnings per share, EUR (diluted = non-diluted)	12	0,87	0,32

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR 1000	Jan 1 - Dec 31, 2021	Jan 1 - Dec 31, 2020
Net profit/loss for the period	**6 106**	**2 543**
Other comprehensive income which may be reclassified to profit or loss subsequently (net of tax)		
Change in translation differences	1	181
Total other comprehensive income	**1**	**181**
Total comprehensive income for the period	**6 107**	**2 724**
Total comprehensive income attributable to:		
Equity holders of the parent company	5 927	2 333
Non-controlling interests	179	390

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR 1000	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Non-current assets			
Goodwill	13, 15	8 160	8 194
Intangible assets	13	1 241	689
Property, plant and equipment	13	9 994	8 051
Non-current financial assets			
Long-term receivables from others		133	48
Available-for-sale investments		61	57
Deferred tax assets	11	1 058	1 081
Total non-current assets		**20 646**	**18 120**
Current assets			
Inventories	16	13 391	8 687
Short-term receivables			
Loan receivables from others		15	17
Trade receivables from others	17	15 374	6 209
Other receivables	17	358	328
Accrued income and expenses	17	1 464	1 512
Cash and cash equivalents	18	797	480
Total current assets		**31 399**	**17 233**
TOTAL ASSETS		**52 045**	**35 353**

EUR 1000	Note	Dec 31, 2021	Dec 31, 2020
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		7 524	2 529
Equity attributable to the equity holders of the parent company		18 512	13 518
Non-controlling interests		830	742
Total equity	19, 20	**19 343**	**14 260**
Non-current liabilities			
Interest-bearing liabilities	21	8 839	4 514
Leasing liabilities	21	927	683
Non-interest-bearing liabilities	23	225	421
Deferred tax liabilities	11	176	181
Total non-current liabilities		**10 166**	**5 799**
Current liabilities			
Interest-bearing liabilities	21	2 166	2 888
Leasing liabilities	21	886	581
Trade payables	23	9 646	4 995
Advance payments	23	1 228	1 349
Other liabilities	23	2 972	1 799
Accrued income and expenses	23	5 638	3 681
Total current liabilities		**22 536**	**15 294**
TOTAL EQUITY AND LIABILITIES		**52 045**	**35 353**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1000	Note	Jan 1 - Dec 31, 2021	Jan 1 - Dec 31, 2020
Cash flow from operating activities:			
Cash received from sales		89 518	57 747
Cash received from other operating income		581	279
Cash paid for operating expenses		-84 744	-54 907
Cash flow from operating activities before financial items and income taxes		5 355	3 119
Interest paid		-291	-181
Interest received		18	16
Income taxes paid		-109	-171
Cash flow from operating activities		**4 974**	**2 783**
Cash flow from investing activities:			
Investments in intangible and tangible assets		-1 388	-719
Acquisition of subsidiary company shares		-4 812	-216
Proceeds from sales of intangible and tangible assets		72	125
Cash flow from investing activities		**-6 128**	**-810**
Cash flow from financing activities:			
Dividends paid	20	-993	-744
Purchase of own shares	19	-	-100
Changes in the shares of minority shareholders	3	-54	-
Repayments of lease liabilities		-1 133	-833
Withdrawals and repayments of short-term loans		-2 033	343
Withdrawals of long-term loans		6 800	-
Repayments of long-term loans		-1 165	-451
Cash flow from financing activities		**1 421**	**-1 785**
Change in cash and cash equivalents		**267**	**188**
Cash and cash equivalents at the beginning of the period		480	348
Translation difference of cash		50	-57
Cash and cash equivalents at the end of the period	18	797	480

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, IFRS

		Equity attributable to equity holders of the parent company								
EUR 1000	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, 2021		2 650	7 662	676	-360	-443	3 332	13 518	742	14 260
Net profit/loss for the period							5 896	5 896	210	6 106
Other comprehensive income*:										
Change in translation differences						32		32	-31	1
Comprehensive income *						32	5 896	5 927	179	6 107
Transactions with the shareholders:										
Dividends paid							-812	-812	-180	-993
Transfer of own shares					17		6	23		23
Changes in ownership							-144	-144	90	-54
Transactions with the shareholders total					17		-951	-933	-91	-1 024
Equity on Dec 31, 2021	19	2 650	7 662	676	-343	-411	8 277	18 512	830	19 343
Equity on Jan 1, 2020		2 650	7 662	676	-260	-601	1 902	12 029	350	12 380
Net profit/loss for the period							2 174	2 174	369	2 543
Other comprehensive income*:										
Change in translation differences						159		159	22	181
Comprehensive income *						159	2 174	2 333	390	2 724
Transactions with the shareholders:										
Dividends paid							-744	-744		-744
Purchase of own shares					-100			-100		-100
Transactions with the shareholders total					-100		-744	-844		-844
Equity on Dec 31, 2020	19	2 650	7 662	676	-360	-443	3 332	13 518	742	14 260

* 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 liability 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 18 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 10, 2022. 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, 2021. 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 historical 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, such as the acquisition of Wulff Solutions on May 3, 2021,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, 2021.

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 1.1.2022 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 notes to the accounts number 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 and the customer has obtained control over the products and services.
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 incured, 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 indured whether the contract was acquired or not, are expensed in the profit and loss statement. The costs of fulfilling the 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

GOODWILL AND OTHER INTANGIBLE ASSETS

The expected useful lives are:

Goodwill	no depreciations; impairment testing
IT software	3–7 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

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 Notes to the accounts 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 had a share based reward plan for the CEO in force, additional information is presented in the 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 losses 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. There were no share-based incentive schemes in the Group in 2020. On February 22, 2021 a decision was made on an incentive scheme for the CEO, more information 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 2021 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).

COVID PANDEMIC EFFECTS

Information on the effects of the pandemic on the company, operational risks, management's assessment and measures taken are presented below.

Sales and trade receivables

Changes in the operational risks of the business followed fluctuations in the progress of the pandemic. The gathering and traveling restrictions changed during the reporting period; as a whole the amount of remote work remained significantly more common than before the pandemic. International exhibitions were held part of the reporting period, when exhibitions at the beginning of the year moved into the middle of the year and exhibitions from the end of the year was postponed to the future. Demand for traditional workplace and printing products remained lower than before the pandemic, while a wider range of hygiene, protection and cleaning products solified its position in customer needs. The company has many long-term customer relationships and a large customer base, which brings stability in a situation where the effects of a pandemic are of varying significance in different industries. The company managed to keep its brick-and-mortar stores open. The pandemic was not expected to affect sales revenue recognition principles or the risk of revenue security, as revenue and revenue from products and services are based on a verifiable delivery of the product and service. The risk of impairment of trade receivables was considered to have remained unchanged compared to the year of the Covid pandemic in 2020. The credit loss provision model is based on actual credit losses, the age distribution of trade receivables and expected credit losses on trade receivables at the reporting date. Management paid particular attention to the impact of the pandemic on various industries and to the development of individual customers and the need to record credit losses and credit loss provisions. As a result, in the financial year 2020, the loan loss provision was increased by EUR 0.2 million.

Business continuity and goodwill

The financial statements have been prepared in accordance with the going concern principle as the business continues to change in the circumstances and taking into account events known at the date of approval of the financial statements.

The pandemic had the most significant impact on the business of Wulff Entre, which organizes international exhibitions and events. According to customers and the company, the need for face-to-face meetings and presenting sales and service solutions has not disappeared. There is a demand for international exhibitions where assembly and travel restrictions allow. At the same time, the change in the operating environment provides an opportunity to act as an innovator in the industry, and in 2021 Wulff Entre continued to develop new, more responsible remote exhibition and meeting services. The cash flows used in the impairment testing of Wulff Entre's goodwill (EUR 1.7 million) were based on the 2022 budget.

If international exhibitions are not held in 2022, especially on the second half, the company's management will be able to adjust operations accordingly so that there is no need for writedowns even after a loss-making year. Wulff Entre received a total of EUR 0.4 million (0.3) in state cost support for its business in 2021. Subsidies received have not been used as future cash flows in goodwill impairment testing. Goodwill impairment testing is the most sensitive to changes in EBITDA and the determination of the discount rate.

In Wulff Entre's goodwill impairment testing calculation, the five-year forecast period includes the budget year and the following four forecast years, for which a moderate annual growth of approximately 2% is forecast.

After this five-year estimate period, the so-called eternity value is based on 0.5% points growth assumption. A decrease in average EBITDA of more than 8.5 percentage points would result in an impairment charge.

