2018
ANNUAL REPORT

WULFF

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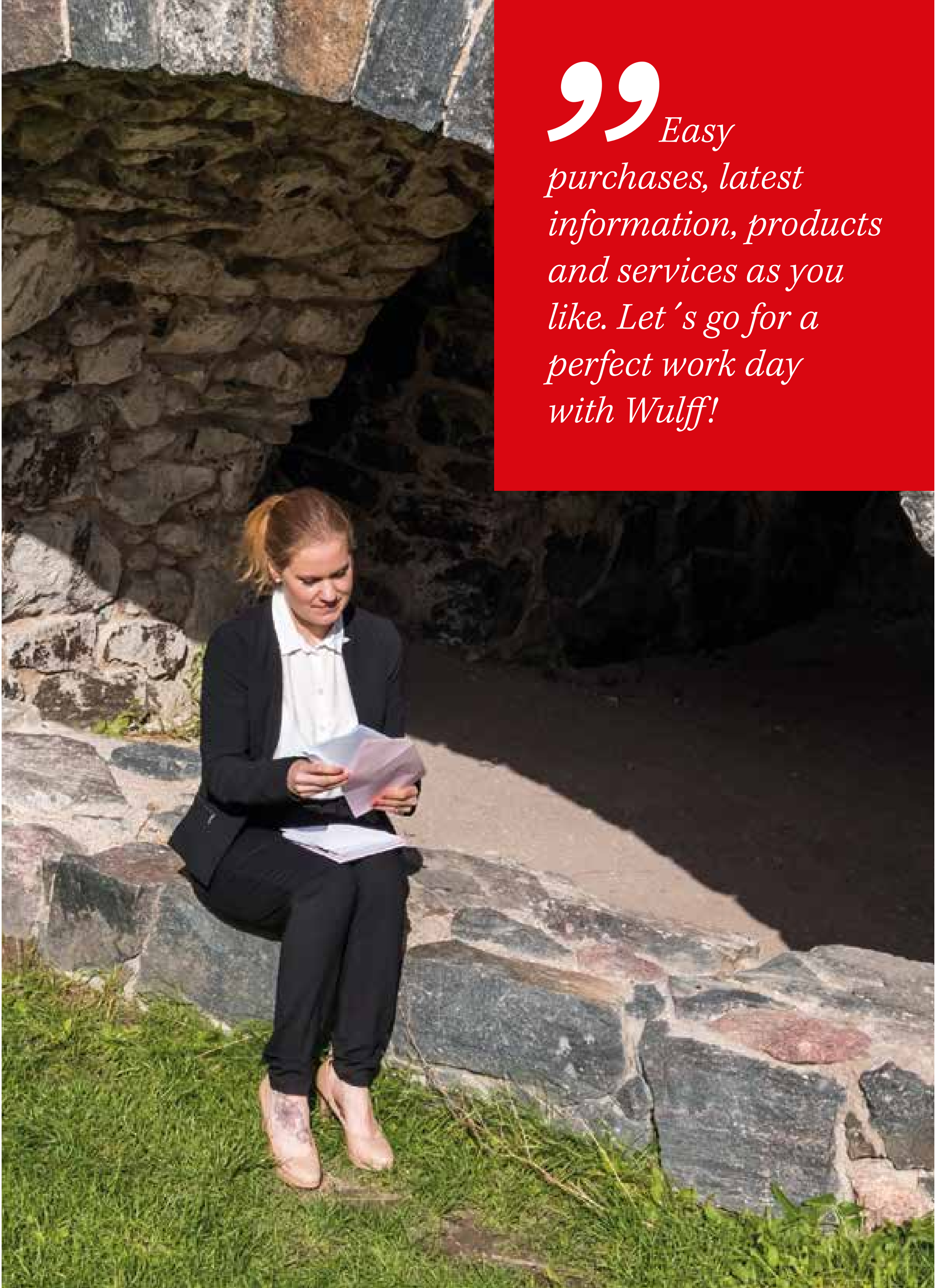


Easy purchases, latest information, products and services as you like. Let´s go for a perfect work day with Wulff!

WULFF TODAY

WULFF – A BETTER WORLD ONE WORKPLACE AT A TIME

Wulff enables working in environments where companies and entrepreneurs operate. At the same time, we make the world better – one workplace at a time. We will bring more and more sustainable and environmentally friendly products to our customers. Every one of us can affect the kind of world and future we will build with our daily choices.

BETTER WORKING DAYS – WHEREVER YOU WORK

Already, people work a lot away from the office: digitalization enables a lot, mobile work creates new requirements for working environments. We work at the office, at home, on a dock, in a café, on train, on a bench at the park, when we move from one place to another, and when we meet people. In the future, the working space might be, before all, finding the right state of mind for working. With Wulff, you can ensure that the working environment and equipment enable a better working day.

WHAT WOULD YOU LIKE?

We offer the most broadest range of products in the industry that make a workplace. What would you like? We offer our customers workplace products, catering solutions, facility management products and cleaning supplies, office and IT supplies, ergonomics, first aid, and innovative products for worksites. Customers can also acquire international fair services from Wulff. In addition to Finland, Wulff Group operates in Sweden, Norway and Denmark. Check out our products and services at wulff.fi.

What is the perfect work day like and what do you need for that?

Our customer Hartela tells

IN THE PICTURE Jan Sillanpää from Wulff (left) and Marjut Kari from Hartela in front of the Turku store.
PHOTO Wulff / Reeta Mäkinen, Hartela Western Finland.

BUILDERS OF IMPORTANT PLACES

Did you know that by acquiring products and services from Wulff you help growing domestic business? We can all make an impact with our daily choices. Wulff has Finnish roots and today it operates strongly in every Nordic country. When you choose Wulff, you choose to support employment and business in Finland.

The best picture of Wulff's operations and cooperation with us is given by our customers. According Marjut Kari from Hartela Wulff makes it easy to get all the office supplies needed. Centralized procurements streamline everyday life, and with Wulff the most special product requests and urgent acquisitions are carried out effortlessly.

A BETTER WORLD WITH SOFT VALUES

Hartela and Wulff are strongly domestic companies that share similar values. Hartela builds the world's most important places; homes for people and facilities for businesses. That's where people work and spend a significant part of their time. The homes and offices are built of hard material but soft and humane values are appreciated there. Wulff makes the world a better place one workplace at a time, Hartela builds a better world with every new home and office.

Hartela has relied on Wulff as a workplace product supplier partner and enabling a smooth running of everyday life for ten years. The partnership has developed along with the growth and development of both companies and with the changing world. In Hartela, it is appreciated that Wulff has maintained the good things that work well.

Hartela has enjoyed its new and modern office at Bastioninkatu in Turku since 2015. However, there is something from the 1980s when it comes to office supplies and workplace products: a red rack for small accessory! "It´s retro, but it works – sustainable development at its best", laughs Marjut Kari, the customer service engineer responsible for acquisitions for Hartela, Turku.

When the item is made of durable materials, it´s time and wear resistant. However, what is found inside the small rack, has changed over the years.

> *"With Wulff everything is great."*


Customer Service Engineer Marjut Kari (left) outside Turku Skanssi constructed by Hartela.

”Wulff's and Hartela's customers appreciate the same things: domesticity, durability and partner´s reliability.”

COLLABORATION MAKES EVERYDAY LIFE EASIER

When working with Wulff, you can be sure that every little product, that makes everyday life easier, is the best choice for the customer, and what is new and better is brought to the customer's attention. “The most important things of office supplies for us are the quality and availability along with the fast delivery when sudden needs emerge. Information about what's new in the industry and what we could benefit from, we wouldn't find ourselves. In addition to the products, Wulff provides information on novelties and the impact of our choices.”

Over the years, Wulff's product range has grown enormously. It has enabled Hartela to reduce the number of suppliers. When you can acquire all the supplies you need easily from the same

"Easy online ordering channel WulffNet, fast and accurate deliveries, our own contact person Jan and everything you need from one single supplier are the reasons to be happy with Wulff now and in the future," summarizes Marjut Kari. Recently, activities have been developed to be more eco-friendly by reducing weekly orders. Better anticipation and larger one-off orders mean less environmental consumption in transport.

Wulff Better Products

partner through one logistics pipeline and along with an excellent reporting, it saves time and money.

Where does such a strong recommendation for cooperation with Wulff come from? In addition to a good selection, fast and reliable deliveries as well as a great value for money, people at Wulff are important. At Wulff there are people who care about customers, and it can be seen in the way they work.

Marjut Kari from Hartela specially mentions Jan Sillanpää, the contact person from Wulff store. "Wulff's deliveries always arrive to the destination and it means that Jan brings the products right here to our pick-up point of office supplies. Great service! Carrying heavy paper boxes would take me a lot of time", says Marjut.

"I write daily with a Ballograf pen I bought ten years ago from Wulff."

HARTELA

- *Hartela is one of the oldest construction companies in Finland.*
- *Projects include: housing, business premises, office projects, nursing properties and industrial construction.*
- *Founded in Turku in 1942.*
- *The nationwide group includes: a parent company operating in Helsinki and its subsidiaries in Southern, Western and Northern Finland.*
- *Hartela employs approximately 600 construction professionals.*
- *Net sales in 2018: EUR 370 million.*

WHO?

Marjut Kari
Customer Service Engineer

Marjut has worked in Hartela for over 20 years. A good atmosphere and co-workers, as well as interesting work that has given opportunities to developed, makes her to come to work in a good mood every day. At her free time, Marjut can be found doing group exercise, and spending time at the cottage with her husband. In the future she hopes to continue living a good and healthy life and maybe going on more nice holiday trips.

*"**By choosing Wulff** you have chosen better. Thank you for making the world better - one workplace at a time.*

CEO's Review

THANKFULLY TOWARDS THE NEW YEAR

2018 has been a year of winning together for Wulff. Thank you goes to our clients, partners, everybody at Wulff and our shareholders. Thank you for choosing Wulff as your partner and employer. By choosing us, you choose to take responsibility, for wanting to make a difference: together we make the world better, one workplace at a time.

STRATEGY: TO MAKE WORLD BETTER ONE WORKPLACE AT A TIME

Our renewed strategy has been well received. It also shows great in our 2018 result, which developed positively. This gives us a good opportunity to invest in renewal and competitiveness.

HOW WILL WE SUCCEED NEXT YEAR AND IN THE COMING YEARS?

Actions matter the most, always: the way we encounter and serve our customers, and how committed we are to our work - and how big a Wulff heart guides our work. I am proud that more and more of our personnel and cooperation partners value sustainability, greener choices and domesticity. Where you put your attention to, it grows. We have succeeded together to strengthen the importance of making good choices for the world.

IMPORTANT STRATEGIC PROJECTS

A strategic project has been successful, when it brings out new good practices. We have been able to start many good projects and rejoice at how they have already affected our operations.

Wulff Better Products and Wulff Lab projects will increase the number of new products and services in our range and of good choices. New ideas are being invented and searched for together with customers and suppliers.

We develop our own expertise at Wulff Academy, our own coaching program for Wulff. The Academy's goal is to ensure that we have the knowledge and skills that a pioneer in the field and the best sales company in the Nordic countries need. We develop our customer experience and our digital capabilities through the Wulff Digital project. During 2018, we renewed, for example, open to all at online store Wulffinkulma.fi, with good results.

In a developing and digitalizing world, many things are getting faster and easier than before. One thing we at Wulff believe, that will remain unchanged, is the appreciation for the good work done by people. It is good to remember that also digitalisation is always led by people. We also believe that we as people, in the future, will crave for and also appreciate real encounters where we are truly present. That's why one of the most important places to serve our customers this year is exactly where you - our reader, our customer, our partner - work.

Looking forward to meeting you in 2019, a year of great opportunities. Let's make it a good one for all of us!

Heikki Vienola
CEO

Net sales
2018
55,9 meur

Operating profit
2018
1,5 meur

”The ways of working is changing. Work is done in many different spaces and environments. The responsibility for self, selfmanagement, own work and its results also increases. Entrepreneurship is becoming more common.

CHANGING OPERATING ENVIRONMENT

Wulff is known as a diverse supplier of workplace products that enable working in different environments. Information work and work done by experts will continue to account for an ever-increasing part of all labour and digitalization brings new opportunities for both working and purchasing products and services. While more and more industries have the whole world as their operating environment, companies' values and meanings are beginning to be emphasized.

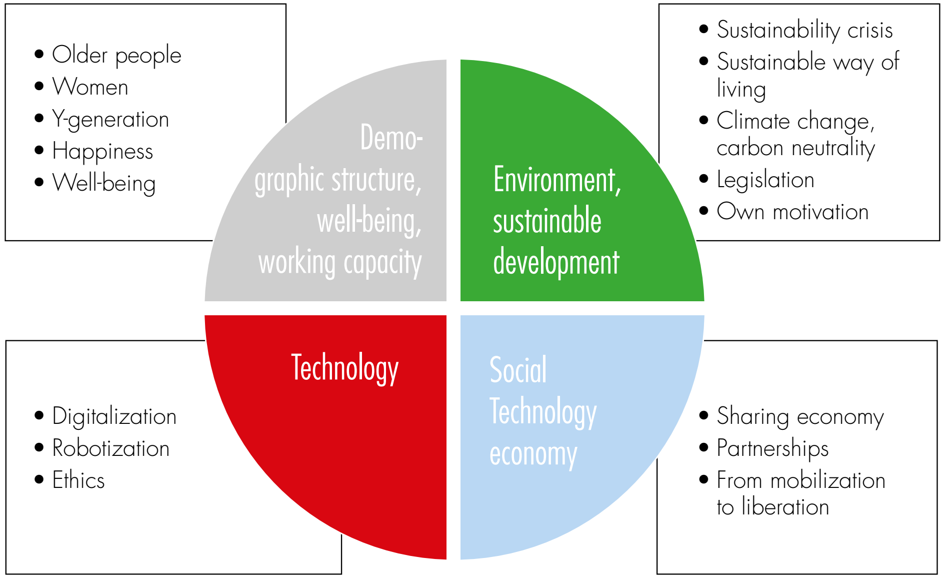
In Wulff's operating environment there is competition in the production and sales of workplace products, facility management products, office and IT supplies, promotional products, ergonomics, first aid, and products that enhance well-being at work. Wulff's operating environment is broader than the traditional field since the Group also offers international exhibition services and solutions for construction and worksites.

Wulff's main operating areas are Finland, Sweden, Norway, and Denmark. In Finland, the Group is the industry market leader and strong innovator. For the Scandinavian market leadership Wulff faces competition from international corporate giants, e.g. Staples and Lyreco. Wulff is an efficient and desired distribution channel for both product manufacturers and suppliers. Its sales channels quickly and comprehensively reach businesses of different sizes. Wulff does not manifacture products themselves. According to Wulff Group's estimates, the field's annual 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. The Nordic market is very uniform in terms of number of customers, purchasing behaviour and demand for products. In the past years, the market for office and IT supplies has decreased in all of the Nordic countries.

WULFF SERVE BUSINESSES, ENTREPRENEURS AND COMMUNITIES

All companies and organizations use the products Wulff markets throughout the year. The demand for example ink and toners, paper, coffee, storage devices, and cleaning products is constant and not seasonal. The demand is influenced by the general economic situation. For

Megatrends that will affect Wulff's future and operations



”Values and how we operate after them are increasingly important in companies; also when choosing business partners.

example, when large companies recruit employees, consumption increases. Some products have a long lifetime, for example ergonomic products, which are purchased after careful consideration and will last in use tens of years. For business and advertising gifts however, sales is typically seasonal and it tends to focus on the second and last quarter of the year, although the seasonal impact has slightly evened out in the past few years. Gifts and promoting goods are seen as an increasingly important part of companies' marketing communications. It is important that they communicate the company values. Positively developing economy increases sales of gift and promotional products; buying more does not necessarily mean the quantity, but the value, quality and ecology, for example.

Wulff is the only player in its field that can offer its customers a perfectly complementary service model: personal contract customer and expert service, collaboration with retail and consumer sales companies, comprehensive online services, public online shop, and the possibility to visit stores. Every new Nordic company is a potential new customer for Wulff.

WHO ARE THE SUCCESSORS IN THE CHANGING OPERATING ENVIRONMENT?

Wulff's goal is to develop its own and customer´s operations and the entire industry. It wants to have an influence on the operating environment and values. For example, in measuring technology development, the world has changed more over the last 30 years than in the previous 300 years. There are still bigger and faster digital transitions to be expected. Those who will succeed in the industry are those who can make use of development and lead change.

The field's market has been traditionally very fragmented. Entering the market is easy and that 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 the consolidation development will be intense and company takeovers will continue in the future. One of Wulff's strengths is its size. The company is large enough to be a significant partner for its suppliers and a reliable and well-known company for its customers. At the same time, it is small enough to be agile and quick to react to the evolving operating environment. Wulff's domesticity is also pleasing factor for customers and domestic business is supported willingly. Local service and market know-how is also beneficial in developing working solutions.