The weighted cost of capital (WACC) structure, which describes the Group's total cost of equity and liabilities, taking into account their different return requirements and the specific risks associated with different assets, has been used to determine the discount rate. The discount rate is based on data provided by an external independent party to the balance sheets and financial statements of the market control group.

Management expects that the international exhibitions are going to be executed in 2022, especially during the second half. The company's new Exhibition on Demand and My Remote Studio services also have an important role in the new normal. In the Exhibition on Demand service concept, a trade event-like environment is built for the customer in their own premises. The encounter and the presentation of products and services can be handled in an experiential, high-quality and virtually safe presence. My Remote Studio enables meetings, webinars, workshops, presentations and trainings to be carried out experientially and in good quality as a self-service, from your own studio. The new services have been well received by customers.

Purchases and inventories
The purchase prices of the products changed rapidly as the pandemic progressed, when demand for products associated with the sart of the pandemic stabilized globally. Management closely monitored the development of market prices and paid special attention to the valuation of inventories in accordance with the lowest value principle. Particular attention was also paid to the appreciation of slow-moving products. According to the company's management, some customer-specific and other identified products are subject to a higher risk of overvaluation due to a slower turnover, which resulted in an increase in the write-down provision for inventories by EUR 0.2 million (0.4) in the financial year 2021.

Distribution of profits
The Board of Directors suggest to the Annual General Meeting of April, 23 that no dividend is distributed from financial year 2019. Wulff Group Plc's Annual General Meeting held on April 23, 2020 decided to authorize the Board of Directors to decide according to their own consideration on a dividend distribution of a maximum of EUR 0.11 for the financial year 2019. The Board of Directors decided to use the authorization in October 2020 when the business and liquidity were stable. The pandemic did not affect the distribution of profits in 2021.

IMPACT OF THE ACQUISITION

Personnel
Personnel is essential to the company and the cost of employee benefits is a significant item in the company's cost structure. In Finland, the Contract Customers organization was reorganized by merging the sales, administration and support functions of Wulff Oy Ab and Wulff Solutions Oy, which was acquired to the group on May 3, 2021. The goal of the reorganization is to provide the best customer experience in the industry with a cost-effective operating model. Alongside the implementation of organizational changes, the strategy and operations will be developed to be more commercial, customer-oriented and responsible. At the end of the financial year, the Group's personnel were 278 (176) after the acquisition and restructuring measures.

Financing
To finance the payment of the purchase price EUR 6.0 million in accordance with the terms of the Wulff Solutions acquisition on May 3, 2021, the company took out senior financial loans totaling EUR 6.8 million, which will be repaid within five years. As a result of the financing arrangements, long-term financial liabilities were approximately EUR 4.3 million higher than at the previous balance sheet date.

Other expenses
The company operates in a cost-conscious manner and with principles that ensure liquidity. As a result of the acquisition on May 3, 2021, the scope of operations measured by the company's turnover increased significantly; The relative share of other operating expenses in net sales increased by 1.2 percentage points. The company went through its cost structure and implemented potential cost savings to unlock the cost synergy benefits of the acquisition and ensure the efficiency of its operations. Travel-related costs increased with the growth of the company's operations, but remained clearly lower than before the Covid pandemic. The company implemented the planned investments to digitize operations and increase cost efficiency.

Intangible and tangible assets and right-of-use assets
The company's tangible and right-of-use assets include properties in Finland and Sweden, as well as ordinary assets such as cars, machinery and equipment, and leased premises and equipment. Intangible assets include e.g. costs for obtaining customer contracts and licenses. The acquisition of Wulff Solutions increased the tangible assets in the balance sheet by EUR 1.5 million and the lease portfolio in the balance sheet by EUR 0.5 million in fixed assets and liabilities.

FUTURE OUTLOOK

Demand for products is significantly affected by general economic and market developments as well as the employment rate. Before the Covid 19 -pandemic, the market for workplace products and services in the Nordic countries had remained stable for several years. Wulff estimates that the overall market for workplace products and services will remain stable, despite rapid changes in work environments. With the positive development of vaccine coverage, protection products will no longer be as necessary as in the outbreak and spread of the pandemic. However, safe encounters will continue to be important. Wulff expects demand for hygiene, cleaning, and protection products to remain at a good level despite the change. At the same time, 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. The Corona pandemic is a risk affecting the near-term operating environment, the duration and impact of which on the Nordic economy is difficult to assess. These factors impair the predictability of the outlook.

As a result of the co-operation negotiations between Wulff Oy Ab and Wulff Solutions Oy (previously Staples Finland Oy) held in August-September in connection with the reorganization of Wulff's Finnish Contract Sales Organization, functions in sales, administration and support functions were merged. As a result of the co-operation negotiations, the company will achieve annual cost savings of approximately EUR 1.9 million in personnel costs. As a result of the reorganization measures implemented and planned, such as the integration of information systems and logistics and operational processes, Wulff expects to achieve a total annual cost synergy benefit of approximately EUR 3 million in stages. A significant part of these cost synergies will already materialize in 2022.

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 divisions. All 19 group companies belong to these operating segments based on their different services, marketing strategies and distribution channels. Contract Customers Segment consists of 10 subsidiaries and Expertise Sales Segment consists of 5 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 for Contract Customers and Expertise Sales.

The Contract Customers Segment is the customer's comprehensive partner in the field of current hygiene products, workplace products, IT supplies as well as international exhibition and event 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 international exhibition 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 1000	2021	2020
Contract Customers Segment		
Sales to external customers	77 726	41 993
Intragroup sales to other segments	549	544
Total Contract Customers Segment	**78 275**	**42 537**
Expertise Sales Segment		
Sales to external customers	12 698	15 547
Intragroup sales to other segments	190	478
Total Expertise Sales Segment	**12 889**	**16 024**
Group Services		
Sales to external customers	0	2
Intragroup sales to other segments	1 139	1 124
Total Group Services	**1 139**	**1 126**
Intragroup eliminations between segments	**-1 878**	**-2 145**
Total net sales	**90 424**	**57 541**

Revenue from any individual customer did not exceed 10 percent share of the consolidated revenue in 2021 or 2020.

2. SEGMENT INFORMATION

RESULT BY OPERATING SEGMENTS 2021

EUR 1000	Contract Customers	Expertise Sales	Group services and non-allocated items	Eliminations	Group
Net sales	78 275	12 889	1 139	-1 878	**90 424**
Expenses	-75 317	-12 061	3 009	3 072	**-81 297**
Earnings before depreciation (EBITDA)	**2 958**	**828**	**4 148**	**1 194**	**9 128**
Depreciations	-505	-27	-462	-1 194	**-2 188**
Operating profit (EBIT)	**2 453**	**801**	**3 686**	**0**	**6 940**
Financial income (non-allocated)			53		**53**
Financial expenses (non-allocated)			-441		**-441**
Profit before taxes	**2 453**	**801**	**3 298**	**0**	**6 552**

RESULT BY OPERATING SEGMENTS 2020

EUR 1000	Contract Customers	Expertise Sales	Group services and non-allocated items	Eliminations	Group
Net sales	42 537	16 024	1 126	-2 145	**57 541**
Expenses	-40 615	-13 596	-1 131	3 005	**-52 337**
Earnings before depreciation (EBITDA)	**1 922**	**2 428**	**-5**	**860**	**5 204**
Depreciations	-425	-48	-331	-860	**-1 664**
Operating profit (EBIT)	**1 497**	**2 380**	**-336**	**0**	**3 541**
Financial income (non-allocated)			72		**72**
Financial expenses (non-allocated)			-512		**-512**
Profit before taxes	**1 497**	**2 380**	**-776**	**0**	**3 101**

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 1000	2021		2020	
Finland	64 495	71%	34 850	60%
Sweden	20 805	23%	18 244	32%
Norway	10 572	12%	8 938	16%
Denmark	496	1%	496	1%
Net sales between countries	-5 944	-7%	-4 986	-8%
Net sales total	**90 424**	**100%**	**57 541**	**100%**

NET SALES BY CUSTOMERS' LOCATIONS

EUR 1000	2021		2020	
Finland	59 968	66%	33 929	59%
Sweden	10 688	12%	13 178	23%
Norway	15 593	17%	9 062	16%
Denmark	855	1%	805	1%
Estonia	2 406	3%	42	0%
Other European countries	458	1%	370	1%
Other countries	457	1%	155	0%
Net sales total	**90 424**	**100%**	**57 541**	**100%**

NON-CURRENT ASSETS BY GROUP COMPANIES' LOCATIONS

EUR 1000	2021		2020	
Finland	14 563	75%	11 978	71%
Sweden	4 830	25%	4 951	29%
Norway	1	0%	5	0%
Total non-current assets	**19 395**	**100%**	**16 934**	**100%**

3. BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

MERGERS

Torkkelin Paperi, a subsidiary selling office supplies and services in Finland, was merged to its parent company Wulff Oy Ab on October 31, 2020. The goal for the merge was to attain even more efficient deliveries to customers and savings in personnel and other administrative costs.