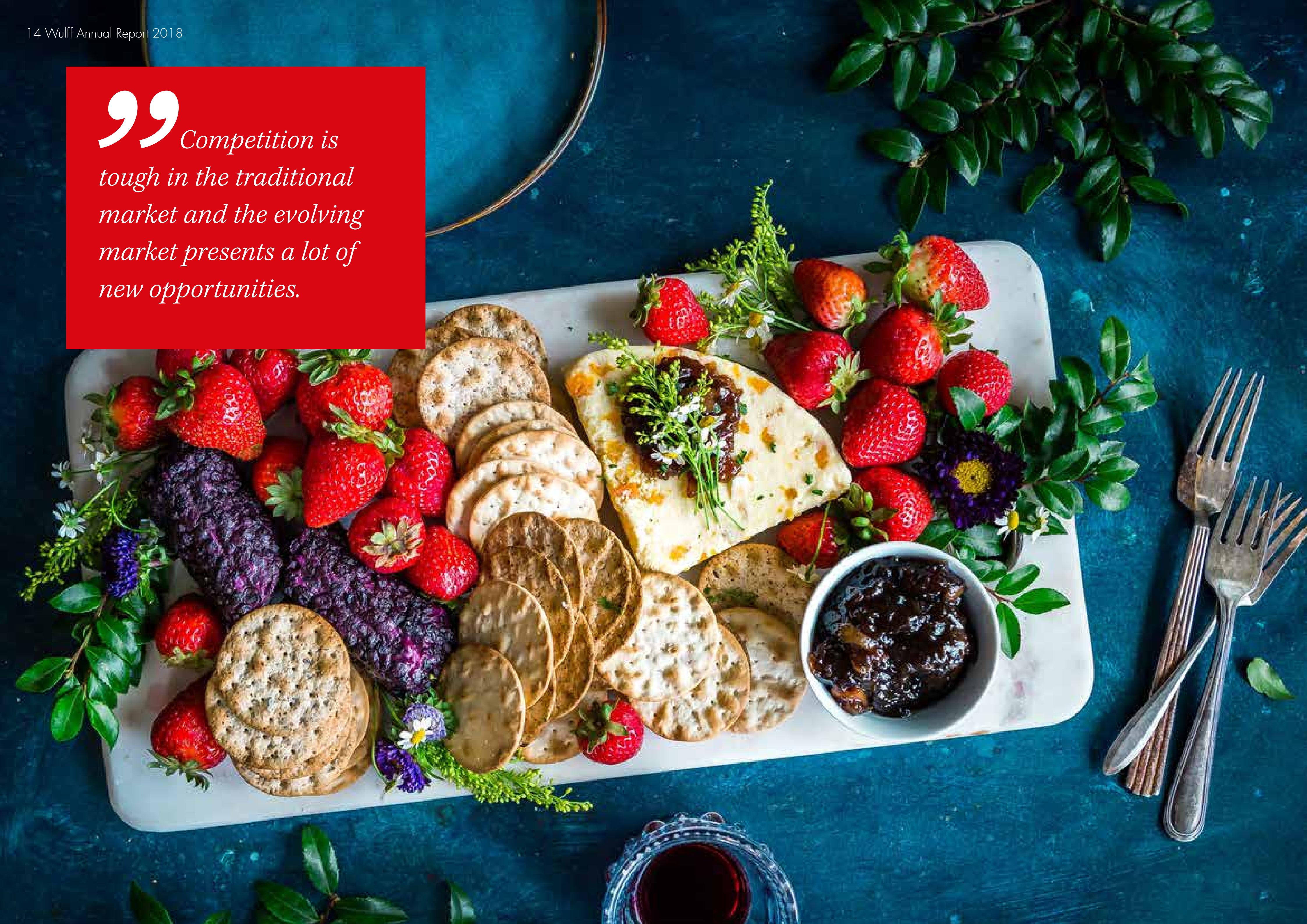
Wulff's position in the Scandinavian market has significantly strengthened in the last decade. Its strength is to serve both locally and tailor-made as needed, for example, with a common Nordic concept.

Wulff's competitors consist of unlisted small and medium-sized companies in all market sectors. The Group has approximately ten significant competitors in Finland. Wulff Oy Ab's Contract Customer concept faces competition from Staples (before Oy Lindell Ab), Lyreco (before Officeday Finland Oy), and RCK Finland (former Paperipalvelu). In the Scandinavian contract customer market, Wulff Supplies faces competition from Staples and Lyreco. Wulff's direct sales companies compete of the market share with for example Canncolor Group and Oy Rahmqvist Ab.

Wulff Entre is the Group's international trade show experts providing premium exhibition services around the world. Exhibitions are seasonal, therefore the majority of sales is generated in the second and last quarter of the year. In addition, Wulff Entre's sales and operations is influenced by trade show frequency, as 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 Scandinavia, Holland, Poland and Germany.

MEANING BUILDS COMPETITIVENESS

The time for competing with just prices is over. Building meaning has an important role: partnerships are formed with companies that share the same values. Products and services have to do more than solve everyday problems. Their footprint in the world, for example their effect on the environment is an important factor when making decisions. Wulff will build tomorrow's success by constantly also by developing customer experience and its operations.



> *"Competition is tough in the traditional market and the evolving market presents a lot of new opportunities.*

STRATEGY AND BUSINESS

WULFF – A BETTER WORLD ONE WORKPLACE AT A TIME

Each of us can have an influence by the daily choices on the way we build the future and the world. Together with our customers and cooperation partners, Wulff will make the world better, one workplace at a time.

What do you need for a perfect workday? An environment that is more comfortable, healthier, safer, more enjoyable, more active and more diverse. Regardless of where you work. For example, good lighting and indoor air, the opportunity to work ergonomically and without straining the body, and using the best tools and equipment needed in information work from printing solutions, to pencils, notebooks and usb sticks to your liking, headphones, coffee, hand creams and copy paper that are staple products at open plan offices. A lot of new, a lot of familiar. With Wulff, you can make the everyday a bit smoother - feel and do well at work and enjoy easy purchases.

CUSTOMER EXPERIENCE AND ITS CONSTANT DEVELOPMENT IS IMPORTANT

The company's goal is to offer its customers the best customer experience in the field and be the best sales organization in the Nordic countries by 2020. Strategic projects support the goals. For example, Wulff Academy includes an introduction and training program and development indicators for everyday work to ensure that the personnel has the required skills now and in the future. Better Products and Wulff Lab projects guarantee that Wulff will bring even more environmentally friendly and sustainable products to customers. Ethics, responsibility, and impact on the environment are important selection criteria for products and services now and in the future. In addition to functional qualities, people want the products to do good.

In developing the product and service range, it is taken into account that the growth of mobile work and working in new environments will increase, and information work and work done by experts will continue to account for an ever-increasing part of all labour. Information work strains the body and mind in different ways compared to physical labour. The population is ageing and people will continue to work even older and longer.

NEW BUSINESS WITH AN ACQUISITION AND LAB PROJECT

In August 2018, Wulff expanded its services by bringing to its selection printing solutions, a long-term wish by customers, by acquiring Mavecom Palvelut Oy, a company offering Canon Business Center services in the metropolitan area. With the deal, Wulff strengthened its position as the most versatile product and service provider in its field in Finland. Now Wulff also offers Canon Business Center printing services, data management solutions, ICT outsourcing services, and large-format printing in the metropolitan area. The service range also includes modern maintenance and remote control solutions.

Founded in 2012, Mavecom employs 12 print service experts in the metropolitan area. Canon Business Center continues to operate as an independent entity within the Wulff Group. Synergy benefits are sought from operations such as joint development projects and, for example, logistics.

One of the new strategy projects, Wulff Lab, plays a significant role in Wulff's future. What is the work place of the future like? Where is the work done? How is it possible to manage

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

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

Goal
A perfect workday.

the workplace procurement as smoothly as possible? What will customers want to get through the same acquisition channel? Customers wish to have easy, centralized procurement - all companies, the larger, smaller and single-agent companies offering expert services, want to focus on their core competencies and development. Time is valuable and companies want to use it to work on their own business. Wulff Catering is a good example of Lab projects where Wulff has listened to the customer. Coffee products have long been a part of Wulff's product range and coffee is one of Wulff's best-selling products. In addition to snacks, fresh and high-quality offerings are wanted. Wulff now offers its customers high quality and domestic conference and meeting services in the capital region through Wulff Catering. As a partner at Wulff Catering, we have a chef company that serves with Chef Rôtisseur -level.

DIVERSE SALES CHANNELS

Wulff brings innovative and new solutions and special products to the market and is an efficient provider of basic products. Wulff's solutions offer customers cost savings and efficiency in procurement. Wulff offers its customers the opportunity to do business in the most convenient channel for them, whether it is a customer-specific service model, personal meetings, an online webshop or a store.

The customers are attended to personally by approx. 200 business-to-business sales professionals and also at Wulff's stores in Helsinki, Turku and Lahti. In addition to versatile customer specific services, the Group serves its customers online with the webshop wulffinkulma.fi.

COMPLEMENTARY SERVICE MODELS

The Contract Customer concept makes it easier for customers to make regular purchases, while Expertise Sales offers local and personal service to companies of all sizes. Both concepts share the idea of offering the company's competence to customers. Comprehensive service promotes customer satisfaction and continuation of customer relationships.

One of today's most important business locations is the internet. Contract Customers are served more widely on the internet with customized solutions and the use of web services is constantly growing. Especially micro, small, and medium companies are served online with the webshop Wulffinkulma.fi that has reached new customers continuously. Possibilities brought about by digitalization are in an important role when we develop tomorrow's operations.

EFFICIENT DISTRIBUTION CHANNEL FOR HIGH QUALITY SERVICES AND PRODUCTS

Wulff Group is a significant partner for its cooperation companies. The Group is a desired distribution channel for suppliers' new products and solutions. Through the nationwide organizations, for example novelties can be launched to the customers quickly and personally. The growing Group is able to provide

WULFF'S STRATEGY PROJECTS

WULFF BETTER PRODUCTS

New category to greener more sustainable products and solutions. Solutions that have a positive effect on people, the environment and the world.

WULFF LAB

Wulff Lab tracks, innovates and develops new products for Wulff together with customers and suppliers.

WULFF ACADEMY

Wulff Academy ensures that all Wulff's employees have the skills and know-how that the company needs to be the industry pioneer and best sales company in the Nordic countries.

WULFF DIGITAL

Developing customer experience and quality by increasing Wulff's digital capabilities.

WULFF MARKETING & COMMUNICATIONS

New channels to increase customer awareness and Wulff's reputation, reach new and potential customers.

its customers with an even wider range of services and price advantages. The Group constantly gathers feedback and information from companies, as well as from the people who use the products and services daily. In addition to being used to develop Wulff's own operations, the feedback is used by Wulff's suppliers: usually the best ideas for development and new products come from customers.

NETWORKING IS A PART OF BUSINESS

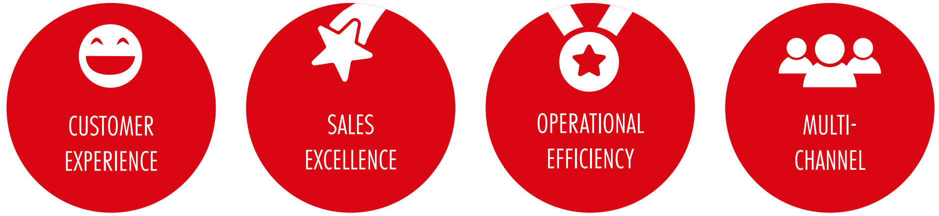
InterACTION is an important network for Wulff Group and the leading wholesaler association in the field. All member companies are leading companies in their native countries. The members of InterACTION meet regularly to coordinate joint purchases and share knowledge and skills in sales, marketing, and 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 organization has its own international brand called Q-Connect. The high-quality Q-Connect products are also included in Wulff Group's product range. Number of Q-Connect products in Wulff's assortment is growing continiously because of the increasing demand and popularity of the products among Wulff's customers.

MARKET SITUATION AND FUTURE OUTLOOK

Wulff is the most significant Nordic player in its field. Its aim is to lead the way, renew the field and be at the forefront of change. Wulff believes that the role of values and sustainability will come to have an increasingly important part in sourcing decisions and companies' business partner selections in the future. With its new strategy, Wulff will build its competitiveness and make sure that it can offer customers what they want: solutions for making the everyday work life smoother and the world better one workplace at a time. The market traditionally understood as the office environment changes and develops rapidly. Competition is tough in the traditional market and the new market has a lot of opportunities. Wulff believes that the future is bright due to the strong, constantly developing new strategy, its active customer and partner networks, and its professional, committed personnel. The Group has an ongoing readiness to carry out new strategic acquisitions and as a listed company, Wulff is in a good position to be a more active player than its competitors.

The developing economic situation will enable Wulff's business to develop positively. Wulff will improve the profitability of its operations and estimates that the comparable operating profit for 2019 will grow. In the industry, it is typical that the result and cash flow are generated in the last quarter.

WULFF'S SALES CHANNELS – ALL OF WHAT WULFF OFFERS FOR ITS CUSTOMERS



Wulff in Finland

- **New: Canon Business Center:** printing services, data management solutions, ICT outsourcing services, and large-format printing in the metropolitan area. In addition, modern maintenance and remote control solutions.
- **New: Wulff Catering, metropolitan area:** meeting and event catering with a taste of handicraft and home-made, Chef Rôtisseur -level servings easy at your service.
- **Wulff Care solutions:** expert first aid, products and training. In addition, solutions for better indoor air with air purifiers and printer maintenance
- **Wulff Entre:** premium exhibition services.
- **Wulff Ergonomics:** comprehensive solutions and services for workplace ergonomics.
- **Wulff Innovations:** innovative products for companies and new ideas to help everyday life.
- **Wulff Consumer Sales and Resale:** workplace products and office supplies and novelties for centralized consumer sales and independent resellers.
- **Wulff Stores (Helsinki, Turku, Lahti):** workplace products and office supplies for especially small and medium-sized companies.
- **Wulff Naxor:** professional solutions for post-treatment of paper and unique products for worksites and real estates.
- **Wulff Contract Customers:** workplace products and office supplies quickly and cost-effectively to companies and corporations through contract services
- **Wulff Print:** the market's leading large format printing, presentation and imaging products.
- **Wulffinkulma.fi:** a webshop for workplace products and office supplies, especially geared towards micro, small, and medium-sized companies.

When you choose an eco-labeled product, you make a choice for nature and the environment!

RESPONSIBLE WULFF

Wulff relies in the following values:

customer orientation
effectiveness
entrepreneurship

WULFF – THE GREENER PARTNER

For more and more customers, environmental friendliness is an increasingly important factor when making purchase decisions. Many of those who buy from Wulff have noted that an eco-action does not have to be expensive. Wulff's Green products are environmentally and budget-friendly. Wulff's selection of green products is constantly growing. When you choose an eco-labelled product, you are making a decision for the nature and the environment!

RESPONSIBLE WULFF

Wulff promotes responsible conduct in cooperation with all its stakeholders. Environmental responsibility is taken into account in all of the Group's operations. On a national level, Wulff is the most eco-friendly player in its field in Finland. Wulff's operations have been standardized with the certification ISO 14001. Our personnel has been trained and educated by the standards of environmental management. Sustainable development operations are also encouraged through various campaigns. The Group's offices pay particular attention to recycling and sorting.

CONCRETE ACTIONS FOR PERSONNEL AND CUSTOMERS

Wulff actively reduces the emissions, consumption, and waste generated by its operations. We believe that it is also important to encourage our customers to operate in the most environmentally friendly way possible. Wulff also constantly provides its customers with information about the products' environmental friendliness, its recycling alternatives, and solutions. Recycling options for customers have been increased for example by launching recycling boxes for various uses. With the help of returnable recycling boxes, the recycling and returning of toner color cartridges, soft drink bottles, batteries and waste from electric and electronic equipment (WEEE) is managed quickly and easily. The pick-up for the full box is ordered from Posti and the products are delivered to recycling centers. With the Wulff Eko-Bag customers can recycle office supplies made from different materials. When the boxes and the bag are full, customers can order a pickup from Posti who will deliver the items to recycling station for reuse.

CORPORATE RESPONSIBILITY

Wulff has always been the pioneer in its field and wants to be one also in corporate responsibility matters. Customers are at the heart of Wulff's responsible business. For its customers, Wulff provides services and products that are made as responsibly as possible: according to ethical and sustainable development standards. With Wulff as their office supplies partner, it is possible for the customers to increase their responsibility and have a positive influence on the environment.

For Wulff, responsibility means taking care of the personnel's well-being, societal responsibility, responsible financial management, and consideration of important environmental issues in all its operations.

ENVIRONMENTAL RESPONSIBILITY

It is increasingly important for companies to operate in an environmentally sensitive manner because green values are increasingly important for customers too. Wulff is one of the most environmentally friendly companies in its field. For Wulff, environmental responsibility means responsibility for the state of the environment and how we affect it with our operations and with the products and services we sell. Wulff aims to offer its customers advanced, environmentally friendly solutions and to burden the environment as little as possible. Customers are at the heart of Wulff's responsible business.

Environmental values, ecology, ethics, and operations towards sustainable development have an important part in Wulff's new strategy. Sustainable and environmentally friendly business operation is an increasingly important competitive edge for companies. Wulff aims to be the industry pioneer in environmental responsibility issues. Wulff's new Better Products and Wulff Lab projects will bring an even greater number of sustainable products to Wulff's customers!

LEADING BY EXAMPLE

To make our operations more environmentally friendly we put special emphasis on developing our internal processes and setting an example to all our social partners. We are constantly developing our operations to relieve environmental pressures. Active cooperation and mutual commitment ensures a good end result – a decreased carbon footprint and the reduction of environmental stress.

Wulff promotes responsible conduct in cooperation with all its stakeholders.

Wulff promotes sustainable development in all of its businesses and helps its customers to develop their operations too. The office holds a safe and controlled facility and office waste management and recycling spot and personnel is instructed and encouraged to have a positive attitude towards the environment. Based on the current market situation, we choose products and services that have been made with environmentally friendly materials and production methods. In addition, Wulff takes into account the principles of sustainable development when selecting suppliers and cooperation partners. Customer needs, technical development, societal expectations, and legislation are taken into account in all processes. Wulff constantly provides its customers with information about the products' environmental friendliness, its recycling alternatives, and solutions.

ENVIRONMENTALLY FRIENDLY PRODUCTS

Special attention is paid to the environmental aspects of our products because a product made according to the principles of sustainable development places the least burden on the environment. The number of environmentally friendly products has been constantly increased.

For example in Wulff's broad catalogue for workplace products, environmentally friendly products always have information about certified environment labels as well as comprehensive environment and recycling information. The objective of environment labels is to improve knowledge about the product's environmental impact and to guide purchasing behaviour to more sustainable choices.

ENVIRONMENTAL OBJECTIVES SHOW IN WULFF'S SERVICES AND SUPPORT ACTIVITIES

Environmental goals are set in the environment program each year. Emissions are decreased cooperatively with the customers as agreed. Wulff's diverse service channels and their support functions are constantly developed to be even more greener. Ever growing attention is paid to the environmental friendliness of packaging materials and shipping methods. Wulff has received a lot of positive feedback on its precise environment reporting. For example environment burdening CO2 emissions are being followed on both company and customer level. The environmental calculator calculates the carbon footprint and explains how much CO2 should be compensated. Customer-specific CO2 emission reports have been a part of our reporting for a long time already. All of the packaging materials used in Wulff's deliveries are recyclable or reusable as

Does your company use the popular Wulff Eko-Bag?

Recycling office supplies is easy with Wulff's Eko-Bag!
With the Wulff Eko-Bag recycling bag, customers can recycle products made from different materials. When the bag is full, order a pick-up from Posti and the products will be delivered to a recycling station for reuse. The Wulff Eko-Bag is a free service!

an energy source. Cardboard boxes, packaging tape and bands, stretches and platform hoods as well as filling paper have been chosen so that they can be disposed in an environmentally friendly way. In addition, the shipping is handled in an environmentally friendly, carbon neutral way.

In Finland, carbon neutral shipping is carried out by the Posti Green service. The reduction and calculation of CO2 emissions is handled by Posti's environment program and the leftover emissions are compensated by financing environment projects in countries that do not have an emission ceiling.

CO2 EMISSIONS DECREASE ALSO IN WULFF'S OWN OPERATIONS

A large part of the carbon footprint is created by motoring. Wulff Group's car policy requires old cars to be replaced with ones that burden the environment as little as possible. A number of the vehicles are traded each year, so the number of the more eco-friendly vehicles is increasing constantly. Wulff has reduced the emission limits of new cars every year. By taking care of the environments wellbeing we will create good operational preconditions for people and our company in the future too.

SOCIETAL RESPONSIBILITY

A RESPONSIBLE PLAYER

For Wulff, it is important to have a positive impact on the environment and the communities in which it operates. Wulff feels that it can affect the employment of young people in a positive way. Wulff offers excellent premises for work-based learning. In sales work, it is beneficial to have commercial education and work experience, but not necessary. The right attitude is the most important thing: a willingness to meet customers. When the attitude is right, Wulff is ready to invest in the employees' education and coaching. Wulff has its own unique Wulff Academy training program for new sales talents. In addition, each employee's individual training requirement is assessed separately. While working at Wulff, it is also possible to graduate with a vocational examination in business administration.

Wulff's Trainee programs are popular among students. Education benefits the learning of sales work tremendously and the work is best learned by doing. Wulff has received lots of gratitude from students, student academies, trainees, and Employment and Economic Development Offices for its hands-on training program that allows the trainees to face real customer situations. Maintaining the skills and knowledge needed in working life is also important for Wulff: the company offers rehabilitative work activities and opportunities for those who are thinking about a career change.

All the young people that participate in these trainee programs and internships learn special sales organization skills in addition to important work place basic skills. The structure of the internship is planned in a way that half of the work assignments are meant to give the person a feeling of success and achievement and the other half teaches new things and develops skills and knowhow.

FINANCIAL RESPONSIBILITY

The Group's financial success enables Wulff to develop its business operations in a responsible and sustainable way. In all of its operating countries, Wulff aims to add value for its stakeholders: customers, suppliers, and employees. For its shareholders, Wulff creates value e.g. through dividends and share value increase. Wulff's goal is to pay its shareholders dividends of 50% of the net result. The Board of Directors has proposed to the Annual General Meeting to be held on April 4, 2019 that a dividend of 0,10 euros/ share be paid. In 2018 the Group paid interests of EUR 0.1 million to financial institutions.

Do good with Returnable recycling boxes
With the help of returnable recycling boxes, the recycling and returning of **toner color cartridges, soft drink bottles, batteries and waste from electric and electronic equipment** (WEEE) is managed quickly and easily. Wulff's recycling boxes are a free service!

SOCIAL RESPONSIBILITY

For Wulff, corporate citizenship means that every employee assumes comprehensive responsibility. In addition to being responsible for one's own operations, each employee ensures that their partners and contacts operate according to Wulff's standards.

PERSONNEL HAVE A KEY ROLE

As a sales company, Wulff's key resource is its skilled and committed personnel. Growth is always created by healthy, professional, and motivated personnel. Wulff's personnel are trained actively. On average, there were 11 education and coaching days in 2018 per person.

YOUNG PEOPLE ARE THE FUTURE

What will Finland be like in the future? We here at Wulff believe that tomorrow's Finland will be more international and greener than the one today. In the future, we will have lots of knowhow that will hopefully benefit us here as well as abroad.

Tomorrow's Finland will be built by today's youth. What kind of Finland do they want to live in and what sort of work do they want to do? We believe it is important to include the youth equally in the future's building process and that is why Wulff has invested strongly in career opportunities for the youth, and employment and Trainee programs. It is our mutual responsibility to teach the youth responsibility about themselves and about the environment. This is most efficiently achieved through cooperation.

Wulff invests strongly in the training and coaching of its personnel. In addition to company values, and sales and professional knowhow, training themes for the personnel include professional care for customers and personnel alike and giving feedback actively. The most important goal for these training and education programs is to give the personnel skills that make them better prepared for each customer appointment and to improve everyone's self-management skills. Each Wulff employee's expertise and professionalism is needed to serve our customers in the best possible way. In addition to training and education programs, the personnel's well-being is also taken care by organizing different recreational events and campaigns as well as offering various free or company sponsored exercise and cultural activities.

CAREER AT WULFF

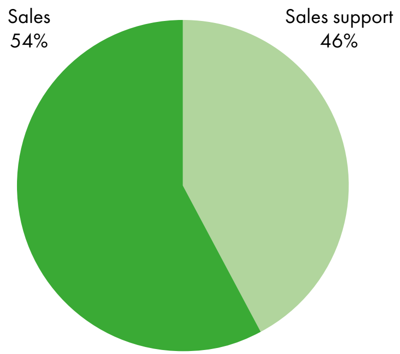
Wulff offers its employees good opportunities to grow and develop at their own work. For example, most of the subsidiaries' Managing Directors have started their careers as sales persons. As a Scandinavian company, Wulff also offers a possibility to create an international career. Wulff is in many ways an equal employer: it employs people of all ages and with different educational and work experience backgrounds. While many companies focus their business operations in the capital city area in different countries, Wulff can offer vacancies in numerous locations around its operating countries. In order to strengthen organic sales growth, the Group focuses on the recruitment of the sales personnel. Wulff wants to hire new expertise sales personnel in all of its operating countries.

PERSONNEL STRUCTURE

In 2018, the Group employed approximately 191 (198) persons. At the end of the financial year, 191 (195) were employed by the Group, of which 61 (69) worked in Sweden, Norway, or Denmark. The majority, approximately 54% (58), of the Group's personnel works in sales operations and 46% (42) of the employees work in sales support, logistics and administration. The personnel consists 55% (50) of men and 45% (50) of women.

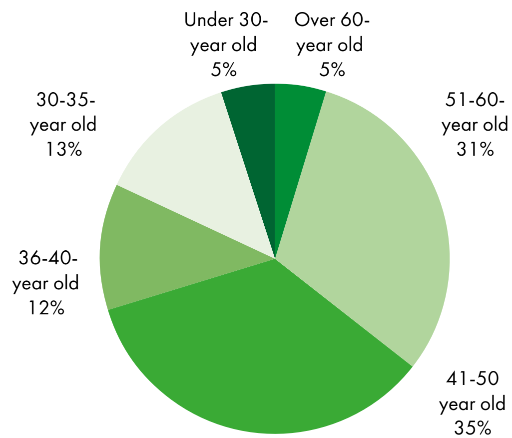
Sales/administration and logistics

In Wulff Group everyone's objective is to serve our customers in the best possible way. Approximately 54% of the personnel work in sales and about 46% in sales support: administration and logistics.



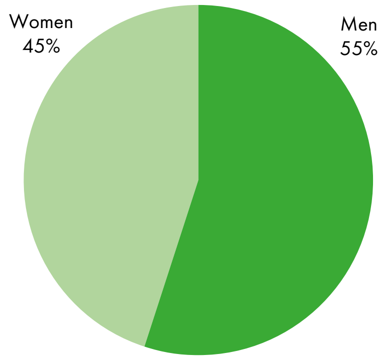
Age

The Wulff Group employs both young people who are just beginning their careers and those who already possess lots of experience. Wulff is both a traditional and a dynamic organization, and for that reason it attracts different kinds of people.



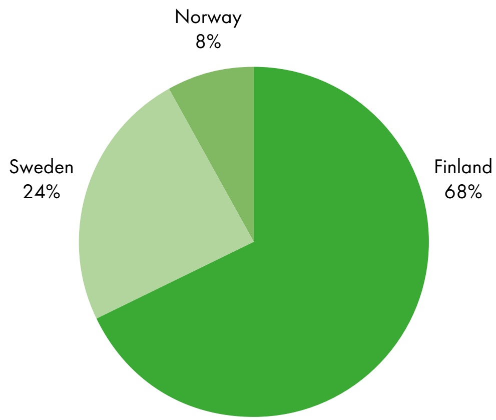
Gender

The Wulff Group is an equal employer. 45% of its personnel are women and 55% are men. People with different educational and work experience backgrounds work in sales, administration, and logistics. At Wulff, everyone receives training for their job and the most important thing is the right attitude and willingness to learn.



Personnel by countries

Of the Group's personnel, over half work in Finland, approximately 24% in Sweden, and 8% in Norway. The Group is continuously on the lookout for new sales talents in all of its operating countries.



BOARD AND MANAGEMENT

Jussi Vienola
b. 1995

Board Member
Responsibilities: Finance

Substantial education, experience and positions of trust:
- Aalto University, Finance, 2016–2021
- Wulff Group Plc, Board Member since 4/2018
- Smart Perintä Ltd, CEO since 2015
- PYN Fund Management, Trainee 6/2017–9/2017
- Slush, volunteer 11/2016
- Wulff ownership as of December 31, 2018: 20,070 Wulff shares representing 0.3% 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, 2015–2020
- Wulff Group Plc, Board Member since 4/2018
- Wulff Group Plc, Accounting Assistant 5/2017–8/2017
- Marketing Agency OFRD Ltd, Sales Promoter 5/2016–5/2017
- Liq Oy, Sales Representative 6/2016–7/2016
- Arena Center Oy, Summer Camp Counselor 6/2014–6/2014
- Arena Center Oy, Cafeteria Helper 6/2013–7/2013
- Wulff ownership as of December 31, 2018: 16,200 Wulff shares representing 0.2% of the company's shares and votes.

Information about the Board members and their related parties and share ownership has been published on the Group's Investors' pages in the Board and Corporate Governance section.

Kari Juutilainen
b. 1973

Board Member
Responsibilities: Sales Development

Substantial education, experience and positions of trust:
- Qualification in Business and Administration
- Wulff Group Plc, Board Member since 4/2018
- InHunt World, Chairman of the Board since 8/2017
- InHunt Group, CEO since 12/2014
- InHunt Group, 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, 2018: 3,706 Wulff shares representing 0.1% of the company's shares and votes.

Ari Pikkarainen
b.1958

Chairman of the Board
Responsibilities: Sales and its development

Substantial education, experience and positions of trust:
- Wulff Group Plc, Board Member since 1999, and Chairman of the Board since 2017
- Alekstra Ltd, Board Member 2010–2014
- Suomen Rader Ltd, Naxor Finland Ltd, and Visual Globe Ltd, Managing Director 1994–2008
- Akro Ltd, Sales Manager 1990–1994
- Oy Eric Rahmqvist Ab, Sales Manager 1984–1989
- Wulff ownership as of December 31, 2018: 1,171,825 Wulff shares representing 17.0% of the company's shares and votes.

GROUP EXECUTIVE BOARD

Heikki Vienola

b. 1960

Wulff Group Plc CEO,
Chairman of the Executive Board
Responsibilities: Wulff Group Plc's CEO and Chairman of the Executive Board

Substantial education and experience and other significant positions:
- Master of Science in Economics
- Wulff Group Plc, Board Member 1999–4/2018, and Chairman of the Board 2015–2017
- Wulff Group Plc, CEO 1999–2015 and since 2017
- Wulff Ltd, Managing Director 2014–2015 and since 2017
- Vinstock Ltd, Managing Director 1984–2004, Beltton Ltd, Managing Director 1990–2004
- Arena Center Ltd, Board Member since 1994
- Wulff ownership as of December 31, 2018: 2,500,000 Wulff shares representing 36.2% 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, experience and positions of trust:
- Specialist Qualification in Marketing Communications
- NLP Trainer, NLP Coach, CxO Certified Business Mentor
- Wulff Group Plc, Executive Board Member since 2009
- Wulff Group Plc, Communications and Marketing Director since 2009
- Wulff Group Plc, Communications Manager/Brand Manager since 2002
- Era Nova Bookshop Oy, Chairman of the Board since 2/2018
- Finnish NLP Association, Chairman of the Board since 2017
- Finnish NLP Association, Board Member 2007–2017
- 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, 2018: 1,500 Wulff shares representing 0.0% of the company's shares and votes.

Elina Hanén

b. 1982

Wulff Group Plc Chief Financial Officer (CFO), Executive Board Member
Responsibilities: Finance, Investor Communications, Secretary of the Board

Substantial education, experience and positions of trust:
- Master of Science in Forestry
- Wulff Group Plc, CFO and Secretary of the Board of Directors since 09/2017
- Citycon Group, Financial Controller 01/2016–09/2017
- Verkkokauppa.com Group, Financial Manager 05/2013–01/2016
- Deloitte, Auditor 01/2008–05/2003
- KHT-Auditor 2011
- Wulff ownership as of December 31, 2018: 0 shares

Ninni Arion

b. 1978

Wulff Entre Ltd CEO,
Executive Board Member
Responsibilities: CEO of Wulff Entre, Executive Board Member

Substantial education and experience and positions of trust:
- Master of Science in Economics
- Wulff Group Plc, Executive Board Member since 10/2014
- Wulff Entre Ltd, CEO since 08/2014
- Wulff Entre Ltd, Sales Director, VP 2011–2014
- Wulff Entre Marketing 2007–2011
- Easy Doing Oy / Salli Systems, Marketing Manager, North American sales 2004–2007
- Sales Expomark / KP-Media Ltd 2001–2004
- Wulff ownership as of December 31, 2018: 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, experience and positions of trust:
- 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, 2018: 0 shares.

Veijo Ågerfalk

b. 1959

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

Substantial education, experience and positions of trust:
- 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, 2018: 65,000 Wulff shares representing 0.9% 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 office supplies, IT supplies and ergonomics. Its service range also includes international fair services. In addition to Finland, Wulff operates in Sweden, Norway and Denmark. The Group also serves its customers online with a webshop for office supplies 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 (www.cgfinland.fi). The current Articles of Association are available on the Group's website www.wulff-group.com. 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 (www.wulff-group.com). 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 Company's Annual 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 of 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
- 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 2018, Wulff Group Plc's Annual General Meeting was held on April 5. The Annual General Meeting adopted the financial statements for the financial year 2017 and discharged the members of the Board of Directors and CEO from liability. The AGM decided to pay a dividend of EUR 0.05 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.

Ari Pikkarainen was re-elected as Board Member and Kari Juutilainen, Jussi Vienola and Kristina Vienola were elected as new members of the Board. 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 Ari Pikkarainen. 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 2019, Wulff Group Plc's Annual General Meeting will be held on April 4.

BOARD OF DIRECTORS

The Board of Directors is responsible for the administration and the proper organisation of the operations of the Company. The Board supervises and controls the operative management of the Company, appoints and dismisses the managing director, approves the strategic goals and the risk management principles for the Company and ensures the proper operation of the management system.

The Annual General Meeting elects three to six members to the Board of Directors and at most as many deputy members. The Board's term ends at the termination of the first Annual General Meeting following the election.

In the organising meeting held after the AGM, the Board elects a Chairperson among its members. Should the Chairperson be 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
- appoints the CEO and decides on his/her salaries and wages
- approves risk management and reporting procedures
- draws up the dividend policy
- sets up committees, if needed, to enhance Board work
- appoints the Group's management team
- supervises auditing
- assesses the auditor's independence and additional auditing services.

Wulff Group's Annual General Meeting held on April 5, 2018 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 2018, 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 members of the Board is a woman. The Company's goal concerning the representation of both genders has thus 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 majority of Board members are not absolutely independent of the Company and major shareholders in 2018. The Board members independent of the Company and of major shareholders were Andreas Tallberg and Johanna Marin during 1.1.-5.4.2018. During that time Heikki Vienola was employed by the Group as the Group CEO and acted as a Member of the Board. In addition Board Member Heikki Vienola and Chairman of the Board of Directors Ari Pikkarainen were major shareholders of the Group 1.1.-5.4.2018.

After electing the Board on 5.4.2018, Kristina Vienola, a Member of the Board of Directors, was employed by Wulff Group as a Content Coordinator during 3.5.-3.8.2018. The Chairman of the Board of Directors Ari Pikkarainen was a major shareholder owning 17.0% of the shares. Also the other Members of the Board of Directors own shares of the Company. The shareholding of the other Members of the Board of Directors was approximately 0.6% on 31.12.2018. Considering the length of the employment and the portion of the shareholding the dependence of the company is considered insignificant.

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 11 times in 2018 (14). The average meeting attendance for members was 98 percent (98). At its organising meeting the Board approved the charter and action plan for 2018 and evaluated the independence of its members. According to the meeting plan for 2019, the Board of Directors will convene 10 times.

The Board carries out annual assessments of its operations and working styles based on a self-evaluation form. In 2018, the assessment was carried out in writing at the end of the year. Based on the assessment, Board work was successful.

More information on Board Members and their Wulff shareholdings is presented on "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 Group's CEO and as the Chairman of the Group Executive Board.

Heikki Vienola has been working as the CEO of Wulff Group Plc since September 25, 2017. Kimmo Laaksonen acted as the Group's CEO 9.3.-25.9.2017. Elina Rahkonen was the Interim CEO 28.9.2016-9.3.2017.

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.

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 tertial basis.

More information on Group Executive Board Members, their responsibilities, and their Wulff shareholdings is presented on "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. Group CEO did not receive a monthly fee of the Board work when he was employed by the Company 1.1.-5.4.2018, during which the Group CEO received remuneration according to Group CEO contract. In addition Kristina Vienola received salary as a Content Coordinator according to the employment contract during 3.5.-3.8.2018. 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 29 of the Consolidated Financial Statements and in the table.

According to the authorization granted by the Annual General Meeting on April 5, 2018, 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 the next Annual General Meeting. According to the authorization the company can acquire treasury shares to support the implementation of an incentive scheme or to be otherwise disposed of. In April-December 2018 no own shares we reacquired.

CEO

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

The Group does not have any option schemes or share-based remuneration plans currently in force as a part of the CEO's bonus and incentive schemes. The Company does not apply long-term remuneration and no specific performance and vesting periods are applied in the remuneration.

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 Heikki Vienola as

the Group CEO on September 25, 2017. In 2018, the remuneration of CEO Heikki Vienola consisted of monetary wages and fringe benefits of the amount of 60 thousand euros (16). The Group CEO's service contract does not include share-based incentives, bonus schemes or any other long-term remuneration plans. The period of notice is three months, during which a monthly salary and a severance payment of 100 thousand euros will be paid.

The remuneration of Kimmo Laaksonen, who acted as the Group CEO March 9–September 25, 2017, consisted of monetary wages and fringe benefits of the amount of 116 thousand euros.

The contract included a separate severance payment of 80 thousand euros that was paid at the termination of contract. The management contract included an option to negotiate a separate bonus scheme.