In Sweden, the property company Fastigheten Ljungby 13 AB merged to Wulff Supplies AB on February 28, 2020.

CHANGES IN SHARES OF NON-CONTROLLING INTERESTS

In March 2021, Wulff Group Plc acquired a two percent share of the share capital of S Supplies Holding AB and sold a four percent share and owns 87% of the share capital of the company after the transactions. The purchase price was EUR 77 thousand and the sale price EUR 23 thousand.

ACQUISITIONS

On May 3, 2021, Wulff Group Plc, acquired another leading player in its field, known as a provider of solutions for workplace products and work environments for large companies and the public sector, Staples Finland Oy, and its Finnish parent company EMO Finland Oy (hereinafter Wulff Solutions). As a result of the transaction, Wulff became the most comprehensive provider of workplace products and services and the clear market leader in Finland.

The acquisition will bring customers an even more diverse and comprehensive service, while increasing the company's purchasing power and enabling more efficient logistical and other operational solutions. The acquisition, in line with Wulff's growth strategy, will enable the development of Contract Customers segment for domestic customers in particular and will be a significant competitive advantage for the company. The acquisition strengthened the Contract Customers segment's product and service offering in Finland as expected and increased net sales for the review period by EUR 33.1 million and gross margin by EUR 8.2 million. If Staples

Key figures for the subject of the transaction

EUR 1,000

Fair values of acquired assets and liabilities at the time of acquisition	May 1, 2021
Assets	
Tangible and intangible assets	1 732
Other long-term receivables	86
Inventories	8 301
Trade receivables and other current assets	8 084
Cash and cash equivalents	1 430
Total assets	**19 633**
Liabilities	
Liabilities to credit institutions	-
Accounts payables	5 456
Accrued liabilities and other liabilities	3 688
Total liabilities	**9 144**
Total identifiable fair value of net assets	**10 489**
Goodwill from the acquisition	-4 469
Total consideration transferred	**6 020**

3. BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

had been part of the Wulff Group from the beginning of the financial year 2021, Wulff's net sales would have been EUR 106.4 million, margin EUR 37.9 million, and operating profit EUR 6.7 million.

The final and binding purchase price of Wulff Solutions' share capital was approximately EUR 6.0 million and included approximately EUR 1.4 million in cash. The purchase price was paid in cash upon execution of the transaction. The balance sheet of the transaction included lease liabilities of approximately EUR 0.9 million and no other interest-bearing debt at the time of execution. As a result of the acquisition, the company recorded a non-recurring income item of approximately EUR 4.5 million from the recognition of negative goodwill based on the purchase price of EUR 6.0 million and the equity of EUR 10.5 million at the time of acquisition. The reasons for the negative goodwill recognized on the acquisition were the low acquisition price as a result of the loss-making operations of the acquired company, which resulted from a heavy cost structure. The combination of Solutions and Wulff's operations is expected to significantly reduce the cost structure. The gain of EUR 3.0 million recognized on the acquisition is presented in the statement of comprehensive income in income for the period.

There were no business acquisitions during the reporting period in 2020.

Consolidated unaudited figures according to the Finnish Accounting Act:

million EUR	2020	2019
Net sales	55.8	49.8
EBITDA	-0.3	-1.7
Adjusted EBITDA*	2.9	0.6
Operating profit	-0.6	-2.1
Adjusted operating profit*	2.2	-0.2
Equity	3.8	6.0
Balance sheet total	20.9	15.3
Personnel	110	119

*) Adjusted EBITDA and operating profit take into account group services that cease after the completion of the transaction

Aggregate key figures of the acquisition:

million EUR	2021	2020
Net sales	**106.4**	**112.5**
Other operating income	5.1	0.7
Materials and services	-73.7	-77.5
Employee benefit expenses	-18.7	-18.3
Other operating expenses	-10.2	-10.6
Earning before depreciation (EBITDA)	**9.0**	**6.9**
Depreciation and amortization	-2.3	-2.0
Operating profit (EBIT)	**6.7**	**4.9**
Financial income	0.1	0.1
Financial expenses	-0.5	-0.5
Profit before taxes	**6.3**	**4.4**
Income taxes	-0.4	-0.6
Net profit/loss for the period	**5.8**	**3.9**

The figures are summed from the Wulff Group's figures plus the adjusted figures of the Wulff Solutions companies. The figures for Solutions have taken into account estimates of the group services that cease after the acquisition and changed the presentation to correspond to the rest of the Group.

4. NET SALES

EUR 1000	2021	2020
Sales of workplace products and services	88 270	55 969
Sales of exhibition services	2 155	1 572
Total	**90 424**	**57 541**

Net sales of workplace products and services increased during the review period due to the Wulff Solutions business of the Contract Customers segment, which was formed as a result of acquisitions on May 3, 2021.

Revenue from exhibition services was affected by traveling and gathering restrictions imposed worldwide to limit the spread of the Covid 19 pandemic during the review period, as a result of which exhibition and event services recovered only partially from the comparison period. The offer of alternative service and solution packages for public events increased during the review period.

5. OTHER OPERATING INCOME

EUR 1000	2021	2020
Sales gains from tangible assets	7	30
Rental income	126	126
Other	5 000	512
Total	**5 133**	**668**

The goodwill gain of EUR 4.5 million resulting from the completed acquisition on May 3, 2021 has been recognised in other operating income. This negative goodwill recognition has been treated as a non-recurring item affecting comparability.

Wulff Entre received Government business cost support by the Finnish State Treasury approximately EUR 0.4 million (0.3), as most of the exhibitions in 2021 were canceled due to worldwide restrictions on traveling and gathering in place to prevent the spread of the Covid 19 -pandemic, and business operations were, like in the comparison period, significantly lower than previous financial years..

6. MATERIALS AND SERVICES

EUR 1000	2021	2020
Materials, supplies and products		
Purchases during the financial year	60 021	34 622
Change in inventories	975	1 823
External services	743	348
Total	**61 739**	**36 793**

Purchases of workplace products and services increased during the review period due to the Wulff Solutions business of the Contract Customers segment, which was formed as a result of acquisitions on May 3, 2021.

7. EMPLOYEE BENEFITS

EUR 1000	2021	2020
Salaries and fees	13 010	9 346
Pension expenses (defined contribution plans)	2 037	1 323
Other personnel expenses	1 284	925
Share-based incentives (share rewards payable in shares)	23	-
Total	**16 354**	**11 594**
Average number of employees in accounting period	248	189
Personnel at the end of period	278	176

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 1000	2021	2020
Rents	113	83
Travel and car expenses	849	771
ICT expenses	1 234	497
External logistics expenses	1 967	1 038
Marketing, PR and entertainment expenses	765	432
Credit losses and amortization of sales receivables	38	50
Credit loss allowance of customer contracts according to IFRS 9 *	7	183
Fees to auditors**	107	85
Other	3 256	1 479
Total	**8 336**	**4 618**

* The credit loss provision was increased in 2020, additional information has been presented in note 17.

** 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 1000	2021	2020
Audit	27	23
Tax services	-	-
Other services	-	-
Total	**27**	**23**

OTHER APPROVED AUDIT FIRMS

EUR 1000	2021	2020
Audit	34	33
Tax services	19	-
Other services	28	29
Total	**80**	**62**

9. AMORTIZATION, DEPRECIATION AND IMPAIRMENT

EUR 1000	2021	2020
Amortization and depreciation during the period:		
Amortization of intangible assets:		
Other intangible assets	430	190
Total amortization of intangible assets	430	190
Depreciation of tangible assets:		
Machinery and equipment	317	326
Total depreciation of tangible assets	317	326
Depreciation of buildings:		
Buildings	330	229
Total depreciation of buildings	330	229
Depreciation of right-of-use assets:		
Buildings	746	560
Machinery and equipment	365	357
Total depreciation of right-of-use assets	1 111	917
Total amortization and depreciation	**2 188**	**1 664**

There was no impairment of goodwill in other long term intangible or tangible assets during 2021 or 2020.

10. FINANCIAL INCOME AND EXPENSES

EUR 1000	2021	2020
Financial income:		
Interest income	18	13
Foreign exchange gains and other financial income	35	59
Financial income total	**53**	**72**
Financial expenses:		
Interest expenses	291	181
Interest expenses on finance leases	33	-39
Other financing expenses	77	285
Foreign exchange losses and other financial expenses	40	85
Financial expenses total	**441**	**512**

11. INCOME TAXES

INCOME TAXES IN THE INCOME STATEMENT

EUR 1000	2021	2020
Income taxes for the financial year	-340	-465
Deferred taxes:		
Change in deferred tax assets	-111	-103
Change in deferred tax liabilities	5	10
Total	**-446**	**-558**

INCOME TAX RECONCILIATION

EUR 1000	2021	2020
Income taxes according to the Finnish tax rate (2021-2020: 20.0%)	-1 310	-620
Different tax rates abroad	-11	-33
Non-deductible expenses and tax-free income	892	-2
Tax impact from the current year's losses for which no deferred tax asset is recognized	-66	-
Impact of the tax rate changes on deferred tax assets and liabilities*	-	0
Changes in deferred tax assets and liabilities from previous years	117	-147
Group consolidation and eliminations	-68	244
Income taxes in the income statement	**-446**	**-558**

* Tax rate change in Sweden 2021

11. INCOME TAXES

For the Group companies' previous years' confirmed taxable losses, a deferred tax asset of EUR 369 thousand (376) has been booked, of which EUR 278 thousand (152) will fall due in five years and EUR 52 thousand (97) can be utilized indefinitely. As of December 31, 2021, the Group had confirmed tax losses carried forward of EUR 14 461 thousand (1 756) for which the deferred tax asset of EUR 2 533 thousand (138) has not been fully 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, 2021 includes deferred tax assets of EUR 89 thousand (29) in group companies which made a loss in 2021. 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 2021

EUR 1000	Jan 1, 2021	Income statement	Other changes	Dec 31, 2021
Deferred tax assets:				
Confirmed losses and tax credits	376	-6		369
Provisions	179	-76		103
Depreciation differences	521	-29	88	580
Other temporary differences	5			5
Deferred tax assets total	1 081	-111	88	1 058
Deferred tax liabilities:				
Other temporary differences	181	5	-9	176
Deferred tax liabilities total	181	5	-9	176
Deferred tax assets, net	**901**	**-117**	**98**	**881**

CHANGES IN DEFERRED TAXES 2020

EUR 1000	Jan 1, 2020	Income statement	Other changes	Dec 31, 2020
Deferred tax assets:				
Confirmed losses and tax credits	564	-188		376
Provisions	7	172		179
Depreciation differences	537	-87	73	521
Other temporary differences	5			5
Deferred tax assets total	1 113	-103	73	1 081
Deferred tax liabilities:				
Other temporary differences	178	10	-7	181
Deferred tax liabilities total	178	10	-7	181
Deferred tax assets, net	**934**	**-93**	**80**	**901**

12. EARNINGS PER SHARE

	2021	2020
Profit for the period attributable to the equity holders of the parent company, EUR 1000	5 896	2 174
/ Weighted average number of shares; diluted = non-diluted (1,000 shares)	6 769	6 791
Earnings per share (EPS); Diluted = non-diluted, EUR	0.87	0.32

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

2021	Goodwill	Other intangible assets*	Advance payments	Intangible assets total	Land	Buildings	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost, Jan 1	12 584	3 469	107	16 160	907	5 462	4 505	232	11 106
Additions		982		982	255	1 576	284		2 114
Disposals		-683	0	-683			-354		-354
Translation differences	-34			-34	-2			-3	-5
Acquisition cost, Dec 31	12 550	3 768	107	16 425	1 160	7 038	4 435	230	12 862
Accumulated depreciation and impairment, Jan 1	-4 390	-2 887	-	-7 277	-	-461	-3 643	-139	-4 244
Disposals		683		683			295		295
Depreciation during the period		-430		-430		-330	-310	-7	-647
Accumulated depreciation and impairment, Dec 31	-4 390	-2 634	-	-7 024	-	-791	-3 657	-146	-4 594
Book value, Jan 1	8 194	582	107	8 883	907	5 001	862	94	6 864
Book value, Dec 31	8 160	1 134	107	9 401	1 160	6 247	778	84	8 268

2020	Goodwill	Other intangible assets*	Advance payments	Intangible assets total	Land	Buildings	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost, Jan 1	12 521	3 141	56	15 718	907	5238	4 558	223	10 927
Additions		328	126	454		17	255	47	319
Disposals			-75	-75			-317	-38	-355
Translation differences	63			63		208	9		217
Acquisition cost, Dec 31	12 584	3 469	107	16 160	907	5 462	4 505	232	11 108
Accumulated depreciation and impairment, Jan 1	-4 390	-2 696	-	-7 086	-	-231	-3 544	-126	-3 903
Disposals							215		215
Depreciation during the period		-191		-191		-229	-314	-13	-556
Accumulated depreciation and impairment, Dec 31	-4 390	-2 887	-	-7 277	-	-461	-3 643	-139	-4 244
Book value, Jan 1	8 131	445	56	8 632	907	5 005	1 014	97	7 024
Book value, Dec 31	8 194	582	107	8 883	907	5 001	862	94	6 864

*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 A-RIGHT OF USE ASSETS

Right-of-use assets total

2021	Buildings	Machinery and Equipment	Right-of-use assets total
Acquisition cost, Jan 1	**2 068**	**739**	**2 807**
Additions	803	847	**1 649**
Acquisiton cots, Dec 31	**2 871**	**1 585**	**4 456**
Accumulated depreciation and impairment, Jan 1.	**-1 115**	**-504**	**-1 619**
Depreciation during the period	-746	-365	**-1 111**
Accumulated depreciation and impairment, Dec 31	**-1 861**	**-869**	**-2 730**
Book value, Jan 1	**953**	**235**	**1 187**
Book value, Dec 31	**1 010**	**716**	**1 726**

Right-of-use assets total

2020	Buildings	Machinery and Equipment	Right-of-use assets total
Acquisition cost, Jan 1	**1 271**	**603**	**1 874**
Additions	812	279	**1 090**
Disposals		-157	**-157**
Reclassification	-14	14	**0**
Acquisiton cots, Dec 31	**2 068**	**739**	**2 807**
Accumulated depreciation and impairment, Jan 1.	**-548**	**-324**	**-872**
Disposals		170	**170**
Depreciation during the period	-560	-357	**-917**
Reclassifiacation	-7	7	**0**
Accumulated depreciation and impairment, Dec 31	**-1 115**	**-504**	**-1 619**
Book value, Jan 1	**723**	**279**	**1 001**
Book value, Dec 31	**953**	**235**	**1 187**

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 the notes to the accounts no. 21.

The expenses relating to short-term leases amounted to EUR 0.1 million (0.1). The cash-flow of all lease agreements was EUR 1.1 million (0.9). 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 table below describes the group structure as at 31 December.

	Number of subsidiaries fully owned	
Field of business	**2021**	**2020**
Office supplies and printing solutions	4	2
Financial management services	1	-
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	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
S Supplies Holding AB	**Sweden**	13%	11%	13%	11%	13%	11%
Wulff Beltton AB	**Sweden**	25%	25%	25%	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	
	2021	2020	2021	2020
Short term assets	-	-	1 652	1 542
Long term assets	3 407	3 480	77	86
Short term liabilities	954	774	1 309	1 210
Long term liabilities	976	1 196	-	-
Net sales/income	547	0	5 390	2 569
Expenses	-53	-45	-4 994	-2 527
Net profit/loss	494	-45	396	42
Profit/loss attributable to equity holders of the company	430	-40	297	32
Profit/loss attributable to non-controlling interests	64	-5	99	11
Total comprehensive income	494	-45	396	42
Total comprehensive income attributable to equity holders of the company	430	-40	297	32
Total comprehensive income attributable to non-controlling interests	64	-5	99	11
Dividends paid to non-controlling interests	63	-	95	-

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

S Supplies Holding AB's subsidiaries did not distribute a dividend or group contribution to their parent in 2020 due to an exceptional pandemic year.