In 2016, remuneration of Interim CEO Elina Rahkonen, appointed on September 28, 2016, consisted of monetary wages and fringe benefits of the amount of 107 thousand euros. The period of notice was six months. No separate severance payment was specified in the contract. The management contract did not specify an option for bonus schemes.

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. In September 2018, the Board of Directors decided that 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 2018, the service costs amounted to EUR 72 thousand (72). The outsourced service is included in other operating expenses and has been presented also in the Note for Related Party transactions.

In 2018, the Group Executive Board consisted of Ninni Arion, Trond Fikseaunet, Elina Hanén, Tarja Törmänen, Veijo Ågerfalk and CEO Heikki Vienola.

In 2017, the Group Executive Board consisted of Ninni Arion, Trond Fikseaunet, Elina Hanén (since September 2017), CEO Kimmo Laaksonen (from March to September 2017), Elina Rahkonen (until August 2017), Tarja Törmänen, Veijo Ågerfalk and CEO Heikki Vienola (since September 2017).

Summary of the top management's employment benefits is presented in Note 28 of the consolidated financial statements and in the table.

The employment benefits presented in the table include the aforementioned Group CEO's benefits. In addition to this, the obtained outsourced communication and marketing director services

REMUNERATION OF THE BOARD

EUR 1000	2018	2017
Board members' salaries and fees		
Kari Juutilainen 4/2018-	11	-
Jussi Vienola 4/2018-	11	-
Kristina Vienola 4/2018-	17	-
Ari Pikkarainen, Chairman of the Board 9/2017-	15	15
Johanna Marin -4/2018	4	15
Andreas Tallberg -4/2018	4	15
Heikki Vienola, Chairman of the Board -9/2017, Board member 9/2017-4/2018	-	11
Board members' benefits total	**62**	**56**

GROUP EXECUTIVE BOARD EMPLOYMENT BENEFITS

EUR 1000	2018	2017
Salaries and other short-term employment benefits	557	669
Fringe benefits	38	32
Bonuses	70	1
Other long-term employment benefits, additional pension benefits	44	52
Severance payment	-	80
Group Executive Board employment benefits total	**710**	**834**

from Tarja Törmänen is presented in other operating expenses and in related party transactions, a total of EUR 72 thousand (72) during 2018.

RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDITS

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 quarterly basis. The subsidiaries' own Boards of Directors and management teams discuss their own business issues which are taken also to the Group Executive Board if those issues have influence also on other group companies. The Group CEO and CFO analyse and control each subsidiary's and business area's operations, performance and financial status regularly.

Wulff Group follows the risk management policy devised by the Board of Directors, which determines the objectives and responsibilities of risk management, as well as the reporting procedures. The Company's risk management supports the achievement 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 acquisitions, 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 three categories: 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 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 of the Annual Report.

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. 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 49 (60) thousand euros in 2018, of which 15 thousand euros (17) 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.

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 (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. 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 CFO Elina Hanén.

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 its related party transactions quarterly and they are reported in the notes to the parent company's consolidated financial statements. In 2018, related party transactions consisted of normal, market-based business transactions. Related party transactions have been presented in Note 28 of the Consolidated Financial Statements. The Group's parent company and subsidiary relationships have been presented in Note 29.

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'.

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.

STOCK EXCHANGE RELEASES

February 22, 2018 Wulff Group Plc's Financial Statements Release January 1–December 31, 2017

March 15, 2018 Wulff Group Plc's Annual Report, Financial Statements and Corporate Governance Statement 2017 Published

March 15, 2019 Notice to Convene the Annual General Meeting of Wulff Group Plc

April 5, 2018 Decisions of Wulff Group Plc´s Annual General Meeting on April 5, 2018

April 5, 2018 Wulff Group Plc Continues to Buy Back Its Own Shares

May 3, 2018 Wulff Group Plc's Interim Report for January 1– March 31, 2018

August 2, 2018 Wulff Group Plc's Half-Year Financial Report for January 1– June 30, 2018

August 14, 2018 Wulff acquires Mavecom Palvelut Ltd and will offer Canon Business Center services to its customers

November 1, 2018 Wulff Group Plc's Interim Report for January 1– September 30, 2018

November 29, 2018 Wulff Group Plc: Manager Transaction

December 4, 2018 Wulff Group Plc: Manager Transaction

December 12, 2018 Wulff Group Plc: Manager Transaction

December 14, 2018 Wulff to raise its outlook for the Full-Year Operating Result 2018

December 14, 2018 Wulff Group Plc's Financial Reporting and Annual General Meeting 2019

December 20, 2018 Wulff Group Plc: Manager Transaction

WULFF GROUP PLC'S REVIEW OF THE BOARD OF DIRECTORS

EBITDA AND OPERATING PROFIT GREW

WULFF GROUP PLC: FINANCIAL YEAR KEY FIGURES 1.1.–31.12.2018

- Net sales totalled EUR 55.9 million (56.9), decreased by 1.8%
- EBITDA and comparable EBITDA were EUR 1.9 million (0.5)
- Operating profit (EBIT) and comparable operating profit (EBIT) were EUR 1.5 million (0.1)
- Earnings per share (EPS) were EUR 0.15 (-0.03)
- Equity-to-assets ratio was 49.1% (47.0)
- The Board proposes to the Annual General Meeting to be held on April 4, 2019 that a dividend of EUR 0.10 per share be paid.
- Wulff estimates that the comparable operating profit of 2019 will increase from 2018.

WULFF GROUP BOARD OF DIRECTORS

At Wulff, the year 2018 ended with good results. We thank our customers, staff and partners for their good work and significant choices. Our mission at Wulff is to make the world better one workplace at a time. During 2018, Wulff invested strongly in the new strategy, and also in projects like Wulff Lab, Wulff Better Products, Wulff Academy and Wulff Digital. The projects Wulff Lab and Wulff Better Products brought more and more new, durable, green and domestic products to the selection. During the year, we expanded our service offering with much-desired printing and multifunctional solutions by the acquisition of Canon Business Center in the metropolitan area. We believe that we have good opportunity to make a positive contribution to both revenue and earnings growth from 2019 onwards.

GROUP'S NET SALES AND RESULT PERFORMANCE

In January-December 2018 net sales totalled EUR 55.9 million (56.9), and EUR 14.8 (15.8) million in the final quarter. Net sales decreased by -1.8% in January-December. The decline in net sales was a result of a smaller amount of a biennial trade shows, arranged every other year, than the previous year.

In January-December 2018 the gross margin amounted to EUR 19.7 million (19.2) being 35.2% (33.8), and EUR 5.6 million (5.3) in the final quarter being 37.5% (33.6). The gross margin developed positively due to successful additional sales in trade show projects and sales of printing equipment and solutions. Additionally, the sales channels have focused on measures that have improved the gross margin.

In January-December 2018 employee benefit expenses amounted to EUR 11.5 million (12.2), 20.7% (21.5) of net sales and EUR 3.1 million (3.2), 20.9% (20.2) of net sales in the fourth quarter. Other operating expenses amounted to EUR 6.3 million (6.7) in January-December 2018 being 11.4% (11.7) of net sales, and EUR 1.8 million (1.7), 11.8% (11.0), of net sales in the final quarter. Employee benefit and other operating expenses were still affected by the implemented cost-saving measures.

In January-December 2018 EBITDA and

the comparable EBITDA were EUR 1.9 million (0.5) being 3.4% (0.8) of net sales, and EUR 0.8 million (0.4) in the final quarter.

In January-December 2018 the comparable operating profit (EBIT) amounted to EUR 1.5 million (0.1), being 2.7% (0.1) of net sales, and EUR 0.6 million (0.3) in the final quarter.

In January-December 2018 the financial income and expenses totalled (net) EUR -0.3 million (-0.3) including interest expenses of EUR -0.1 million (-0.1) and mainly currency-related other financial items (net) EUR -0.2 million (-0.3). In the final quarter, the financial income and expenses (net) totalled EUR -0.1 million (-0.1).

In January-December 2018 the result before taxes was EUR 1.2 million (-0.2), and EUR 0.5 million (0.2) in the final quarter.

In January-December 2018 the net profit was EUR 1.1 million (-0.2), and 0.4 million (0.3) in the final quarter. Earnings per share (EPS) were EUR 0.15 (-0.03) in January-December 2018, and EUR 0.07 (0.04) in the final quarter.

CONTRACT CUSTOMERS SEGMENT

Wulff's Contract Customers segment is the customer's comprehensive partner in the field of workplace products, Canon printing and data management solutions and international fair services in Finland and Scandinavia.

In January-December 2018 the segment's net sales totalled EUR 47.0 million (47.7), and EUR 12.4 million (13.2) in the final quarter. In January-December 2018 the operating profit (EBIT) was EUR 1.4 million (0.6), and EUR 0.6 million (0.3) in the fourth quarter.

The net sales declined in January-December 2018 mainly due to a smaller amount of biennial trade shows. The net sales increased due to the acquisition of Mavecom Palvelut Ltd that specializes in Canon Business Center printing services. The acquisition strengthened the product and service portfolio of the Contract Customers segment in Finland as expected and had a positive effect on the net sales in the reporting period by EUR 0.9 million, on the gross margin by EUR 0.5 million, and on the operating profit (EBIT) by EUR 0.1 million.

The operating profit improved especially due to previously implemented cost-saving measures. It is important for Wulff to develop its services together with customers. In a rapidly changing world, it requires strong investments to be able to offer customers new and interesting products and services that are at the leading edge of development. Wulff's aim is to make its customers' and its own businesses as profitable as possible. That is why Wulff is continuously developing the cost-efficiency of its operations. Digitalisation, automatization, new working environments, and mobile work provide a chance for Wulff to grow in a new market. With new strategic projects such as Wulff Lab and Better Products, customers can innovate and develop new services, products and operations even more easily than before. The popular Wulff Business Forums will continue also in 2019. In October 2018, we envisaged new ideas and familiarized with Wulff and its partners at the Wulff Business Forum with our customers and partners and Bruce Oreck.

One of the most popular cost and time saving supply solutions in Finland is Wulff's MiniBar, and in Scandinavia, the Cabinet Service. These solutions can be found in hundreds of companies. The MiniBar and Cabinet Service work like their hotel namesakes. The automated refilling services house on their shelves ready-to-use office and IT supplies, catering and facility management products. The TOP3 products in Wulff's MiniBar service are coffee, ink cartridges and paper. In Finland, Wulff is the industry's strongest player and in Scandinavia, one of the top companies in the industry.

Wulff's open webshop Wulffinkulma.fi, geared towards small companies, serves customers diversely with a range of 4,000 products. The webshop is known for its fast and reliable deliveries and a product range that is much more diverse than what its traditional competitors are able to offer. The webshop, its services, functionality, and marketing are developed continuously, and a new, mobile-friendly user interface will be implemented by the end of the year.

International fair services are a part of Wulff's operations. In addition to Finland, Wulff Entre serves customers in Germany, Sweden, Norway, Russia and the United States. Additional growth is expected especially from the US market. Yearly, Wulff Entre exports Finnish know-how to over 30 countries. Wulff Entre is the market leader in Finland and there has been solid trust in Wulff Entre's ability to find the right international venues for almost 100 years. As an international company, Wulff Entre will invest especially in the acquisition of new clientele, developing its operations in the US, and in a new way of marketing, web presence, and social media.

EXPERTISE SALES SEGMENT

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

In January-December 2018 the Expertise Sales Segment's net sales totalled EUR 9.1 million (9.3), and EUR 2.5

million (2.6) in the final quarter. In January-December 2018 the operating profit was EUR 0.5 million (0.1) and EUR 0.2 million (0.0) in the final quarter. The Expertise Sales segment continues to focus on solutions that bring the best value to customers and bringing new products to market regularly. Good examples of new products that have established themselves quickly are for example large format printing products and equipment, transfer paper printing materials, and Aeramax air purifiers. The segment's operating profit was increased by implemented cost-saving measures.

The Expertise Sales segment will continue improving its profitability by concentrating on profitable product and service fields, efficient cost management, and by continuously optimizing operational efficiency. The agile organisation is able to react quickly to changes in the market. Focusing on profitable product and service fields require investments in the development of the chosen product and service ranges.

Expertise Sales is an expert service that requires knowledge of the customer, the customer's business and operating environment, and it emphasises the importance of personal contact. Wulff stands out from the competition due to its locality and domesticity. The Expertise Sales segment offers customers novelties and favourites, and a broad range of workplace wellbeing and ergonomic products, first aid, and products improving work safety. 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 and that is why companies are also proactively investing in good workplace ergonomics. With good workplace ergonomics, it is possible to achieve significant savings due to diminution of 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 brings solutions that make workdays better to the awareness of customers. One of the most important and current projects is bettering indoor air quality.

Wulff is known for being the workplace of 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 the sales personnel have a significant effect especially on the performance of the Expertise Sales Segment. Wulff is looking for new talents to its expertise sales. Wulff's own introduction and training programs ensure that not only does every sales person get a comprehensive training and an exciting start to their career, but also further education on how to improve one's own expertise. Wulff is continuosuly looking to hire new, sales-minded future professionals to grow into experts of the field.

FINANCING, INVESTMENTS AND FINANCIAL POSITION

In January-December 2018 the cash flow from operating activities was EUR 1.1 million (1.4). In the industry, it is typical that the result and cash flow are generated in the last quarter. Investments on fixed assets totalled EUR 0.4 million (0.4) in January- December.

In April 2018 a dividend of EUR 0.3 million (0.7) in total was paid to the owners of the parent company.

Long-term loans were repaid in total of EUR 0.5 million (1.5) in January- December. No new long-term loans were withdrawn during 2018. In March 2017, the Group carried out a financial arrangement where the Group withdrew a new long-term loan of EUR 1.2 million and a total of EUR 1.2 million long-term loans were repaid. The repayment term of the new long-term loan extends almost six years longer than that of the repaid loan. Short-term loans were withdrawn amounting to EUR 0.5 million (0.0). The cash flow of financing activities was EUR -0.4 million (-1.1) in January–December 2018

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

At the end of December 2018, the Group's equity-to-assets ratio was 49.1% (47.0). Equity attributable to the equity holders of the parent company was EUR 1.72 per share (1.64). Information on the impact of the acquisition of Mavecom Palvelut Ltd on the financial position of the Group is presented in the notes to the consolidated interim report.

SHARES AND SHARE CAPITAL

Wulff Group Plc's share is 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 1.69 (1.65) and the market capitalization of the outstanding shares totalled EUR 11.5 million (10.8).

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 on August 14, 2018 as a part of the acquisition of Canon Business Center printing services operated by Mavecom Palvelut Ltd. The share issue increased the number of Wulff Group Plc's shares from 6,607,628 to 6,907,628 shares. The shares were admitted for trading together with the other shares of the company on August 27, 2018. The directed share issue increased Wulff Group Plc's invested unrestricted equity by 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.

In January-December 2018 no own shares were reacquired. At the end of December 2018, the Group held 79,000 (79,000) own shares representing 1.1% (1.2) of the total number and voting rights of Wulff shares.

DECISIONS OF THE ANNUAL GENERAL MEETING AND BOARD OF DIRECTORS

Wulff Group Plc's Annual General Meeting was held in Helsinki on April 5, 2018. The Annual General Meeting adopted the financial statements for the financial year 2017 and discharged the members of the Board of Directors and CEO from liability for the financial period 1.1.-31.12.2017.

The Annual General meeting decided to pay a dividend of EUR 0.05 per share for the financial year 2017, amounting to EUR 0.3 million. The record date was April 9, 2018 and the payment date was April 18, 2018.

Kari Juutilainen, Ari Pikkarainen, Jussi Vienola and Kristina Vienola were elected as members of the Board. Held after the Annual General Meeting, the organising meeting of Wulff Group Plc's Board of Directors decided that the Chairman of the Board is Ari Pikkarainen. The Annual General Meeting confirmed that the members of the Board of Directors will receive a monthly fee of EUR 1,250.

BDO Oy, a company of Authorized Public Accountants, with Authorized Public Accountant Juha Selänne as the lead audit partner, was chosen as the auditor of Wulff Group Plc till further notice. The reimbursements to the Auditors are paid on the basis of reasonable invoicing.

The Annual General Meeting authorised the Board of Directors to resolve on the acquisition of maximum 300,000 own shares. The authorization is effective until April 30, 2019. With the authorization received from Wulff Group Plc´s Annual General Meeting held 5.4.2018 the Board of Directors decided in its organising meeting to continue acquiring own shares.

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, 2019. 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 on August 14, 2018 as a part of a business acquisition.

PERSONNEL

In January-December 2018 the Group's personnel totalled 191 (198) employees on average. At the end of December, the Group had 191 (195) employees of which 61 (69) persons were employed in Sweden, Norway or Denmark.
The majority, 54% (58) of the Group's personnel works in sales operations and 46% (42) of the employees work in sales support, logistics and administration. 45% (50) of the personnel are women and 55% (50) are men.

GROUP EXECUTIVE BOARD 2018:

- Fikseaunet Trond, CEO, Wulff Supplies AB
- Törmänen Tarja, Communications and Marketing Director
- Arion Ninni, CEO, Wulff Entre Oy
- Ågerfalk Veijo, Managing Director, Expertise Sales Scandinavia
- Vienola Heikki, CEO
- Hanén Elina, CFO

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The demand for workplace products and office supplies is strongly affected by the general economic development and competition in the market. Business operations are also affected by normal business risks such as the success of the Group's strategy and operative risks stemming from the personnel, logistics and IT environments. Approximately half of the Group's net sales come from other than euro-currency countries. Fluctuation of the currencies affects the Group's net result and balancesheet.

SUBSEQUENT EVENTS

The Group invested 9.1.2019 in the development of its logistics services by acquiring its logistics property in Ljungby, Sweden. The 5,500 m2 logistics property and office space have been used by Wulff Supplies since their completion in 2010. The debt free purchase price of the real estate company, approximately EUR 3.1 million, is financed mainly with borrowed capital. Owning a modern logistics center and having the opportunity to expand operations will enable Wulff to grow and develop its logistics services. The investment is expected to improve the cost-efficiency of Wulff Supplies, especially in the long-term.

The Group has not had any other significant subsequent events after the reporting period.

BOARD OF DIRECTORS' PROPOSAL

FOR THE ANNUAL RESULT

The Group's parent company Wulff Group Plc's distributable funds totalled EUR 1.7 million. The Group's net result attributable to the parent company shareholders was EUR 1.0 million (-0.2), i.e. EUR 0.15 per share (EUR -0.03 per share). The Board of Directors proposes to the Annual General Meeting to be held on April 4th, 2019 that a dividend of EUR 0.10 per share, i.e. EUR 0.7 million, be paid for the financial year 2018, and the remaining distributable funds be left in retained earnings in the shareholders' equity.