15. GOODWILL ALLOCATION AND IMPAIRMENT TEST

EUR 1000	2021	2020
Contract Customers segment:		
Workplace products and services / Finland (Wulff Oy Ab)	3 500	3 500
Workplace products and services / Scandinavia (Wulff Supplies AB)	1 565	1 599
Exhibition services / Finland (Wulff Entre Oy)	1 671	1 671
Office supplies / Printing services (Mavecom Palvelut Oy)	1 424	1 424
Goodwill total	**8 160**	**8 194**

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 0.5%-point growth assumption in Finland and a 1%-point growth assumption in Scandinavia. 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, 2021. The assets tested totalled approximately EUR 7.9 million (8.1). The discounted value-in-use is approximately EUR 16.4 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 1.6 million (1.6) arising from the acquisition of Wulff Supplies AB. The assets tested totalled approximately EUR 6.7 million (6.1) and the discounted value-in-use is approximately EUR 8.9 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 1.7 million (1.1). The discounted value-in-use is approximately EUR 8.4 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 2021 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 (1.6). The discounted value-in-use is approximately EUR 3.2 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, 2021		Dec 31, 2020	
Office Supplies, Finland	**Used value**	**Change**	**Used value**	**Change**
Discount rate	8.5%	increase of 9.2 percentage points	9.0%	increase of 12.5 percentage points
Average EBITDA, % of sales	5.2%	decrease of 2.6 percentage points	6.3%	decrease of 3.5 percentage points
Office Supplies, Scandinavia	**Used value**	**Change**	**Used value**	**Change**
Discount rate	9.5%	increase of 3.0 percentage points	8.5%	increase of 0.9 percentage points
Average EBITDA, % of sales	4.4%	decrease of 0.9 percentage points	3.7%	decrease of 0.3 percentage points
Exhibition services	**Used value**	**Change**	**Used value**	**Change**
Discount rate	8.6%	increase of 38.0 percentage points	8.7%	increase of 18.4 percentage points
Average EBITDA, % of sales	10.8%	decrease of 8.5 percentage points	3.7%	decrease of 2.5 percentage points
Printing solutions	**Used value**	**Change**	**Used value**	**Change**
Discount rate	8.7%	increase of 9.4 percentage points	9.2%	increase of 10.5 percentage points
Average EBITDA, % of sales	12.2%	decrease of 6.2 percentage points	13.1%	decrease of 6.7 percentage points

16. INVENTORIES

EUR 1000	2021	2020
Products	13 178	7 841
Work in process	5	1
Prepayments for inventories	208	845
Total	**13 391**	**8 687**

According to the management's assesment, slow-moving products are associated with a higher valuation risk due to the pandemic, due to which there is a addititional provision of EUR 0.2 million (0.3) for slow-moving products in the financial statements on Dec 31, 2021. In the financial statements 2020 prepayments were made for purchases of hygiene products.

17. SHORT-TERM NON-INTEREST-BEARING RECEIVABLES

TRADE RECEIVABLES

EUR 1000	2021	2020
Trade receivables from others	15 374	6 209
Trade receivables total	**15 374**	**6 209**

The total amount of non-interest-bearing sales receivables in the financial statements has increased from the comparison period due to the acquisition of Wulff Solutions in the Contract Customers segment on May 3, 2021. During the comparison period 2020 more impairment losses on trade receivables were recorded based on realized credit losses and an estimate of increased credit loss risk due to the traveling and gathering restrictions in place due to the pandemic and their effects on customer's business according to the IFRS 9. Dad debt allowance expense is reported in Note 8. Sales receivables do not include significant credit risk concentrations.

OTHER RECEIVABLES

EUR 1000	2021	2020
Valued added tax receivables	55	263
Other receivables	303	65
Other receivables total	**358**	**328**

AGING STRUCTURE OF SALES RECEIVABLES

EUR 1000	2021		2020	
Not due (value not impaired)	13 538	87%	5 718	89%
Due (value not impaired):				
Less than 1 month	1 542	10%	382	6%
More than 1 month - less than 3 months	90	1%	114	2%
More than 3 months - less than 6 months	296	2%	45	1%
More than 6 months	135	1%	172	3%
Total	15 601	101%	6 431	104%
Bad debt allowance according to the IFRS 9	-227	-1%	-221	-4%
Sales receivables total	**15 374**	**100%**	**6 209**	**100%**

ACCRUED INCOME AND EXPENSES

EUR 1000	2021	2020
Income tax receivable	76	72
Sales accruals of exhibitions	697	765
Other accruals	691	675
Accruals total	**1 464**	**1 512**

Sales accruals of exhibitions included purchases paid to suppliers for exhibiitons 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 1000	2021	2020
Cash and bank	797	480
Total	**797**	**480**

19. NOTES ON EQUITY

	Share total	Treasury shares	Outstanding shares
Jan 1, 2020	6 907 628	-79 000	6 828 628
Purchase of own shares		-65 260	-65 260
Dec 31, 2020	6 907 628	-144 260	6 763 368
Transfer of own shares		7 000	7 000
Dec 31, 2021	6 907 628	-137 260	6 770 368

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. In 2021 own shares were transferred and in 2020 own shares were repurchased, of which additional information is provided below.

TREASURY SHARES

At the end of December 2021, the Group held 137,260 (144,620) own shares representing 2.0% (2.1) of the total number and voting rights of Wulff shares. In 2021 7,000 own shares were transferred in accordance with the decision of the Board of Directors on February 22, 2021, information of which is provided in Note 25 Related Party Infomation. During the financial year 2020 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 May 25, 2020 and ended on June 11, 2020. Wulff Group Plc repurchased 65,260 shares at the market price quoted through public trading on Nasdaq Helsinki Oy, 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. The Group did not have any option schemes nor a share reward plan in force in 2020.

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	31.12.2021	31.12.2020
Fund for invested non-restricted equity	676 051	676 051
Treasury shares	-342 575	-360 045
Retained earnings from previous years	293 363	471 370
Net result for the period	1 035 774	628 808
Distributable funds total	1 662 614	1 416 184
- dividend to be distributed*	-880 148	-812 444
Funds left in retained earnings*	**782 466**	**603 740**

EUR	31.12.2021	31.12.2020
Shares total	6 907 628	6 907 628
- Treasury shares held	-137 260	-144 260
Shares which are paid dividend	6 770 368	6 763 368
x Dividend per share (EUR)	0.13	0.12
Dividends total (EUR)*	**880 148**	**812 444**

The Group's parent company Wulff Group Plc's distributable funds totalled EUR 1.7 million. The Board of Directors proposes to the Annual General Meeting that dividend of 0.13 euros per share will be distributed for the financial year 2021 totalling EUR 0.9 million. After the dividend the parent company's distributable funds will be EUR 0.8 million. More information on the change of treasury shares during the financial year 2021 and 2020 has been presented in Note 19.

*The dividend distribution realized in 2021 is presented in the comparison year 2020, that was higher than presented in the financial statements for 2020 due to the transfer of own shares during 2021.

21. LONG-TERM AND SHORT-TERM FINANCIAL LIABILITIES

PAYMENT SCHEDULE FOR THE FINANCIAL LIABILITIES

	Book value	Payment schedule (years):					
EUR 1000	31.12.2021	2022	2023	2024	2025	2026	Later
Long-term financial liabilities:							
Loans from financial institutions	8 839		2 108	1 961	1 912	1 410	1 448
Lease agreement liabilities	927		510	326	90	-	-
Long-term financial liabilities total	**9 765**		**2 618**	**2 287**	**2 002**	**1 410**	**1 448**
Short-term financial liabilities:							
Credit facility		-					
Loans from financial institutions		2 166					
Lease agreement liabilities		886					
Short-term financial liabilities total		**3 052**					

CHANGES IN INTEREST-BEARING LIABILITIES

EUR 1000	Jan 1, 2021	Cash flow	Foreign exchange difference	Fair value change	Other change	Dec 31, 2021
Long-term interest-bearing liabilities	4 514	5 635	43	-	-1 354	8 839
Short-term interest-bearing liabilities	2 888	-2 033	6	-	1 305	2 166
Total	**7 403**	**3 602**	**49**	**-**	**-49**	**11 005**

CHANGES IN INTEREST-BEARING LIABILITIES

EUR 1000	Jan 1, 2020	Cash flow	Foreign exchange difference	Fair value change	Other change	Dec 31, 2020
Long-term interest-bearing liabilities	4 972	-451	-89	-	82	4 514
Short-term interest-bearing liabilities	2 539	343	-14	-	21	2888
Total	**7 511**	**-109**	**-103**	**-**	**103**	**7 403**

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 2.2% at the end of 2021 (2.0).

To finance the acquisition of Wulff Solutions, Wulff Group Plc took out a EUR 6.8 million senior financial loans, which will be repaid within 5 years.

Two of the loans from financial institutions, approximately EUR 2.3 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 1.2 million (1.3) are due within 1-5 years and EUR 0.8 million (1.0) are due after 5 years from the reporting date.

21. LONG-TERM AND SHORT-TERM 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, 2021, EUR 1000	Total	Level 1	Level 2	Level 3
Loans from financial institutions	11 004			11 004
Credit facility	-			-
Lease agreement liabilities	1 813			1 813
Total	**12 817**	**0**	**0**	**12 817**

December 31, 2020, EUR 1000	Total	Level 1	Level 2	Level 3
Loans from financial institutions	5 524			5 524
Credit facility	1 878			1 878
Lease agreement liabilities	1 263			1 263
Total	**8 665**	**0**	**0**	**8 665**

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 the 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 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. 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 163 thousand (151) and net profit and therefore equity by EUR 161 thousand (107). 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 289 thousand (290).

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 and fixed 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 2021 would have resulted in 62 thousand euros (55) higher interest expenses, hence 62 thousand euros (55) lower equity and a 0.1 percentage point (0.1) 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, 2021 the unused credit limits totalled EUR 5.5 million (3.6) 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. Wulff Soluitons, which was acquired on May 3, 2021, manages its credit risk by credit guarantees in addition to others methods. Since the financial year 2020, the spread of the pandemic was prevented by restrictions on traveling and gathering, which had a broad impact on customer operations. The increased credit loss risk of trade receivables due to the pandemic 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 2021 there were no covenant breaches.

23. LONG AND SHORT-TERM NON-INTEREST-BEARING LIABILITIES

LONG-TERM NON-INTEREST-BEARING LIABILITIES

Non-interest-bearing liabilities recognized at fair value

EUR 1000	2021	2020
Due over a year	225	421
Total	**225**	**421**

The additional purchase price of the Mavecom Palvelut Oy acquisition on August 14, 2018 will be paid in cash based on the profitability of the company of financial years 2018-2022. The additional purchase price has been valued at the discounted fair value according to the financial years 2018-2021 profitability and the estimated profitability of financial year 2022. The fair value has been discounted using the Group's external margin on additional financing loans according to the additional purchase price payment posts. The additional purchase price due one year after the reporting period is presented in the other current liabilities.

The additional purchase price is a non-interest bearing external loan of level 3 as presented in notes to the accounts 21, which fair value is based on other than publicly observable market data, for example management's estimates and their use in generally accepted valuation models.

SHORT-TERM NON-INTEREST-BEARING LIABILITIES

Trade payables and advance payments

EUR 1000	2021	2020
Trade payables	9 646	4 995
Exhibition advances from customer contracts	1 228	1 349
Total	**10 874**	**6 344**

Workplace products and services' acquisition volume increased in 2021 due to the acquisiton of Wulff Solutions to the Contract Customers segment on May 3, 2021.

Advances 1 228 thousand euros are advances according to the customer contracts of future exhibitions after the reporting period. The Exhibition contracts total for event after year-end 31.12.2021 was 1 576 thousand euros (1 448), of which 1 228 thousand euros (1 349) were invoiced and presented as advances from customer contracts.

23. LONG AND SHORT-TERM NON-INTEREST-BEARING LIABILITIES

OTHER CURRENT LIABILITIES

EUR 1000	2021	2020
Value added tax liabilities	2 179	1 060
Additional purchase price	195	192
Other current liabilities	599	547
Other current liabilities total	**2 972**	**1 799**

MATURITY OF SHORT-TERM NON-INTEREST-BEARING LIABILITIES

EUR 1000	2021	2020
Due within one month	12 949	7 936
Due 1 month to 6 months	5 486	3 043
Due from 6 months to 1 year	1 004	781
Due from 1 year to 5 years	44	65
Total	**19 484**	**11 825**

ACCRUED INCOME AND EXPENSES

EUR 1000	2021	2020
Accruals for employee benefits	3 532	2 024
Income tax liabilities	449	358
Interest accruals	43	13
Sales accruals	9	45
Other accruals	1 605	1 242
Accrued income and expenses total	**5 638**	**3 681**

24. COMMITMENTS

EUR 1000	2021	2020
Mortgages and guarantees on own behalf		
Business mortgage for the Group's loan liabilities	8 050	8 050
Business mortgages, free	3 900	3 900
Subsidiary shares pledged as security for group companies' liabilities	15 090	8 510
Pledges and guarantees given for the group companies' off-balance sheet commitments	-	-

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 2 502 thousand), Wulff Oy Ab (3 500), S Supplies Holding AB (1 097), Mutual Real Estate Company Kilonkallio1 (1 556), and Wulff Finland Oy (6 435). 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 1000	2021	2020
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	11
Ari Pikkarainen, Chairman of the Board 9/2017-4/2019 and member -4/2020	-	5
Board members' benefits total	**60**	**61**

SUMMARY OF GROUP EXECUTIVE BOARD'S EMPLOYMENT BENEFITS

EUR 1000	2021	2020
Salaries and other short-term remuneration	659	731
Fringe Benefits	22	36
Bonuses	60	56
Other long-term remuneration, additional pension benefits	35	36
Share-based incentives	23	-
Group Executive Board's employee benefits total	**799**	**859**

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 2021 and 2020 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 Pienimäki as the Wulff Group Plc CEO on September 17, 2019 and she started in her position on September 30, 2019. In 2021, the remuneration of CEO Elina Pienimäki consisted of monetary wages and fringe benefits of the amount of EUR 168 thousand (145) and share-based incentives EUR 23 thousand. The Board of Directors decided to establish a short- and long-term incentive scheme for CEO Elina Pienimäki 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.

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 2021 or 2020.

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 2021 and 2020, the Group Executive Board consisted of Trond Fikseaunet, Elina Hanén, Tarja Törmänen, Veijo Ågerfalk, Tomi Hilvo from August 3, 2020 to July 26, 2021, and Ninni Arion until August 3, 2020, 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 2021, the service costs amounted to EUR 81 thousand (69). 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 1000	2021	2020
Sales to related parties	186	76
Purchases from related parties	114	146

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 81 thousand (69).

The Group had no loan receivable from a company under influence of a related party at year-end 2021 or 2020.

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. Mutual Real Estate Company Kilonkallio 1	Group Services	100%	100%
3. Mavecom Palvelut Oy	Contract Customers	100%	100%
4. Naxor Finland Oy	Expertise Sales	75%	0%
5. Naxor Holding Oy	Expertise Sales	75%	75%
6. Talouspalvelut Helmitaulu Oy	Contract Customers	100%	0%
7. Wulff Entre Oy	Contract Customers	100%	100%
8. Wulff Finances Oy	Group Services	100%	100%
9. Wulff Finland Oy	Contract Customers	100%	100%
10. Wulff Leasing Oy	Group Services	100%	0%
11. Wulff Oy Ab	Contract Customers	100%	100%
12. Wulff Soluitons Oy	Contract Customers	100%	0%
Subsidiaries in Sweden:			
13. Wulff Beltton AB	Expertise Sales	75%	25%
14. Wulff Solutions AB	Expertise Sales	75%	0%
15. S Supplies Holding AB	Contract Customers	87%	87%
16. Wulff Supplies AB	Contract Customers	87%	0%
Subsidiaries in Norway:			
17. Beltton AS	Expertise Sales	80%	60%
18. Wulff Supplies AS	Contract Customers	87%	0%
Subsidiaries in Denmark:			
19. Wulff Supplies A/S	Contract Customers	87%	0%

PARENT COMPANY'S FINANCIAL STATEMENT, FAS

PARENT COMPANY'S INCOME STATEMENT, FAS

EUR	Note	Jan 1 - Dec 31, 2021	Jan 1 - Dec 31, 2020
Net sales	2	**371 872.12**	**327 190.00**
Other operating income	3	178 419.97	171 500.76
Personnel expenses	4	-588 058.47	-446 486.84
Other operating expenses	5	-243 460.85	-241 966.95
Depreciation and amortization according to plan	6	-159 007.43	-160 541.00
Operating profit/loss		**-440 234.66**	**-350 304.03**
Financial income	7	1 343 917.55	328 218.66
Financial expenses	7	-398 389.10	-369 263.40
Profit/Loss before appropriations		**505 293.79**	**-391 348.77**
Appropriations	8	509 923.02	1 169 796.64
Profit/Loss before taxes		**1 015 216.81**	**778 447.87**
Income taxes	9	20 557.36	-149 640.03
Net profit/loss for the period		**1 035 774.17**	**628 807.84**

PARENT COMPANY'S BALANCE SHEET, FAS

EUR	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
FIXED ASSETS			
Intangible assets			
Trademarks	10	1 500 000.00	1 650 000.00
Tangible assets			
Machinery and equipment	10	5 176.83	5 944.94
Other tangible assets	10	51 982.68	58 763.04
Investments			
Shares in Group companies	11	16 755 110.02	10 265 264.91
Non-current receivables			
Non-current receivables from Group companies	12	4 431 067.15	5 266 892.54
Deferred tax receivables	9	30 382.15	9 824.79
TOTAL FIXED ASSETS		**22 773 718.83**	**17 256 690.22**
CURRENT ASSETS			
Current receivables			
Trade receivables		36 641.92	48 484.00
Receivables from Group companies	12	625 579.97	1 327 213.11
Prepaid expenses and accrued income	13	47 465.41	10 253.60
Current receivables total		709 687.30	1 385 950.71
Cash and cash equivalents	14	339 111.03	688.02
TOTAL CURRENT ASSETS		**1 048 798.33**	**1 386 638.73**
TOTAL ASSETS		**23 822 517.16**	**18 643 328.95**