MARKET SITUATION AND FUTURE OUTLOOK

Wulff is the most significant Nordic player in its field. Its aim is to lead the way, renew the field and be at the forefront of change. Wulff believes that the role of values and sustainability will come to have an increasingly important part in sourcing decisions and companies' business partner selections in the future. With its new strategy, Wulff will build its competitiveness and make sure that it can offer customers what they want: solutions for making the everyday work life smoother and the world better one workplace at a time. The market traditionally understood as the office environment changes and develops rapidly. Competition is tough in the traditional market and the new market has a lot of opportunities. Wulff believes that the future is bright due to the strong, constantly developing new strategy, its active customer and partner networks, and its professional, committed personnel. The Group has an ongoing readiness to carry out new strategic acquisitions and as a listed company, Wulff is in a good position to be a more active player than its competitors.

The developing economic situation will enable Wulff's business to develop positively. Wulff estimates that the comparable operating profit of 2019 will increase from 2018. In the industry, it is typical that the result and cash flow are generated in the last quarter.

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 items that are not included in normal business activities, such as profits from sales of car stock, profits from sales of subsidiaries, and write-downs of goodwill. The Alternative Performance Measures should not be taken as substitutes for the standards presented in the Generally Accepted Accounting Principles for IFRS.

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 items that are not included in normal business activities, such as profits from sales of car stock, profits from sales of subsidiaries, and write-downs of goodwill. The Alternative Performance Measures should not be taken as substitutes for the standards presented in the Generally Accepted Accounting Principles for IFRS.

KEY FIGURES

EUR 1000	2018	2017	2016	2015	2014
Net sales	55 889	56 931	59 304	68 820	74 262
Change in net sales %	-1.8%	-4.0%	-13.8%	-7.3%	-11.1%
Earnings before taxes. depreciation and amortization (EBITDA)*	1 920	461	1 092	2 109	2 226
% of net sales*	3.4%	0.8%	1.8%	3.1%	3.0%
Operating profit/loss*	1 508	74	677	595	1 239
% of net sales*	2.7%	0.1%	1.1%	0.9%	1.7%
Profit/Loss before taxes	1 243	-247	351	354	478
% of net sales	2.2%	-0.4%	0.6%	0.5%	0.6%
Net profit/loss for the financial year attributable for the equity holders of the parent company	1 025	-193	302	-195	696
% of net sales	1.8%	-0.3%	0.5%	-0.3%	0.9%
Cash flow from operations	1 085	1 389	679	1 693	-205
Return on equity (ROE) %	9.3%	-2.0%	2.5%	-1.6%	4.4%
Return on investment (ROI) %	9.5%	-1.1%	2.9%	2.7%	3.5%
Equity ratio %	49.1%	47.0%	50.5%	46.4%	39.5%
Gearing. %	15.8%	19.8%	19.6%	23.8%	36.9%
Balance sheet total	26 412	24 933	25 432	28 514	34 759
Gross investments in fixed assets	446	426	319	161	488
% of net sales	0.8%	0.8%	0.5%	0.2%	0.7%
Average number of personnel during the financial year	191	198	214	233	268
Number of personnel at the end of financial year	191	195	203	226	240

Effect of the change of presentation:	2017	2016	2015	2 014
Earnings before taxes, depreciation and amortization (EBITDA)*	107	94	90	130
% of net sales*	0.2%	0.1%	0.2%	0.2%
Operating profit/loss*	107	94	90	130
% of net sales*	0.2%	0.1%	0.2%	0.2%
EBITDA/share, EUR*	0,02	0,02	0,01	0,02

* 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 periods 2014-2017 have been adjusted according to the new reporting principle. The effect of the change in the presentation on the comparison periods are presented in the table.

SHARE-RELATED KEY FIGURES

EUR 1000	2018	2017	2016	2015	2014
Earnings per share (EPS), EUR	0.15	-0.03	0.05	-0.03	0.11
Equity per share, EUR	1.72	1.64	1.78	1.84	1.95
Dividend per share, EUR *	0.10	0.05	0.10	0.10	0.00
Payout ratio %	65%	-167%	200%	333%	0.0%
Effective dividend yield %	5.9%	3.0%	7.3%	7.5%	-
Price/Earnings (P/E)	11.0	-55.9	29.6	-44.9	9.2
P/BV	0.98	1.01	0.77	0.73	0.50
EBITDA/share, EUR**	0.28	0.07	0.17	0.32	0.34
Cash flow from operations/share, EUR	0.16	0.21	0.10	0.26	-0.03
Share prices:					
Lowest share price, EUR	1.32	1.43	1.18	1.02	0.96
Highest share price, EUR	1.79	1.79	1.75	1.66	1.60
Average share price, EUR	1.54	1.65	1.43	1.30	1.29
Closing share price, EUR	1.69	1.65	1.37	1.34	0.99
Market value as of Dec 31, MEUR	11.5	10.8	8.9	8.7	6.4
Number of outstanding shares on average during the financial year	6 643 696	6 528 628	6 528 628	6 528 628	6 528 628
Number of outstanding shares at the end of the financial year	6 828 628	6 528 628	6 528 628	6 528 628	6 528 628
Number of shares traded	190 354	565 733	578 681	414 221	315 822
% of average number of shares	2.9%	8.7%	8.9%	6.3%	4.8%
Shares traded, EUR	293 735	930 970	827 073	539 868	349 233

* The Board of Directors' dividend proposal from year 2018 to the Annual General Meeting to be held on April 4, 2019.

** 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 periods 2014-2017 have been adjusted according to the new reporting principle. The effect of the change in the presentation on the comparison periods are presented in the table.

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 items that are not included in normal business activities, such as profits from sales of car stock, profits from sales of subsidiaries, and write-downs of goodwill. The Alternative Performance Measures should not be taken as substitutes for the standards presented in the Generally Accepted Accounting Principles for IFRS.

CALCULATION PRINCIPLES OF KEY FIGURES

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

CALCULATION PRINCIPLES OF KEY FIGURES

P/BV ratio	Share issue-adjusted closing share price at the end of period / Equity per share
Earnings before taxes, depreciation and amortization (EBITDA) per share, EUR	Earnings before taxes, depreciation and amortization (EBITDA) / Share issue adjusted number of outstanding shares on average during the period
Cash flow from operations per share	Cash flow from operations (in the cash flow statement) / 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), %	(Net sales – Material and services) / 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, 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 three categories: 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 quarterly 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 fairs.

The uncertainties relating to the general economic development in the last few years have emphasized 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 half of the Group's sales are made in euros and the other half is made 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 24 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, pension premium loans and bank account limit facilities tied with variable interest rates. Changes in market rates impact directly the Group's interest payments in the future. Some of the pension premium loans have a fixed interest rate. More information on the interest rates of the Group's interest-bearing liabilities is presented in Note 24 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, 2018, unused credit limits totalled 4.0 (4.4) million euros in Finland. The maturity of loans is presented in Note 24.

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. There were no covenant breaches on 31.12.2018.

Credit and Default Risks
The uncertainties relating to the general economic development in the last few years 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. 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 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 20 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 favors 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 negative development in consumer preferences in important product groups, the effect of economic cycles on the demand of office supplies and services, as well as international customer contracts. Changes in consumer preferences, such as new trends in printing solutions, affect development in the sector. 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 preferences. 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. The number of shares increased from 6,607,628 shares when, with the authorization granted by the Annual General Meeting to the Board of Directors 14.8.2019, Wulff Group Plc carried out a directed share issue of 300,000 shares to the owners of Mavecom Palvelut Ltd as a part of business acquisition. The shares were admitted for trading together with the other shares of the company on August 27, 2018. 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. There were no changes in share capital in 2017.

AUTHORIZATIONS OF THE BOARD OF DIRECTORS

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

The Annual General Meeting on April 5, 2018 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 the next Annual General Meeting. 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 used its authorization as described under header "Share Capital" in 2018.

Authorizing the Board of Directors to Decide on the Repurchase of the Company's Own Shares

The Annual General Meeting on April 5, 2018 authorised the Board of Directors to resolve on the acquisition of maximum 300,000 own shares. The authorization is effective until 30.4.2019. 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 authorization entitles the Board of Directors to deviate from the pre-emptive rights of shareholders (directed acquisition) in accordance with the law. 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.

TREASURY SHARES

In 2018 no own shares were reacquired. According to the Annual General Meeting's authorisation on April 5, 2018, 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, 2019.

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.

SHARE-BASED PAYMENTS

The Group does not have any option schemes currently in force. Wulff Group has no share reward plan in force at the moment. 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.

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 2018, a total of 190,354 (565,733) Wulff shares were traded which represents 2.9% (8.7) of the total number of shares. The trading was worth EUR 293,735 (930,986). In 2018, the highest share price was EUR 1.79 (1.79) and the lowest price was EUR 1.32 per share (1.43). At the end of 2018, the share was valued at EUR 1.69 (1.65) and the market capitalization of the outstanding shares totalled EUR 11,5 million (10.8).

DIVIDEND POLICY

Wulff Group Plc follows an active dividend policy. The goal is to distribute around 50% of the period's net profit in dividend. The Board of Directors of Wulff-Group has decided to propose to the Annual General Meeting on April 4, 2019 that dividend of EUR 0.10 per share be paid for the financial year 2018 representing EUR 0.7 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. There were no disclosed notifications on changes in major share holdings in 2018 or 2017.

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 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.

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, 2018

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 www.wulff-group.com.

	Major shareholders December 31, 2018	Number of shares	% of shares
1	Vienola Heikki	2 500 000	36.19%
2	Pikkarainen Ari	1 171 825	16.96%
3	LähiTapiola	761 100	11.02%
	Elo Mutual Pension Insurance Company	350 000	5.07%
	Tapiola General Mutual Insurance Company	283 900	4.11%
	LähiTapiola Mutual Life Assurance Company	127 200	1.84%
4	Varma Mutual Pension Insurance Company	450 000	6.51%
5	Nordea	329 761	4.77%
	Nordea Nordic Small Cap Equity Fund	296 128	4.29%
	Nordea Bank Finland Plc	33 633	0.49%
6	TCF-Myynti Ltd	210 000	3.04%
7	The Local Government Pensions Institution	120 400	1.74%
8	OP Life Assurance Company Ltd	118 065	1.71%
9	Wulff Group Plc	79 000	1.14%
10	Ågerfalk Veijo	65 000	0.94%
11	Skandinaviska Enskilda Banken AB	65 872	0.95%
12	Laakkonen Mikko	64 185	0.93%
13	Luoma Marko	56 147	0.81%
14	Progift Oy	51 162	0.74%
15	Vauhkonen Sami Petteri	45 000	0.65%
16	Frondelius Peter Mikael	45 000	0.65%
	Total of 16 biggest shareholders	6 132 517	88.78%
	Total of other shareholders	775 111	11.22%
	Total number of shares	6 907 628	100.00 %
	- Own shares	-79 000	
	Total number of outstanding shares	6 828 628	

SHAREHOLDERS BY GROUP AS OF DECEMBER 31, 2018

Owner groups	Number of shareholders	%	Number of shares	%
Companies	35	4.61%	449 611	6.51%
Financial and insurance institutions	11	1.45%	851 093	12.32%
Public entities	3	0.39%	920 400	13.32%
Non-profit organisations	2	0.26%	110	0.00%
Private persons	694	91.32%	4 578 801	66.29%
Foreign shareholders	8	1.05%	5 100	0.07%
Nominee-registered shareholders	7	0.92%	102 513	1.48%
Total	**760**	**100.00%**	**6 907 628**	**100.00%**

SHAREHOLDERS BY THE NUMBER OF SHARES OWNED DECEMBER 31, 2018

Number of shares	Number of shareholders	%	Number of shares	%
1-500	503	66.18%	81 638	1.18%
501-1000	97	12.76%	81 372	1.18%
1 001-10 000	128	16.84%	391 079	5.66%
10 001-100 000	22	2.89%	726 021	10.51%
100 001-	10	1.32%	5 627 518	81.47%
Total	**760**	**100.00%**	**6 907 628**	**100.00%**

INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING 2019
Wulff Group Plc's Annual General Meeting will be held on Thursday April 4, 2019 at noon (12.00) at Nasdaq Helsinki premises, Fabianinkatu 14, Helsinki, Finland.

Shareholders are entitled to attend the meeting if they have been registered as shareholders in the Company's shareholder list maintained by Euroclear Finland Ltd no later than on Monday March 25, 2019 and have registered as attendants to the Annual General Meeting no later than on Monday April 1, 2019.

Registration for the Annual General Meeting can be made to the company (also in English):

- by e-mail to sijoittajat@wulff.fi
- by telephone +358 300 870 414
- with a letter to Wulff Group Plc, Annual General Meeting, Manttaalitie 12, FI-01530 Vantaa, Finland.

Each holder of nominee registered shares has the right to participate in the Annual General Meeting on the basis of those shares that would allow him/her to be registered in the shareholders' register of the Company held by Euroclear Finland Ltd on Monday March 25, 2019. A holder of nominee registered shares wishing to participate in the Annual General Meeting shall be temporarily registered into the shareholders' register of the company kept by Euroclear Finland Ltd at the latest on Monday April 1, 2019 by 10.00 A.M. The shareholder who wishes to participate in the Annual General Meeting shall contact the company no later than Monday April 1, 2019. A holder of nominee registered shares is advised to request without delay necessary instructions regarding the registration in the shareholders' register, the issuing of proxy documents and registration for the Annual General Meeting from his/her custodian bank. The custodian bank of an account operator must announce the holder of nominee registered shares wishing to participate in the Annual General Meeting to be temporarily registered into the shareholders' register no later than on the above-mentioned date.

Instructions for registration and additional information on the Annual General Meeting are available at the Group's website at www.wulff-group.com.

DIVIDEND FOR 2018
The Board of Directors of Wulff Group Plc proposes to the Annual General Meeting that a dividend of EUR 0.10 per share be paid for the financial year 2018. The dividend approved by the Annual General Meeting will be paid 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, Monday April 8, 2019. The Board proposes to the Annual General Meeting that the dividend be paid on Wednesday April 17, 2019.

FINANCIAL REPORTING 2019
Wulff Group Plc will release the following financial reports in 2019:

Interim Report,
January-March 2019
Friday May 3, 2019

Half-year Report,
January-June 2019
Thursday August 1, 2019

Interim Report,
January-September 2019
Thursday October 31, 2019

Wulff Group Plc's financial reports are published in Finnish and English and they are also available at www.wulff-group.com. 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 in English by email to sijoittajat@wulff.fi.

CONTACT INFORMATION FOR ORDERING THE ANNUAL REPORT

Wulff Group Plc
Manttaalitie 12, FI-01530 Vantaa, Finland
tel: +358 300 870 414
email: sijoittajat@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-group.com.

CONTACT PERSON FOR INVESTOR RELATIONS
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CONSOLIDATED FINANCIAL STATEMENTS, IFRS

CONSOLIDATED INCOME STATEMENT, IFRS

EUR 1000	Note	1.1.-31.12.2018	1.1.-31.12.2017
Net sales	2. 4	**55 889**	**56 931**
Other operating income	5	141	133
Materials and services	6	-36 219	-37 692
Employee benefit expenses	7	-11 542	-12 237
Other operating expenses *	8	-6 349	-6 675
EBITDA*		**1 920**	**461**
Depreciation and amortization	9	-412	-387
Operating profit (EBIT)*		**1 508**	**74**
Financial income	10	16	33
Financial expenses *	10	-281	-353
Profit/loss before taxes		**1 243**	**-247**
Income taxes	11	-169	19
Net profit/loss for the period		**1 074**	**-228**
Attributable to:			
Equity holders of the parent company		1 025	-193
Non-controlling interests		49	-35
Earnings per share for profit attributable to the equity holders of the parent company:			
Earnings per share, EUR (diluted = non-diluted)	12	0.15	-0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR 1000	Note	1.1.-31.12.2018	1.1.-31.12.2017
Net profit/loss for the period		**1 074**	**-228**
Other comprehensive income which may be reclassified to profit or loss subsequently (net of tax)			
Change in translation differences		-86	-83
Total other comprehensive income		**-86**	**-83**
Total comprehensive income for the period		**988**	**-311**
Total comprehensive income attributable to:			
Equity holders of the parent company		949	-264
Non-controlling interests		39	-47

* The presentation of the Consolidated Statement of Income has been changed in the first quarter of 2018 in such a way that bank expenses have been classified as financial expenses instead of other operating expenses. The comparison period of 2017 in the Consolidated Income Statement has been adjusted to correspond to the new reporting principle: EUR 0.1 million has been reclassified from other operating expenses to financial expenses in 2017.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR 1000	Note	31.12.2018	31.12.2017
ASSETS			
Non-current assets			
Goodwill	13, 15	8 160	6 801
Intangible assets	13	274	416
Property, plant and equipment	13	663	499
Non-current financial assets			
Long-term receivables from others	16	48	48
Available-for-sale investments	17	57	57
Deferred tax assets	11	1 134	1 277
Total non-current assets		10 336	9 099
Current assets			
Inventories	18	7 227	6 959
Short-term receivables			
Loan receivables from others	19	18	11
Trade receivables from others	20	6 462	6 921
Other receivables	20	96	518
Accrued income and expenses	20	1 797	1 213
Cash and cash equivalents	21	476	213
Total current assets		16 076	15 834
TOTAL ASSETS		26 412	24 933

EUR 1000	Note	31.12.2018	31.12.2017
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	223
Retained earnings		729	167
Equity attributable to the equity holders of the parent company		11 717	10 702
Non-controlling interests		369	374
Total equity	22, 23	12 086	11 076
Non-current liabilities			
Interest-bearing liabilities	24	1 258	1 677
Non-interest-bearing liabilities	26	853	-
Deferred tax liabilities	11	108	73
Total non-current liabilities		2 219	1 750
Current liabilities			
Interest-bearing liabilities	24	1 151	736
Trade payables	26	5 226	5 769
Advance payments	26	1 780	1 360
Other liabilities	26	1 591	2 001
Accrued income and expenses	26	2 359	2 241
Total current liabilities		12 107	12 107
TOTAL EQUITY AND LIABILITIES		26 412	24 933

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1000	Note	1.1.-31.12.2018	1.1.-31.12.2017
Cash flow from operating activities:			
Cash received from sales		56 184	56 908
Cash received from other operating income		141	133
Cash paid for operating expenses		-55 054	-55 549
Cash flow from operating activities before financial items and income taxes		1 272	1 492
Interest paid		-80	-92
Interest received		16	33
Income taxes paid		-123	-44
Cash flow from operating activities		**1 085**	**1 389**
Cash flow from investing activities:			
Investments in intangible and tangible assets		-446	-429
Proceeds from sales of intangible and tangible assets		14	17
Repayments of loans receivable		-	-12
Cash flow from investing activities		**-432**	**-424**
Cash flow from financing activities:			
Dividends paid	23	-326	-667
Cash paid for changes in non-controlling interest	3	-44	-48
Repayments of financial lease liabilities		-60	-64
Withdrawals and repayments of short-term loans		542	-48
Withdrawals of long-term loans		-	1 200
Repayments of long-term loans		-486	-1 508
Cash flow from financing activities		**-375**	**-1 136**
Change in cash and cash equivalents		**278**	**-171**
Cash and cash equivalents at the beginning of the period		213	419
Translation difference of cash		-14	-35
Cash and cash equivalents at the end of the period	21	476	213

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, 2018		2 650	7 662	223	-260	-508	935	10 702	374	11 076
IFRS 15 adjustment 1.1.2018 to retained earnings							-61	-61	-	-61
Adjusted equity on Jan 1, 2018		2 650	7 662	223	-260	-508	874	10 642	374	11 016
Effect of the IFRS 15 standard change on the year-end result for 2018							61	61	-	61
Net profit / loss for the period							963	963	49	1 013
Net profit/loss for the period							1 025	1 025	49	1 074
Other comprehensive income*:										
Change in translation differences						-76		-76	-10	-86
Comprehensive income						-76	1 025	949	39	988
Transactions with the shareholders:										
Dividends paid							-326	-326	-	-326
Transactions with the shareholders total							-326	-326		-326
Changes in subsidiary shareholdings:										
Changes in non-controlling interests which did not lead to a change of control									-44	-44
Changes in non-controlling interests which lead to a change of control				453				453	-	453
Changes in subsidiary shareholdings total:				453				453	-44	409
Equity on Dec 31, 2018	22	2 650	7 662	676	-260	-583	1 572	11 718	368	12 086
Equity on Jan 1, 2017		2 650	7 662	223	-260	-436	1 781	11 619	483	12 102
Net profit/loss for the period							-193	-193	-35	-228
Other comprehensive income*:										
Change in translation differences						-71		-71	-12	-83
Comprehensive income						-71	-193	-264	-47	-311
Transactions with the shareholders:										
Dividends paid							-653	-653	-14	-667
Transactions with the shareholders total							-653	-653	-14	-667
Changes in subsidiary shareholdings:										
Changes in non-controlling interests which lead to loss of control								-	-48	-48
Changes in subsidiary shareholdings total									-48	-48
Equity on Dec 31, 2017	22	2 650	7 662	223	-260	-508	935	10 702	374	11 076

* with tax impact included

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Manttaalitie 12, 01530 Vantaa, 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 15 subsidiaries in Finland, Sweden, Norway and Denmark. Wulff's product and service range includes office supplies, IT supplies, ergonomics, printing services and international fair 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 13, 2019. 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, 2018. 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, such as profits from sales of car stock, profits from sales of subsidiaries, and write-downs of goodwill. The Alternative Performance Measures should not be taken as substitutes for the standards presented in the Generally Accepted Accounting Principles for IFRS.

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 following new and updated IFRS standards and interpretations that have come into effect as of January 1, 2018. Standards IFRS 15 Customer Contracts and IFRS 9 Financial Instruments had an effect on the accounting principles of the Group consolidated financial statements. The Group accounting principles have been adopted according to the aforementioned new standards. The effects of the standards' adoption have been presented in consolidated financial statements notes to the accounts 4. Net Sales and 20. Short-term non-interest-bearing receivables.

Wulff Group has not yet adopted the following 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. The most significant change as of financial year beginning from 1.1.2019 is born from adopting IFRS 16 Lease Agreements -standard. The new standard replaces IAS 17 -standard and related interpretations. IFRS 16 -standard entails the lessee to recognise lease agreements in the balance sheet as lease liabilities and lease assets accordingly. Recognition in the balance sheet resembles much of the IAS 17 finance lease recognition. There are two exemptions permitted by the standard, which apply to short-term leases with a duration of less than a year or leases of low value. The recognition of lessors will mostly remain similar to IAS 17. The estimated effect of adopting IFRS 16 Leases to the Group balance sheet's assets is EUR 1.6 million, liabilities EUR 1.5 million and provisions EUR 0.1 million at the end of March 2019.

Otherwise according to the management's assessment other amended standards and interpretations that come into force on 1.1.2019 are insignificant and/or do not have a significant effect the consolidated financial statements.

CONSOLIDATION PRINCIPLES

The consolidated financial statements include the parent company Wulff Group Plc and all its subsidiaries in which it holds, directly or indirectly, more than half of the voting rights or other governing power. 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. 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 office supplies and services and international fair 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. The terms of payment are typically 14-60 days with no interest and invoicing is done normally at time of delivery of the products and services. Fair services invoicing is mostly done in advance to service delivery and is based on in advance paid supplier invoices born from building the fair premises. The customer contracts do not have any significant financing components. The consolidated net sales do not include intra-group transactions. Expenses from acquiring new customer contracts are presented in salary expenses, the companies do not activate expenses to the balance sheet's assets from acquiring new customers.

The transition from 1.1.2018 onwards to IFRS 15 Customer Contracts changed the revenue recognition of fair services offered by Wulff Entre Ltd to recognising the revenue at the time of fairs. In the comparison period of 2017 Wulff Entre Ltd's fair projects were recognised following the percentage-of-completion method over time. The percentage of completion is determined in different projects based on the hours performed of the total hours and the costs incurred of the total costs. The financial statements were not materially affected by the receivables and advance payments of the projects recognized based on the percentage-of-completion method. The effects of transition are presented in notes to the accounts 4. Net sales, 6. Materials and services, 11. Taxes and changes in equity -calculation.

Delivered fair 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 faulty use 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 com-

GOODWILL AND OTHER INTANGIBLE ASSETS

The expected useful lives are:

Goodwill	no depreciations; impairment testing
IT software	3-7 years; straight-line
Customer relationships	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
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

pany 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. 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 is any indication 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

Leases of tangible assets, where the risks and rewards related to ownership are not fully transferred to the lessee, are treated as operating leases. When the Group is a lessee, these other operating lease payments are expensed in the income statement on a straight-line basis over the lease period. The consolidated income statement included rental expenses for e.g. premises and machinery. The Group's rental commitments are presented in Note 27. When the Group is a lessor, rental income is recognized as other operating income in the income statement on a straight-line basis over the lease period.

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.

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 did not have a share based reward plan in force.

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.

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.

IFRS 9 Financial Instruments replaced the IAS 39 Financial Instruments -standard as of 1.1.2018. The standard is applied non-retrospectively. The standard adoption had an effect on the valuation and presentation of expected credit losses from 1.1.2018 onwards. 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. The effect of the adoption to the Group consolidated financial profit and loss statement, balance sheet and equity have been presented in notes to the accounts 8. Other expenses, 20. Short-term non-interest-bearing receivables and changes in equity. Adoption of IFRS 9 did not change IAS 39 otherwise financial assets' and liabilities' valuation, classification and presentation.

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.

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 22.

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 are no share-based incentive schemes in the Group.

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 23.

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).

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 does not have share options 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.

2. SEGMENT INFORMATION

Wulff Group consists of two strategically different operating segments: Contract Customers Segment and Expertise Sales Segment. During the final quarter of the year, the Group changed the name of the segment previously called the Direct Sales Division to Expertise Sales Segment. The name change reflects our customer needs and the job content of the segment's sales people better than before. 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 15 group companies belong to these operating segments based on their different services, marketing strategies and distribution channels. Contract Customers Segment consists of 8 subsidiaries and Expertise Sales Segment consists of 5 subsidiaries as shown in Note 29. Additionally the Group's parent company Wulff Group Plc, its subsidiary with leasing operations, Wulff Leasing Oy and Wulff Liikelaskenta Oy with financial services 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 office supplies, IT supplies as well as international fair 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. Also business promotional products and international fair services are 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. 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	2018	2017
Contract Customers Segment		
Sales to external customers	46 774	47 685
Intragroup sales to other segments	200	43
Total Contract Customers Segment	**46 974**	**47 728**
Expertise Sales Segment		
Sales to external customers	9 115	9 245
Intragroup sales to other segments	29	12
Total Expertise Sales Segment	**9 144**	**9 257**
Group Services		
Sales to external customers	0	2
Intragroup sales to other segments	563	326
Total Group Services	**563**	**327**
Intragroup eliminations between segments	**-792**	**-381**
Total net sales	**55 889**	**56 931**

Revenue from any individual customer did not exceed 10 percent share of the consolidated revenue in 2018 or 2017.

After IFRS 15 Customer contracts coming to effect 1.1.2018 the fair shows have been recognized in net sales at the time of the fairs. More informatin on the change is presented in Note 4.

2. SEGMENT INFORMATION

RESULT BY OPERATING SEGMENTS 2018

EUR 1000	Contract Customers	Expertise Sales	Group services and non-allocated items	Eliminations	Group
Net sales	46 974	9 144	563	-792	55 889
Expenses	-45 347	-8 649	-729	756	-53 969
EBITDA	**1 627**	**495**	**-166**	**-36**	**1 920**
Depreciations	-239	-40	-260	127	-412
Operating profit (EBIT)	**1 388**	**455**	**-426**	**91**	**1 508**
Financial income (non-allocated)			16		16
Financial expenses (non-allocated)			-281		-281
Profit before taxes	**1 388**	**455**	**-692**	**91**	**1 243**

RESULT BY OPERATING SEGMENTS 2017

EUR 1000	Contract Customers	Expertise Sales	Group services and non-allocated items	Eliminations	Group
Net sales	47 728	9 257	327	-381	56 931
Expenses*	-46 937	-9 091	-898	455	-56 470
EBITDA	**791**	**166**	**-570**	**74**	**461**
Depreciations	-220	-47	-213	93	-387
Operating profit (EBIT)	**571**	**119**	**-783**	**167**	**74**
Financial income (non-allocated)			33		33
Financial expenses (non-allocated)*			-353		-353
Profit before taxes	**571**	**119**	**-1 104**	**167**	**-247**

* The presentation of the Consolidated Income Statement has been changed in the first quarter of 2018 in such a way that bank expenses have been classified as financial expenses instead of other operating expenses. The periodic segment information of the Consolidated Income Statement 2017 has been adjusted to correspond to the new reporting principle: in the Contract Customer segment EUR 0.1 million in 2017 and in the Expertise Sales segment EUR 0.0 million for 2017.

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	2018		2017	
Finland	34 118	61 %	34 251	60 %
Sweden	17 559	31 %	18 879	33 %
Norway	8 022	14 %	7 775	14 %
Denmark	469	1 %	384	1 %
Net sales between countries	-4 278	-8 %	-4 357	-8 %
Net sales total	**55 889**	**100 %**	**56 931**	**100 %**

EXTERNAL NET SALES BY CUSTOMERS' LOCATIONS

EUR 1000	2018		2017	
Finland	32 488	58 %	32 103	56 %
Sweden	13 324	24 %	13 852	24 %
Norway	8 727	16 %	8 978	16 %
Denmark	826	1 %	888	2 %
Estonia	54	0 %	33	0 %
Other European countries	216	0 %	420	1 %
Other countries	253	0 %	656	1 %
Net sales total	**55 889**	**100%**	**56 931**	**100 %**

NON-CURRENT ASSETS BY GROUP COMPANIES' LOCATIONS

EUR 1000	2018		2017	
Finland	7 312	80 %	5 844	76 %
Sweden	1 767	19 %	1 850	24 %
Norway	18	0 %	21	0 %
Total non-current assets	**9 096**	**100 %**	**7 715**	**100 %**

3. BUSINESS COMBINATIONS

EUR 1000	14.8.2018
The fair value of assets and liabilities at the date of acquisition	
Assets	
Tangible and intangible assets	142
Inventories	158
Trade receivables and other short-term receivables	267
Cash and cash equivalents	21
Total assets	**588**
Liabilities	
Loans from financial institutions	155
Trade payables	184
Accrued expenses and other short-term liabilities	193
Total liabilities	**531**
Total identifiable net assets at fair value	**57**
Goodwill from acquisition	1 465
Total purchase consideration	**1 522**

ACQUISITIONS

On August 14, 2018, Wulff Group Plc acquired the entire share capital of Mavecom Palvelut Ltd that specializes in printing solutions. With the transaction, Wulff´s position as the most versatile supplier of products and services in its field will strengthen: Wulff's range of products and services will grow with the quality services offered by Canon Business Center. Mavecom sells and produces printing services, data management solutions, ICT outsourcing services and large format printing in the Helsinki metropolitan area. Mavecom also offers customers modern maintenance and remote monitoring for its solutions. The acquisition is a significant competitive advantage for Wulff and in line with the company's growth strategy, enabling the development of the Contract Customer concept for domestic customers. The acquisition strengthened the product and service portfolio of the Contract Customers segment in Finland as expected and had a positive effect on net sales in the reporting period by EUR 0.9 million, on the profit margin by EUR 0.5 million, and on the operating profit (EBIT) by EUR 0.1 million. If Mavecom Palvelut Ltd would have been a part of the Group from the beginning of 2018, Wulff's net sales for the whole year would have been EUR 57.3 million and operating profit EUR 1.5 million.

The preliminary purchase price for the share capital of Mavecom was approximately EUR 1.5 million. 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 fixed amount has been set for the conditional additional purchase price and no value range for the additional purchase price is presented due to the nature of the business. The business is mainly based on the sales of printing equipment and maintenance contracts that have terms shorter than five years. Goodwill from the transaction is based on the company's estimated operating profit for future periods.

The unpaid portion of the estimated additional purchase price EUR 1.0 million is be presented in non-interest-bearing long and short-term liabilities. The business acquisition did not cause cash transactions during the reporting period. The additional purchase price is paid yearly on the basis of the approved financial statements of the subsidiary.

CHANGES IN SHARES OF NON-CONTROLLING INTERESTS WHICH DID NOT LEAD TO CHANGE IN CONTROL

In July 2018, Wulff Group Plc acquired a two percent share of the share capital of S Supplies Holding AB and owns 89% of the share capital of the company after the acquisition. The purchase price was EUR 44 thousand.

In April 2017, the Group acquired 2% of share capital of S Supplies Holding AB, and the Group owned 87% of the company's shares. The share price was EUR 48 thousand.

SUBSEQUENT EVENTS AFTER FINANCIAL YEAR 31.12.2018

The Group invested 9.1.2019 in the development of its logistics services by acquiring its logistics property in Ljungby, Sweden. The 5,500 m2 logistics property and office space have been used by Wulff Supplies since their completion in 2010. The debt free purchase price of the real estate company, approximately EUR 3.1 million, is financed mainly with borrowed capital. Owning a modern logistics center and having the opportunity to expand operations will enable Wulff to grow and develop its logistics services. The investment is expected to improve the cost-efficiency of Wulff Supplies, especially in the long-term. The acquisition is not a Business Combination determined in IFRS 3. The acquisition is recognized as an asset according to IAS 16 Property, Plant and Equipment in the group from the acquisition date onwards.

4. NET SALES

EUR 1000	2018	2017
Sales of products and related services	50 045	49 900
Sales of fair services	5 844	7 031
Total	**55 889**	**56 931**

The revenue of fair projects have been recognized at the time of fairs after adopting the IFRS 15 Revenue from Contracts with Customers standard from Jan 1, 2018 onwards, and partial revenue recognition according to the IAS 11 Construction Contracts is no longer applied after 31.12.2017. Due to the IFRS 15 standard adoption, fair projects of partial revenue recognition from 2017 are presented in the net sales for the 2018 on the date of the fairs amounting to EUR 0.1 million of January to February fairs. A corresponding adjustment has been made in retained earnings in the shareholders equity. The transition from partial revenue recognition to recognising all revenue on the date of the fairs in trade show projects grows the differences between financial quarters in regards to net sales and result. There are usually more fairs in the first and last quarters of the year.

5. OTHER OPERATING INCOME

EUR 1000	2018	2017
Rental income	45	77
Other	96	56
Total	**141**	**133**

6. MATERIALS AND SERVICES

EUR 1000	2018	2017
Materials, supplies and products		
Purchases during the financial year	35 724	37 163
Change in inventories	268	338
External services	227	191
Total	**36 219**	**37 692**

Due to the IFRS 15 standard adoption from Jan 1, 2018 onwards, the costs of fair projects have been recognized at the time of fairs. Costs amounting to EUR -0.1 million of fair projects according to the partial revenue recognition from 2017 are presented on the date of the fairs in purchase transactions of financial year 2018. More information on the change of the recognition is presented in Note 4.

7. EMPLOYEE BENEFITS

EUR 1000	2018	2017
Salaries and fees	9 114	9 585
Pension expenses (defined contribution plans)	1 376	1 411
Other personnel expenses	1 052	1 241
Total	**11 542**	**12 237**

Average number of employees in accounting period	191	198
Personnel at the end of period	191	195

Information about the management's employment benefits and loans is presented in Note 28 Related party information. Details about loans to related parties is presented under Shares and shareholders.

8. OTHER OPERATING EXPENSES

EUR 1000	2018	2017
Rents	1 101	1 411
Travel and car expenses	1 548	1 673
ICT expenses	527	547
External logistics expenses	1 062	1 037
Marketing, PR and entertainment expenses	437	385
Credit losses and amortization of sales receivables	13	47
Credit loss allowance of customer contracts according to IFRS 9 *	37	-
Fees to auditors * *	49	60
Other * * *	1 576	1 516
Total	6 349	6 675

* The credit loss provision was increased by 37 thousand euros in 2018 due to the adoption of the IFRS 9 Financial Instruments standard. Additional information has been presented in note 20.

* * Fees to auditors total in all group companies.

* * * The presentation of the Consolidated Statement of Income has been changed in the first quarter of 2018 in such a way that bank expenses have been classified as financial expenses instead of other operating expenses. The comparison period of 2017 in the Consolidated Statement of Income has been adjusted to correspond to the new reporting principle: EUR 0.1 million has been reclassified from other operating expenses to financial expenses in 2017.