PARENT COMPANY’S BALANCE SHEET, FAS

EUR	Note	Dec 31, 2021	Dec 31, 2020
EQUITY AND LIABILITIES			
SHAREHOLDERS´ EQUITY			
Share capital	15	2 650 000.00	2 650 000.00
Share premium fund	15	7 889 591.50	7 889 591.50
Treasury shares	15	-342 574.65	-360 045.29
Invested unrestricted equity fund	15	676 051.20	676 051.20
Retained earnings	15	293 363.12	471 370.08
Net profit for the financial year	15	1 035 774.17	628 807.84
TOTAL SHAREHOLDERS´ EQUITY	**15**	**12 202 205.34**	**11 955 775.33**

EUR	Note	Dec 31, 2021	Dec 31, 2020
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	16	6 856 683.54	2 184 342.94
Other non-interest bearing liabilities	17	224 628.92	449 257.84
Total Non-current liabilities		7 081 312.46	2 633 600.78
Current liabilities			
Loans from credit institutions	16	1 875 159.40	2 495 750.94
Trade payables		26 259.35	24 116.33
Amounts owed to group companies	18	2 257 552.21	1 269 742.46
Other liabilities	17	214 378.87	203 655.36
Accrued liabilities and deferred income	19	165 649.53	60 687.75
Total current liabilities		4 538 999.36	4 053 952.84
TOTAL LIABILITIES		**11 620 311.82**	**6 687 553.62**
TOTAL EQUITY AND LIABILITIES		**23 822 517.16**	**18 643 328.95**

PARENT COMPANY CASH FLOW STATEMENT

EUR 1000	Jan 1 - Dec 31, 2021	Jan 1 - Dec 31, 2020
CASH FLOW FROM OPERATIONS:		
Payments received from sales	405	362
Payments received from other operating income	178	172
Amounts paid for operating expenses	-620	-1 172
CASH FLOW FROM BUSINESS OPERATIONS BEFORE FINANCIAL ITEMS AND TAXES	**-36**	**-638**
Interests and other financial costs paid	-130	-137
Interest received from operations	234	251
Dividend received from operations	1 090	-
CASH FLOW FROM OPERATIONS	**1 158**	**-523**
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Investments in intangible and tangible assets	-2	-1
Acquisition of shares in subsidiaries	- 6 627	-216
Loans granted	1 208	932
Loan receivables repaid	808	450
CASH FLOW FROM INVESTMENT ACTIVITIES	**-4 612**	**1 166**
CASH FLOW FROM FINANCIAL ACTIVITIES:		
Dividend distribution paid	-812	-744
Purchase of own shares	-	-100
Changes in the shares of minority shareholders	-54	-
Group contributions received	1 170	283
Group balance accounts (net)	-2 214	195
Withdrawals of long-term loans	6 800	-
Repayments of long-term loans	-1 096	-289
CASH FLOW FROM FINANCIAL ACTIVITIES	**3 793**	**-656**
CHANGE IN CASH AND CASH EQUIVALENTS	**338**	**-13**
CASH AND CASH EQUIVALENTS ON JANUARY 1	**1**	**14**
CASH AND CASH EQUIVALENTS ON DECEMBER 31	**339**	**1**

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
IT equipment:	3 years straight-line basis
Other machines and equipment:	3-8 years straight-line basis
Other tangible assets:	5-10 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 1000	2021	2020
Rental income	126	126
Other	53	46
Total	**178**	**172**

4. PERSONNEL EXPENSES

EUR 1000	2021	2020
Salaries, wages and fees	470	376
Pension expenses	86	66
Other personnel expenses	9	5
Share-based incentives	23	-
Total	**588**	**446**
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 1000	2021	2020
Travel and car expenses	4	4
ICT expenses	11	14
Marketing, PR and entertainment expenses	67	51
Fees to auditors *	8	8
Bank expenses	63	67
Other	91	97
Total	**243**	**242**

* Fees to auditors:

EUR 1000	2021	2020
Audit	8	8
Tax services	-	-
Other services	-	-
Total	**8**	**8**

6. AMORTIZATION AND DEPRECIATION DURING THE FINANCIAL YEAR

EUR 1000	2021	2020
Amortization of intangible assets:		
Trademarks	150	150
Total amortization of intangible assets	150	150
Depreciation of tangible assets:		
Machinery and equipment	9	11
Total depreciation of tangible assets	9	11
Total amortization and depreciation	**159**	**161**

7. FINANCIAL INCOME AND EXPENSES

EUR 1000	2021	2020
Financial income:		
Dividends from group companies	1 090	-
Other interest and financial income from group companies	251	272
Other interest and financial income from others	3	56
Total	1 344	328
Financial expenses:		
Interest expenses to group companies	-148	-75
Interest expenses to others	-206	-108
Foreign exchange losses	-31	-21
Other financial expenses	-14	-166
Total	-398	-369
Financial income and expenses total	**946**	**-41**

8. APPROPRIATIONS

EUR 1000	2021	2020
Appropriations: group contributions received	510	1 170
Total	**510**	**1 170**

9. INCOME TAXES

INCOME TAXES IN THE INCOME STATEMENT:

EUR 1000	2021	2020
Change in deferred tax asset	21	-150
Total	**21**	**-150**

INCOME TAXES IN THE BALANCE SHEET:

EUR 1000	2021	2020
Deferred tax receivables	30	10

10. INTANGIBLE AND TANGIBLE ASSETS

2021	Trademarks	Intangible assets total	Other tangible assets	Machinery and equipment	Tangible assets total
Acquisition cost, Jan 1	3 000	**3 000**	67	184	**251**
Additions				2	**2**
Disposals				-177	**-177**
Acquisition cost, Dec 31	3 000	**3 000**	67	9	**76**
Accumulated depreciation and impairment, Jan 1	-1 350	**-1 350**	-8	-178	**-187**
Depreciation during the period	-150	**-150**	-7	-2	**-9**
Disposals' cumulative depreciations				177	**177**
Accumulated depreciation and impairment, Dec 31	-1 500	**-1 500**	-15	-4	**-19**
Book value, Jan 1	**1 650**	1 650	**59**	**6**	65
Book value, Dec 31	**1 500**	1 500	**52**	**5**	57

2020	Trademarks	Intangible assets total	Other tangible assets	Machinery and equipment	Tangible assets total
Acquisition cost, Jan 1	3 000	**3 000**	67	183	**250**
Additions				1	**1**
Acquisition cost, Dec 31	3 000	**3 000**	67	184	**251**
Accumulated depreciation and impairment, Jan 1	-1 200	**-1 200**	-2	-175	**-176**
Depreciation during the period	-150	**-150**	-7	-4	**-11**
Accumulated depreciation and impairment, Dec 31	-1 350	**-1 350**	-8	-178	**-187**
Book value, Jan 1	**1 800**	1 800	**66**	**9**	74
Book value, Dec 31	**1 650**	1 650	**59**	**6**	65

11. SHARES IN GROUP COMPANIES

EUR 1000	2021	2020
Acquisition cost, Jan 1	14 529	14 529
Additions	6 490	-
Acquisition cost, Dec 31	21 019	14 529
Accumulated depreciation and impairment, Jan 1	-4 264	-4 264
Accumulated depreciation and impairment, Dec 31	-4 264	-4 264
Book value, Jan 1	**10 265**	**10 265**
Book value, Dec 31	**16 755**	**10 265**

On May 3, 2021, Wulff Group Plc, acquired workplace products and services expert Staples Finland Oy, and its Finnish parent company EMO Finland Oy for EUR 6.0 million.