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

APPROVED AUDIT FIRM BDO OY AB

EUR 1000	2018	2017
Audit	16	6
Tax services	-	-
Other services	-	-
Total	16	6

OTHER APPROVED AUDIT FIRMS

EUR 1000	2018	2017
Audit	18	36
Tax services	-	-
Other services	15	17
Total	33	53

9. AMORTIZATION, DEPRECIATION AND IMPAIRMENT

EUR 1000	2018	2017
Amortization and depreciation during the period:		
Amortization of intangible assets:		
Other intangible assets	181	215
Total amortization of intangible assets	181	215
Depreciation of tangible assets:		
Machinery and equipment	231	172
Total depreciation of tangible assets	231	172
Total amortization and depreciation	**412**	**387**

There was no impairment of goodwill or other long term intangible or tangible assets during 2018 or 2017.

10. FINANCIAL INCOME AND EXPENSES

EUR 1000	2018	2017
Financial income:		
Interest income	10	8
Foreign exchange gains and other financial income	6	24
Financial income total	**16**	**33**
Financial expenses:		
Interest expenses	80	92
Other financing expenses *	97	107
Foreign exchange losses and other financial expenses	104	154
Financial expenses total	**281**	**353**

* The presentation of the Consolidated Statement of Income has been changed in the first quarter of 2018 in such a way that bank expenses have been classified as financial expenses instead of other operating expenses. The comparison period of 2017 in the Consolidated Statement of Income has been adjusted to correspond to the new reporting principle: EUR 0.1 million has been reclassified from other operating expenses to financial expenses in 2017.

11. INCOME TAXES

INCOME TAXES IN THE INCOME STATEMENT

EUR 1000	2018	2017
Income taxes for the financial year	-41	-2
Deferred taxes:		
Change in deferred tax assets	-100	49
Change in deferred tax liabilities	-28	-28
Total	**-169**	**19**

INCOME TAX RECONCILIATION

EUR 1000	2018	2017
Income taxes according to the Finnish tax rate (2018-2017: 20.0%)	-249	49
Different tax rates abroad	-12	6
Non-deductible expenses and tax-free income	-12	-7
Tax impact from the current year's losses for which no deferred tax asset is recognized	-10	-53
Impact of the tax rate changes on deferred tax assets and liabilities*	-9	3
Changes in deferred tax assets and liabilities from previous years	177	33
Group consolidation and eliminations	-53	-14
Income taxes in the income statement	**-169**	**19**

* Tax rate change in Norway

11. INCOME TAXES

For the Group companies' previous years' confirmed taxable losses, a deferred tax asset of EUR 548 thousand (636) has been booked, of which EUR 397 thousand (445) will fall due in five years and EUR 97 thousand (173) can be utilized indefinitely. As of December 31, 2018, the Group had confirmed tax losses carried forward of EUR 2 330 thousand (2 552) for which the deferred tax asset of EUR 469 thousand (513) has not been recognized in the consolidated financial statements because the realization of the tax benefit before their expiry is uncertain. The consolidated balance sheet as of December 31, 2018 includes deferred tax assets of EUR 108 thousand (123) in group companies which made a loss in 2018. 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 2018

EUR 1000	1.1.2018	Income statement	Other changes	31.12.2018
Deferred tax assets:				
Confirmed losses and tax credits	636	-85		551
Provisions	7			7
Depreciation differences	630	-56	-3	571
Other temporary differences	5			5
Deferred tax assets total	**1 277**	**-141**	**-3**	**1 134**
Deferred tax liabilities:				
Other temporary differences	73	28	7	108
Deferred tax liabilities total	**73**	**28**	**7**	**108**
Deferred tax assets, net	**1 205**	**-169**	**-10**	**1 026**

CHANGES IN DEFERRED TAXES 2017

EUR 1000	1.1.2017	Income statement	Other changes	31.12.2017
Deferred tax assets:				
Confirmed losses and tax credits	555	81		636
Provisions	7			7
Depreciation differences	676	-32	-15	630
Other temporary differences	5			5
Deferred tax assets total	**1 243**	**49**	**-15**	**1 277**
Deferred tax liabilities:				
Other temporary differences	45	30	-3	73
Deferred tax liabilities total	**45**	**30**	**-3**	**73**
Deferred tax assets, net	**1 198**	**19**	**-12**	**1 205**

12. EARNINGS PER SHARE

	2018	2017
Profit for the period attributable to the equity holders of the parent company, EUR 1000	1 025	-193
/ Weighted average number of shares; diluted = non-diluted (1,000 shares)	6 644	6 529
Earnings per share (EPS); Diluted = non-diluted, EUR	0,15	-0,03

13. GOODWILL AND INTANGIBLE AND TANGIBLE ASSETS

2018	Goodwill	Other intangible assets	Advance payments	Intangible assets total	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost, Jan 1	11 191	2 679	149	**14 638**	3 853	148	**4 002**
Additions	1 424	168	20	**1 612**	398	9	**407**
Disposals			-149	**-149**	-54		**-54**
Translation differences	-65			**-65**	-2		**-2**
Acquisition cost, Dec 31	**12 550**	**2 847**	**20**	16 036	**4 195**	**157**	4 354
Accumulated depreciation and impairment, Jan 1	-4 390	-2 412	-	**-7 420**	-3 383	-119	**-3 504**
Disposals					44		**44**
Depreciation during the period		-181		**-181**	-227	-5	**-231**
Accumulated depreciation and impairment, Dec 31	**-4 390**	**-2 593**	**-**	-7 601	**-3 565**	**-124**	-3 691
Book value, Jan 1	**6 801**	**267**	**149**	**7 217**	**470**	**29**	**499**
Book value, Dec 31	**8 160**	**254**	**20**	**8 434**	**630**	**33**	**663**

2017	Goodwill	Other intangible assets	Advance payments	Intangible assets total	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost, Jan 1	11 240	2 542	104	**14 505**	3 673	151	**3 822**
Additions		195	44	**239**	235		**235**
Disposals		-58		**-58**	-55	-3	**-55**
Translation differences	-49		1	**-48**			**-**
Acquisition cost, Dec 31	**11 191**	**2 679**	**149**	14 638	**3 853**	**148**	4 002
Accumulated depreciation and impairment, Jan 1	-4 390	-2 207	-	**-7 215**	-3 231	-119	**-3 351**
Disposals		10		**10**	33		**33**
Depreciation during the period		-215		**-215**	-172		**-172**
Impairment during the period					-13		**-13**
Translation differences							
Accumulated depreciation and impairment, Dec 31	**-4 390**	**-2 412**	**-**	-7 420	**-3 383**	**-119**	-3 504
Book value, Jan 1	**6 850**	**334**	**104**	**7 289**	**442**	**32**	**472**
Book value, Dec 31	**6 801**	**267**	**149**	**7 217**	**470**	**29**	**499**

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	2018	2017
Office supplies and printing solutions	3	2
Exhibition services	1	1
Group services	2	2

The specification of the group companies is presented in note 29.

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	2018	2017	2018	2017	2018	2017
S Supplies Holding AB	Ruotsi	11%	13%	11%	13%	11%	13%
Wulff Beltton AB	Ruotsi	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	
	2018	2017	2018	2017
Short term assets	58	0	989	1 183
Long term assets	3 420	3 563	61	77
Short term liabilities	388	1	638	844
Long term liabilities	1 560	2 029	-	-
Net sales/income	0	0	1 919	2 664
Expenses	0	-55	-1 907	-2 675
Net profit/loss	0	-55	13	-11
Profit/loss attributable to equity holders of the company	0	-48	9	-8
Profit/loss attributable to non-controlling interests	0	-7	3	-3
Total comprehensive income	0	-55	13	-11
Total comprehensive income attributable to equity holders of the company	0	-48	9	-8
Total comprehensive income attributable to non-controlling interests	0	-7	3	-3
Dividends paid to non-controlling interests	-	-	-	14

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

15. GOODWILL ALLOCATION AND IMPAIRMENT TEST

EUR 1000	2018	2017
Contract Customers segment:		
Office supplies / Finland (Wulff Oy Ab, Torkkelin Paperi Oy)	3 500	3 500
Office supplies / Scandinavia (Wulff Supplies AB)	1 565	1 630
Fair services / Finland (Wulff Entre Oy)	1 671	1 671
Office supplies / Mavecom Palvelut Oy	1 424	-
Goodwill total	**8 160**	**6 801**

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 zero-growth assumption. The budgets and later years' estimates used in the testing are carefully estimated and the growth expectations are moderate considering also the impacts of economic slowdown. The assets tested include goodwill together with that cash-generating unit's other assets and working capital.

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

Goodwill for the Finnish office supplies business was EUR 3.5 million (3.5) arising from the acquisition of Wulff Oy Ab and Torkkelin Paperi Oy. The assets tested totalled approximately EUR 3.9 million (5.9). The discounted value-in-use is approximately EUR 12.8 million (16.6). 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 office supplies business was EUR 1.6 million (1.6) arising from the acquisition of Wulff Supplies AB. The assets tested totalled approximately EUR 5.0 million (3.3) and the discounted value-in-use is approximately EUR 8.7 million (3.6). 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 fair 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 1.6 million (4.0).

The goodwill arising from the acquisition of Canon Business Center printing solutions, Mavecom Palvelut Oy, totalled EUR 1.4 million and the assets tested totalled approximately EUR 1.6 million. The discounted value-in-use is approximately EUR 2.5 million. More information on the acquisition is presented in Note 3. Business combinations.

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; and
- 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

	31.12.2018		31.12.2017	
Office Supplies, Finland	**Used value**	**Change**	**Used value**	**Change**
Discount rate	9.5%	increase of 8.2 percentage points	9.6%	increase of 14.3 percentage points
Average EBITDA, % of sales	4.4%	decrease of 1.9 percentage points	4.1%	decrease of 1.3 percentage points
Office Supplies, Scandinavia	**Used value**	**Change**	**Used value**	**Change**
Discount rate	8.7%	increase of 2.8 percentage points	9.6%	increase of 0.6 percentage points
Average EBITDA, % of sales	4.7%	decrease of 0.9 percentage points	1.7%	decrease of 0.1 percentage points
Fair services	**Used value**	**Change**	**Used value**	**Change**
Discount rate	9.0%	increase of 4.0 percentage points	9.6%	increase of 21.9 percentage points
Average EBITDA, % of sales	1.8%	decrease of 0.6 percentage points	3.4%	decrease of 2.5 percentage points
Printing solutions*	**Used value**	**Change**	**Used value**	**Change**
Discount rate	9.4%	increase of 5.0 percentage points	-	-
Average EBITDA, % of sales	9.1%	decrease of 3.0 percentage points	-	-

*Acquired to the Group on 14.8.2018

16. NON-CURRENT RECEIVABLES

LONG-TERM RECEIVABLES FROM OTHERS

EUR 1000	2018	2017
Carrying amount, Jan 1	48	48
Carrying amount, Dec 31	48	48

17. AVAILABLE-FOR-SALE INVESTMENTS

EUR 1000	2018	2017
Carrying amount, Jan 1	57	57
Carrying amount, Dec 31	**57**	**57**

The available-for-sale investments are publicly non-listed shares and are not a part of the group business operations. The publicly non-listed shares' fair value do not differ significantly from their book value.

18. INVENTORIES

EUR 1000	2018	2017
Products	7 073	6 844
Work in process	4	1
Prepayments for inventories	150	113
Total	**7 227**	**6 959**

In 2018, an expense of 0.5 million euros (0.7) was booked from the inventories.

19. CURRENT LOAN RECEIVABLES

LOAN RECEIVABLES FROM OTHERS

EUR 1000	2018	2017
Carrying amount, Jan 1.	11	13
Disposals	7	-2
Carrying amount, Dec 31.	**18**	**11**

Current loan receivables include loan receivables falling due within 12 months.

20. SHORT-TERM NON-INTEREST-BEARING RECEIVABLES

TRADE RECEIVABLES

EUR 1000	2018	2017
Trade receivables from others	6 462	6 921
Trade receivables total	**6 462**	**6 921**

Sales receivables are non-interest-bearing and fall due in 14-60 days. Credit losses expensed during the financial year and bad debt allowance expense according to the IFRS 9 are reported in Note 8. Without transition to the bad debt allowance according to the IFRS 9 the value of sales receivables would have been 37 thousand euros higher. Sales receivables do not include significant credit risk concentrations.

AGING STRUCTURE OF SALES RECEIVABLES

EUR 1000	2018		2017	
Not due (value not impaired)	5 227	80%	5 967	86%
Due (value not impaired):				
Less than 1 month	1 035	16%	708	10%
More than 1 month - less than 3 months	144	2%	147	2%
More than 3 months - less than 6 months	60	1%	15	0%
More than 6 months	33	1%	84	1%
Total	6 499	101%	6 921	100%
Bad debt allowance according to the IFRS 9	-37	-1%	-	-
Sales receivables total	**6 462**	**100%**	**6 921**	**100%**

20. SHORT-TERM NON-INTEREST-BEARING RECEIVABLES

EFFECT ON THE GROUP FINANCIAL STATEMENTS OF ADOPTING BAD DEBT ALLOWANCE ACCORDING TO THE IFRS9 FINANCIAL INSTRUMENTS STANDARD

	2018	IFRS 9 effect	31.12.2018 without standard change of IFRS 9
Other operating expenses in Consolidated Income Statement	-6 349	-37	-6 313
Sales receivables without IFRS 9 bad debt allowance	6 535	-	6 535
IFRS bad debt allowance	-37	-37	-
Sales receivables total	6 499	-37	6 535
Retained earnings	-169	7	-176
Equity total	1 026	7	1 018

OTHER RECEIVABLES

EUR 1000	2018	2017
Valued added tax receivables	38	16
Other receivables	58	502
Other receivables total	**96**	**518**

ACCRUED INCOME AND EXPENSES

EUR 1000	2018	2017
Income tax receivable	297	192
Accruals for employee benefits (e.g. pension expense accruals)	9	24
Sales accruals of customer contracts	0	120
Sales accruals of trade shows	759	334
Other accruals	733	543
Accruals total	**1 797**	**1 213**

Sales accruals of trade shows included sales accruals according to the partial revenue recognition per 31.12.2017. The company changed partial revenue recognition to recognizing trade shows at the time of the trade shows according to the IFRS 15 standards from 1.1.2018. Therefore the sales accruals of trade shows 31.12.2018 include the uninvoiced portion of held trade shows according to the customer contracts.

21. CASH AND CASH EQUIVALENTS

EUR 1000	2018	2017
Cash and bank	476	213
Total	**476**	**213**

22. NOTES ON EQUITY

	Share total	Treasury shares	Outstanding shares
Jan 1, 2017	6 607 628	-79 000	6 528 628
Dec 31, 2017	6 607 628	-79 000	6 528 628
Directed share issue	300 000	0	300 000
Dec 31, 2018	6 907 628	-79 000	6 828 628

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. During financial year 2018 the number of shares increased by 300 000 shares. More information on the directed share issue is presented in note 3 Business combinations. There were no changes in share capital or in the number of shares in 2017.

TREASURY SHARES

Authorized by the Annual General Meeting held on April 5, 2018, the Board of Directors decided in its organizing meeting to continue buying back a maximum of 300,000 own shares by the next Annual General Meeting. In April-December 2018, no own shares were reacquired. In the end of the reporting period 2018, the Group held a total of 79,000 own shares (79,000) representing 1.1 percentage (1.2) of the total number and voting rights of Wulff shares.

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.

DIRECTED SHARE ISSUE

Wulff Group Plc carried out a directed share issue of 300,000 shares to the owners of Mavecom Palvelut Ltd as a part of Canon Business Center printing solutions Mavecom Palvelut Ltd acquisition on 14.8.2018. More information on the acquisition is presented in Note 3 Business combinations.

SHARE OPTIONS AND SHARE REWARDS

The Group does not have any option schemes currently in force nor a share reward plan.

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 during the latest or the previous financial year.

TRANSLATION DIFFERENCES

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

23. DISTRIBUTABLE FUNDS AND DIVIDEND DISTRIBUTION

PARENT COMPANY'S DISTRIBUTABLE FUNDS:

EUR	31.12.2018	31.12.2017
Fund for invested non-restricted equity	676 051	223 051
Treasury shares	-260 070	-260 070
Retained earnings from previous years	1 231 140	1 995 045
Net result for the period	55 222	-437 473
Distributable funds total	1 702 343	1 520 553
- dividend to be distributed	-682 863	-326 431
Funds left in retained earnings	**1 019 480**	**1 194 121**

EUR	31.12.2018	31.12.2017
Shares total	6 907 628	6 607 628
- Treasury shares held	-79 000	-79 000
Shares which are paid dividend	6 828 628	6 528 628
x Dividend per share (EUR)	0,10	0,05
Dividends total (EUR)	**682 863**	**326 431**

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 0,10 euros per share will be distributed for the financial year 2018 totalling EUR 0.7 million. After the dividend the parent company's distributable funds will be EUR 1.0 million. More information on the change of the fund for invested non-restricted equity during the financial year 2018 has been presented in note 3.

24. LONG-TERM AND SHORT-TERM FINANCIAL LIABILITIES

PAYMENT SCHEDULE FOR THE FINANCIAL LIABILITIES

	Book value	Payment schedule (years):				
EUR 1000	31.12.2018	2020	2021	2022	2023	Later
Long-term financial liabilities						
Loans from financial institutions	1 258	335	374	332	175	43
Total	**1 258**	**335**	**374**	**332**	**175**	**43**
Short-term financial liabilities						
Finance lease liabilities	11					
Credit facility	588					
Loans from financial institutions	418					
Pension loans	134					
Total	**1 151**					

he 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 short market interest rates, was approximately 1.9% at the end of 2018 (1,9%).

For the pension premium loans, an amount of EUR 0.1 million (0.3) is based on fixed interest rate of 3.5% p.a. The pension premium loans raised in summer 2009 have a repayment time of 10 years and the pension premium loan raised in 2011 has a repayment time of 5 years. All pension premium loans' repayments will be made every six months as fixed installments.

All interest-bearing liabilities were in euros in 2018 and 2017.

24. LONG-TERM AND SHORT-TERM FINANCIAL LIABILITIES

NON-CURRENT LIABILITIES' CHANGES

EUR 1000	Jan 1, 2018	Cash flow	Acquisitions	Foreign exchange difference	Fair value change	Dec 31, 2018
Long-term interest-bearing liabilities	1 677	-524	105	-	-	1 258
Short-term interest-bearing liabilities	736	378	37	-	-	1 151
Total	**2 414**	**-146**	**142**	**-**	**-**	**2 409**

NON-CURRENT LIABILITIES' CHANGES

EUR 1000	Jan 1, 2017	Cash flow	Acquisitions	Foreign exchange difference	Fair value change	Dec 31, 2017
Long-term interest-bearing liabilities	1 638	39	-	-	-	1 677
Short-term interest-bearing liabilities	1 196	-460	-	-	-	736
Total	**2 834**	**-421**	**-**	**-**	**-**	**2 413**

24. 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, 2018 (EUR 1000)	Total	Level 1	Level 2	Level 3
Finance lease liabilities	11			11
Credit facility	588			588
Loans from financial institutions	1 676			1 676
Pension loans	134			134
Total	**2 409**	0	0	2 409

December 31, 2017 (EUR 1000)	Total	Level 1	Level 2	Level 3
Finance lease liabilities	112			112
Credit facility	161			161
Loans from financial institutions	1 871			1 871
Pension loans	268			268
Total	**2 413**	0	0	2 413

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.