12. RECEIVABLES FROM GROUP COMPANIES

EUR 1000	2021	2020
Non-current:		
Capital loans	1 780	2 176
Other loans	2 651	3 091
Non-current receivables total	4 431	5 267
Current:		
Trade receivables	55	4
Other receivables	60	107
Accrued income and expenses	510	1 217
Current receivables total	626	1 327
Receivables from group companies total	**5 057**	**6 594**

13. PREPAID EXPENSES AND ACCRUED INCOME

EUR 1000	2021	2020
Accruals for employee benefits	2	2
Other accruals	46	9
Total	**47**	**10**

14. CASH AND CASH EQUIVALENTS

EUR 1000	2021	2020
Carrying amount, Jan 1	1	14
Additions during the financial year	338	-13
Total	**339**	**1**

15. EQUITY

EUR 1000	2021	2020
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	-360	-260
Acquisitions of treasury shares*	-	-100
Transfer of treasury shares*	17	-
Treasury shares as of Dec 31	**-343**	**-360**
Retained earnings from previous financial years as of Jan 1	1 100	1 216
Dividend distribution	-812	-744
Transfer on treasury shares*	6	-
Retained earnings from previous financial years as of Dec 31	293	471
Net profit for the financial year	1 036	629
Retained earnings total as of Dec 31	**1 329**	**1 100**
Equity total as of Dec 31	**12 202**	**11 956**

Distributable funds in euros as of Dec 31	31.12.2020	31.12.2020
Invested unrestricted equity fund	676 051.20	676 051.20
Treasury shares*	-342 574.65	-360 045.29
Retained earnings from previous financial years	293 363.12	471 370.08
Net profit for the financial year	1 035 774.17	628 807.84
Distributable funds total	**1 662 613.84**	**1 416 183.83**

*During the financial year 2021 7,000 treasury shares were transferred in accordance with the decision of the Board of Directors on February 22, 2021, of which more information is provided in Note 25 relatedparties. In 2020 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 May 25, 2020 and ended on June 11, 2020. Wulff Group Plc repurchased 65,260 shares at the market price quoted through public trading on NASDAQ OMX Helsinki, 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. At the end of December 2021, the Group held 137,260 (144,260) own shares representing 2.0% (2.1) of the total number and voting rights of Wulff shares.

16. INTEREST-BEARING LIABILITIES

PAYMENT SCHEDULE FOR THE LOANS

EUR 1000	Book value Dec 31, 2021	Payment schedule (years): 2022	2023	2024	2025	2026	Later
Non-current							
Loans from financial institutions	6 857		1 817	1 670	1 621	1 119	629
Total	**6 857**		**1 817**	**1 670**	**1 621**	**1 119**	**629**
Current							
Loans from financial institutions	1 875	1 875					
Total	**1 875**	**1 875**					

To finance the acquisition of Wulff Solutions, Wulff Group Plc took out a EUR 6.8 million senior financial loan, which will be repaid within 5 years.

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

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

EUR 1000	2021	2020
Other long-term non-interest bearing liabilities	225	449
Other short-term non-interest bearing liabilities*	195	192
Total	**419**	**641**

*The short-term portion of the additional purchase price is presented in other short-term non-interest bearing liabilities.

On August 14, 2018, Wulff Group Plc acquired the entire share capital of Mavecom Palvelut Ltd 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 will be paid in cash based on the profitability of Mavecom Palvelut Ltd's business during 2018-2022. No limit has been set for the additional purchase price. The unpaid portion of the estimated additional purchase price is presented in non-interest-bearing long-term liabilities EUR 0.2 million and in non-interest-bearing short-term liabilities EUR 0.2 million. During financial year 2021 EUR 192 thousand (216) was paid in cash of the acquisition. The additional purchase price is paid yearly on the basis of the approved financial statements of the subsidiary.

18. AMOUNTS OWED TO GROUP COMPANIES

EUR 1000	2021	2020
Accounts payable	12	5
Other short-term liabilities	2 246	1 265
Total	**2 258**	**1 270**

19. ACCRUED LIABILITIES AND DEFERRED INCOME

EUR 1000	2021	2020
Accruals for employee benefits	133	52
Interest accruals	33	9
Other accruals	-	-
Total	**166**	**61**

20. COMMITMENTS

EUR 1000	2021	2020
Mortgages and guarantees on own behalf		
Subsidiary shares pledged as security for own liabilities	15 090	8 510
Own business mortgages given as quarantee for own liabilities	5 600	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	580

Subsidiary shares pledged as security for group's liabilities are presented as book values and they consist of Wulff Entre Oy (2 502 thousand euros), S Supplies Holding AB (1 097), Wulff Oy Ab (3 500), Mutual Real Estate Company Kilonkallio 1 (1 556) and Wulff Finland Oy (6 435).

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 10, 2022

Elina Pienimäki
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 10, 2022

BDO Oy,
Authorized Public Accountant Firm

Juha Selänne
Authorized Public Accountant

AUDITOR'S REPORT (TRANSLATION OF THE FINNISH ORIGINAL)

To the Annual General Meeting of Wulff-Yhtiöt Oyj

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Wulff-Yhtiöt Oyj (business identity code 1454963-5) for the year ended 31 December, 2021. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, 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 International Financial Reporting Standards (IFRS) 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 the 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.

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 13.4 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 8.2 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 2021 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 € 12.2 million as of 31 December 2021, of which the distributable equity amounts to € 1.7 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 € 21.2 million as of 31 December 2021. The valuation 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 2021 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 for 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 appropriate 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 parent company or the group 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 April 2017, and our appointment represents a total period of uninterrupted engagement of 5 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 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 10 March 2022

BDO Oy
Audit Firm

Juha Selänne
Authorized Public Accountant

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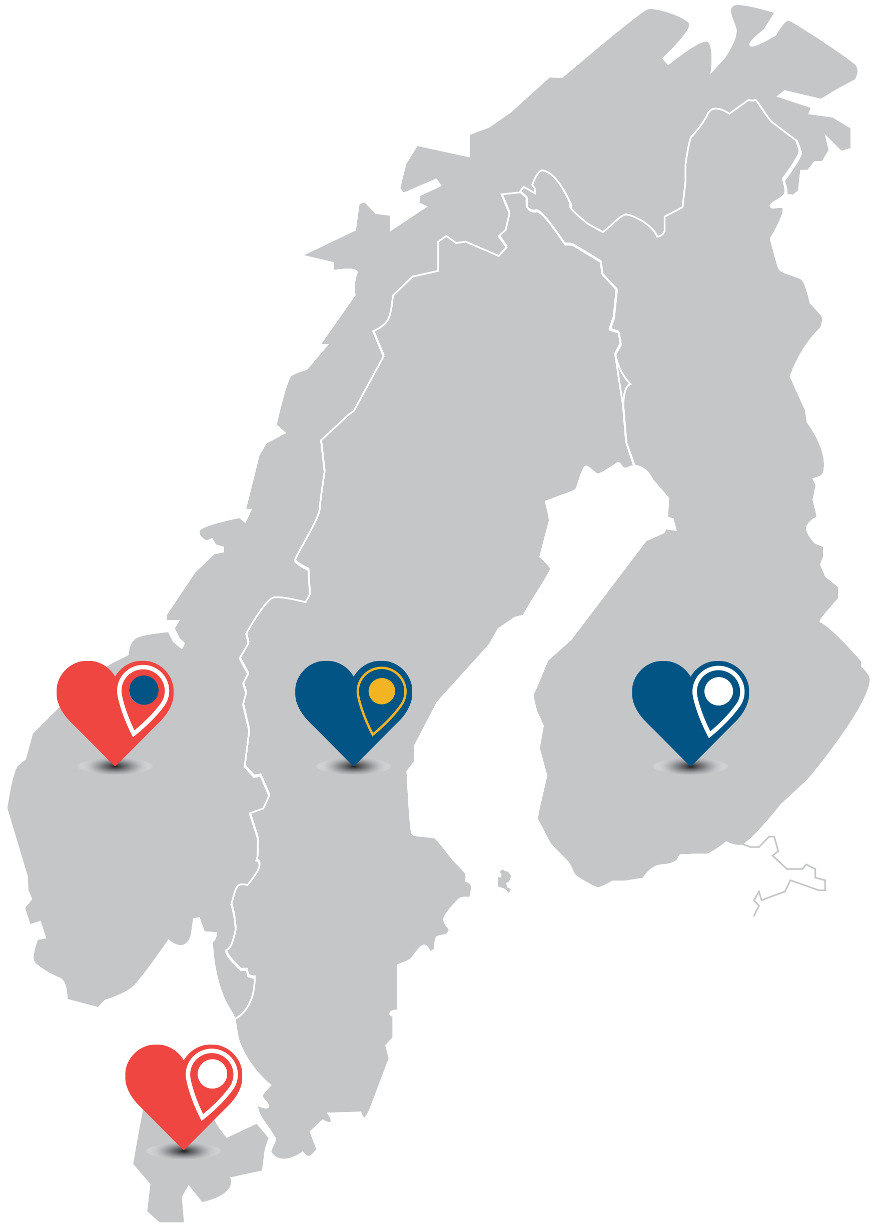

A better world – one workplace at a time.

WULFF

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