25. 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. 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, 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 half of the Group's sales are made in euros and the other half 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. Interest-bearing liabilities by currencies are presented in Note 26 of the consolidated financial statements. The Group does not practice any speculative hedging. No separate hedging measures against currency risk 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% 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 49 thousand euros and net profit and therefore equity by 35 thousand euros.

INTEREST RATE RISKS

The Group is exposed to interest rate risk due to loans from financial institutions, pension premium loans 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. Some of the pension premium loans have a fixed interest rate. More information on the interest rates of the Group's interest-bearing liabilities is presented in Note 24 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 2018 would have resulted in 20,5 thousand euros higher interest expenses, hence 20,5 thousand euros lower equity and a 0.1 percentage point 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, 2018 the unused credit limits totalled EUR 4.0 million (4.4) in Finland. The maturity of loans is presented in Note 24.

CREDIT AND DEFAULT RISKS

The uncertainties relating to the general economic development in the last few years have 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 division and group level. 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 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 20 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 2018 there were no covenant breaches.

At 31.12.2017 the interest-bearing liabilities/operating margin covenant was 6.8 and exceeded as per the loan terms due to the negative result. The Group's management negotiated with the financier at the end of 2017 and due to the breach of covenant the financier collected a one-off compensation. Interest-bearing liabilities were presented as short-term and long-term debts according to their original repayment schedule on December 31, 2017.

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

OTHER NON-CURRENT LIABILITIES

Other non-current liabilities

EUR 1000	2018	2017
Additional purchase price	853	-
Other non-current liabilities total	853	-

The additional purchase price of the Mavecom Palvelut Oy acquisition on 14.8.2018 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 year 2018 profitability and the estimated profitability of financial years 2019-2022. 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. More information on the acquisition is presented in note number 3.

The additional purchase price is a non-interest bearing external loan of level 3 as presented in notes to the accounts 24, 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	2018	2017
Trade payables	5 226	5 769
Trade show cost accruals	25	75
Trade show advances from customer contracts	1 755	1 285
Trade payables and advance payments total	7 006	7 129

Trade show cost accruals included cost accruals according to the partial revenue recognition per 31.12.2017. The company changed partial revenue recognition to recognizing trade shows at the time of the trade shows according to the IFRS 15 standards from 1.1.2018. Therefore the trade show cost accruals 31.12.2018 include the unpaid part held trade shows. Advances 1 755 thousand euros are advances according to the customer contracts of future trade shows after the reporting period. Trade show advances from customer contracts at the end of financial year 2017 have been fully recognized in revenue during the reporting period.

The trade show contracts total for shows after year-end 31.12.2018 was 3 141 thousand euros (2 879), which of 1 755 thousand euros (1 285) were invoiced and presented as advances from customer contracts.

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

OTHER CURRENT LIABILITIES

EUR 1000	2018	2017
Value added tax liabilities	1 069	1 218
Additional purchase price	120	-
Other current liabilities	402	783
Other current liabilities total	**1 591**	**2 001**

ACCRUED INCOME AND EXPENSES

EUR 1000	2018	2017
Accruals for employee benefits	1 728	1 657
Income tax liabilities	0	29
Interest accruals	1	1
Sales accruals	18	0
Other accruals	612	553
Accrued income and expenses total	**2 359**	**2 241**

MATURITY OF SHORT-TERM NON-INTEREST-BEARING LIABILITIES

EUR 1000	2018	2017
Due within one month	7 012	7 640
Due 1 month to 6 months	2 662	2 562
Due from 6 months to 1 year	1 263	1 161
Due from 1 year to 5 years	19	8
Short-term non-interest-bearing liabilities total	**10 956**	**11 371**

27. COMMITMENTS

EUR 1000	2018	2017
Mortgages and guarantees on own behalf		
Business mortgage for the Group's loan liabilities	10 850	10 850
Business mortgages, free	900	900
Subsidiary shares pledged as security for group companies' liabilities	6 953	6 953
Pledges and guarantees given for the group companies' off-balance sheet commitments	138	140
Minimum future operating lease payments, total	1 689	2 420
of which will be payable:		
in less than one year	709	1 344
between 1-5 years	941	768
after 5 years	39	308

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 (2,502 thousand euros), Wulff Liikelaskenta Oy (0), Wulff Oy Ab (3,500) and S Supplies Holding AB (951). Guarantees will be lost if external bank loans fall due.

Non-cancellable lease agreements for office and warehouse premises are made normally for 3-5 years and they often include an option to extend the contract after the original end date. The most significant rental commitments is the rent agreement of the brick and mortar shop in Lahti, which will end 30.6.2022 at the earliest. The parent company's rental agreement has been resignable with a three-month-notice from 1.1.2018 onwards. The logistics centre in Ljungby, Southern Sweden, was acquired in 9.1.2019, of which rent was paid until 31.12.2018. The logistics centre's rent was the most significant rent liability in 31.12.2017. 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.

28. RELATED PARTY INFORMATION

SUMMARY OF BOARD MEMBERS' BENEFITS TOTAL

EUR 1000	2018	2017
Board members' salaries and fees		
Kari Juutilainen 4/2018-	11	-
Jussi Vienola 4/2018-	11	-
Kristina Vienola 4/2018-	17	-
Ari Pikkarainen, Chairman of the Board 9/2017-	15	15
Johanna Marin -4/2018	4	15
Andreas Tallberg -4/2018	4	15
Heikki Vienola, Chairman of the Board -9/2017, Group CEO 9/2017-4/2018	-	11
Board members' benefits total	**62**	**56**

Group's related parties consist of parent company's Board of Directors and Group Executive Board members, which is the management of the Group.

The Group's parent and subsidiary relationships have been presented in Note 29. The Group does not have any investments in associates or joint ventures.

SUMMARY OF TOP MANAGEMENT'S EMPLOYMENT BENEFITS

EUR 1000	2018	2017
Group management board's salaries and other short term remuneration	557	669
Fringe Benefits	38	32
Bonuses	70	1
Group management board's other long term remuneration, additional pension benefits	44	52
Resignation fee	-	80
Top management's employee benefits total	**710**	**834**

REMUNERATION OF THE BOARD MEMBERS
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 2018 and 2017 a monthly fee of EUR 1,250 was paid to the Chairman and those Board Members. Group CEO did not receive a monthly fee of the Board work when he was employed by the Company.

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 nor additional pension benefits have not been determined in the Group CEO contracts.

The Board appointed Heikki Vienola as the Wulff Group CEO on 25.9.2017. In 2018 the Group CEO Heikki Vienola's remuneration consisted of salaries paid in cash and fringe benefits, a total of EUR 60 thousand (16).

Kimmo Laaksonen acted as the Group CEO 9.3.-25.9.2017. The CEO was paid salaries in cash and fringe benefits of EUR 116 thousand. The contract included a resignation fee, which was paid EUR 80 thousand upon resignation.

In the written Group CEO contract usual mutual resignation times and possible other fees have been determined.

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. In addition to fixed monthly salaries, a part of the payments is based on financial performance and the person's individual goal-setting. No share-based incentives were paid in 2017.

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 2018 and 2017, the Group Executive Board consisted of Ninni Arion, Trond Fikseaunet, Tarja Törmänen, Veijo Ågerfalk, Elina Hanén (9/2017-), Kimmo Laaksonen (3-9/2017) and Elina Rahkonen (-8/2017).

Of the Executive Board members, Tarja Törmänen's communication and marketing director service is obtained as a outsourced service and during 2017, the service costs amounted to EUR 72 thousand (72). 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	2018	2017
Sales to related parties	42	57
Purchases from related parties	149	134

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 72 thousand (72).

The Group had no loan receivable from a company under influence of a related party at year-end 2018 or 2017.

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.

29. GROUP COMPANIES

Companies by countries	Operating segment	Group's ownership and voting rights %	Parent company's ownership and voting rights %
Parent company Wulff Group Plc, Finland	Group Services		
Subsidiaries in Finland:			
Wulff Entre Oy	Contract Customers	100%	100%
Wulff Leasing Oy	Group Services	100%	0%
Wulff Liikelaskenta Oy	Group Services	100%	100%
Mavecom Palvelut Oy	Contract Customers	100%	100%
Naxor Finland Oy	Expertise Sales	75%	0%
Naxor Holding Oy	Expertise Sales	75%	75%
Torkkelin Paperi Oy	Contract Customers	100%	0%
Wulff Oy Ab	Contract Customers	100%	100%
Subsidiaries in Sweden:			
Wulff Beltton AB	Expertise Sales	75%	75%
Office Solutions Svenska AB	Expertise Sales	75%	0%
S Supplies Holding AB	Contract Customers	89%	89%
Wulff Supplies AB	Contract Customers	89%	0%
Subsidiaries in Norway:			
Beltton AS	Expertise Sales	80%	0%
Wulff Supplies AS	Contract Customers	89%	0%
Subsidiary in Denmark:			
Wulff Supplies A/S	Contract Customers	89%	0%

PARENT COMPANY’S FINANCIAL STATEMENTS, FAS

PARENT COMPANY'S INCOME STATEMENT, FAS

EUR	Note	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
Net sales	2	**279 995.00**	**283 954.83**
Other operating income	3	59 570.44	109 071.00
Personnel expenses	4	-271 610.62	-444 493.76
Other operating expenses	5	-376 273.91	-469 603.72
Depreciation and amortization according to plan	6	-154 041.85	-154 096.10
Operating profit/loss		**-462 360.94**	**-675 167.75**
Financial income	7	115 758.56	166 369.71
Financial expenses	7	-156 031.16	-171 613.91
Profit/Loss before appropriations		**-502 633.54**	**-680 411.95**
Appropriations	8	570 000.00	136 230.36
Profit/Loss before taxes		**67 366.46**	**-544 181.59**
Income taxes	9	-12 144.58	106 708.28
Net profit/loss for the period		**55 221.88**	**-437 473.31**

PARENT COMPANY BALANCE SHEET

EUR	Note	Dec 31, 2018	Dec 31, 2017
ASSETS			
FIXED ASSETS			
Intangible assets			
Trademarks	10	1 950 000.00	2 100 000.00
Tangible assets			
Machinery and equipment	10	7 008.33	8 576.23
Investments			
Shares in Group companies	11	8 709 517.70	7 132 054.34
Non-current receivables			
Non-current receivables from Group companies	12	5 991 024.29	6 260 996.72
Deferred tax receivables		109 742.80	121 887.38
TOTAL FIXED ASSETS		16 767 293.12	15 623 514.67
CURRENT ASSETS			
Current receivables			
Trade receivables		45 384.00	57 908.00
Receivables from Group companies	12	680 616.47	190 063.09
Prepaid expenses and accrued income	13	30 146.05	2 036.89
Current receivables total		756 146.52	250 007.98
Cash and cash equivalents	14	12 807.62	562.20
TOTAL CURRENT ASSETS		768 954.14	250 570.18
TOTAL ASSETS		17 536 247.26	15 874 084.85

PARENT COMPANY'S BALANCE SHEET, FAS

EUR	Note	Dec 31, 2018	Dec 31, 2017
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	-260 070.00	-260 070.00
Invested unrestricted equity fund	15	676 051.20	223 051.20
Retained earnings	15	1 231 140.57	1 995 045.28
Net profit for the financial year	15	55 221.88	-437 473.31
TOTAL SHAREHOLDERS´EQUITY	**15**	**12 241 935.15**	**12 060 144.67**

LIABILITIES

EUR	Note	Dec 31, 2018	Dec 31, 2017
Non-current liabilities			
Loans from credit institutions	16	1 191 488.89	1 531 250.85
Pension loans	16	0.00	17 270.00
Other non-interest bearing liabilities	17	898 184.00	0.00
Total Non-current liabilities		2 089 672.89	1 548 520.85
Current liabilities			
Loans from credit institutions	16	927 488.23	501 224.40
Pension loans	16	17 270.00	17 284.00
Trade payables		25 930.89	44 180.77
Amounts owed to group companies	18	2 065 617.48	1 679 444.24
Other liabilities	17	139 706.78	3 586.10
Accrued liabilities and deferred income	19	28 625.84	19 699.82
Total current liabilities		3 204 639.22	2 265 419.33
TOTAL LIABILITIES		**5 294 312.11**	**3 813 940.18**
TOTAL EQUITY AND LIABILITIES		**17 536 247.26**	**15 874 084.85**

PARENT COMPANY CASH FLOW STATEMENT

EUR 1000	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
CASH FLOW FROM OPERATIONS:		
Payments received from sales	208	221
Payments received from other operating income	60	109
Amounts paid for operating expenses	-387	-975
CASH FLOW FROM BUSINESS OPERATIONS BEFORE FINANCIAL ITEMS AND TAXES	**-120**	**-644**
Interests and other financial costs paid	-78	-81
Interest received from operations	116	152
CASH FLOW FROM OPERATIONS	-82	-573
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Investments in intangible and tangible assets	-2	-9
Loan receivables repaid	270	788
CASH FLOW FROM INVESTMENT ACTIVITIES	**267**	**778**
CASH FLOW FROM FINANCIAL ACTIVITIES:		
Dividend distribution paid	-326	-653
Cash paid in non-controlling intrest	-44	-48
Group contributions received and paid (net)	136	577
Group balance accounts (net)	426	373
Dividends received	-	14
Repayments of short-term loans	-8	-753
Withdrawals of long-term loans	-	1 200
Repayments of long-term loans	-357	-1 144
CASH FLOW FROM FINANCIAL ACTIVITIES	**-173**	**-434**
CHANGE IN CASH AND CASH EQUIVALENTS	12	-228
CASH AND CASH EQUIVALENTS ON JANUARY 1	1	229
CASH AND CASH EQUIVALENTS ON DECEMBER 1	13	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.

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
Intangible asset:	5 years straight-line basis
IT equipment:	3 years straight-line basis
Other machines and equipment:	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	2018	2017
Rental income	43	71
Other	17	38
Total	**60**	**109**

4. PERSONNEL EXPENSES

EUR 1000	2018	2017
Salaries, wages and fees	227	386
Pension expenses	42	58
Other personnel expenses	3	0
Total	**272**	**444**
Average number of employees in accounting period	2	2
Personnel at the end of period	2	2

Information about the management's employment benefits and loans is presented in Note 30 of the Consolidated Financial Statements. Information about loans to related parties is presented under Shares and shareholders.

5. OTHER OPERATING EXPENSES

EUR 1000	2018	2017
Rents	79	189
Travel and car expenses	15	15
ICT expenses	15	14
Marketing, PR and entertainment expenses	49	20
Fees to auditors *	6	6
Other	212	225
Total	**376**	**469**

* Fees to auditors.

EUR 1000	2018	2017
Audit	6	6
Tax services	-	-
Other services	-	7
Total	**6**	**13**

6. AMORTIZATION AND DEPRECIATION DURING THE FINANCIAL YEAR

EUR 1000	2018	2017
Amortization of intangible assets:		
Trademarks	150	150
Other intangible assets	-	1
Total amortization of intangible assets	150	151
Depreciation of tangible assets:		
Machinery and equipment	4	3
Total depreciation of tangible assets	4	3
Total amortization and depreciation	**154**	**154**

7. FINANCIAL INCOME AND EXPENSES

EUR 1000	2018	2017
Financial income:		
Dividends from group companies	-	14
Other interest and financial income from group companies	112	135
Other interest and financial income from others	4	17
Total	116	166
Financial expenses:		
Interest expenses to group companies	-12	-9
Interest expenses to others	-66	-72
Foreign exchange losses	-74	-71
Other financial expenses	-4	-20
Total	-156	-172
Financial income and expenses total	**-40**	**-5**

8. APPROPRIATIONS

EUR 1000	2018	2017
Appropriations: group contributions received	570	136
Total	**570**	**136**

9. INCOME TAXES

INCOME TAXES IN THE INCOME STATEMENT:

EUR 1000	2018	2017
Change in deferred tax asset	-12	107
Total	**-12**	**107**

INCOME TAXES IN THE BALANCE SHEET:

EUR 1000	2018	2017
Deferred tax receivables	110	122

10. INTANGIBLE AND TANGIBLE ASSETS

2018	Trademarks	Intangible assets total	Machinery and equipment	Tangible assets total
Acquisition cost, Jan 1	3 000	3 000	175	175
Additions	-	-	2	2
Acquisition cost, Dec 31	3 000	3 000	177	177
Accumulated depreciation and impairment, Jan 1	-900	-900	-166	-166
Depreciation during the period	-150	-150	-4	-4
Accumulated depreciation and impairment, Dec 31	-1 050	-1 050	-170	-170
Book value, Jan 1	2 100	2 100	9	9
Book value, Dec 31	1 950	1 950	7	7

2017	Trademarks	Other intangible assets	Intangible assets total	Machinery and equipment	Tangible assets total
Acquisition cost, Jan 1	3 000	57	3 057	166	166
Additions	-	-	-	9	9
Acquisition cost, Dec 31	3 000	57	3 057	175	175
Accumulated depreciation and impairment, Jan 1	-750	-56	-806	-162	-162
Depreciation during the period	-150	-1	-151	-3	-3
Accumulated depreciation and impairment, Dec 31	-900	-57	-957	-166	-166
Book value, Jan 1	2 250	1	2 251	3	3
Book value, Dec 31	2 100	0	2 100	9	9

11. SHARES IN GROUP COMPANIES

EUR 1000	2018	2017
Acquisition cost, Jan 1	11 395	11 347
Additions	1 577	48
Acquisition cost, Dec 31	12 973	11 395
Accumulated depreciation and impairment, Jan 1	-4 264	-4 264
Accumulated depreciation and impairment, Dec 31	-4 264	-4 264
Book value, Jan 1	**7 132**	**7 083**
Book value, Dec 31	**8 709**	**7 132**

In April 2017, the Group acquired 2% of the share capital of S Supplies Holding AB, and owned 87% of the company's shares after the acquisition. The share price was EUR 48 thousand. In July 2018, Wulff Group Plc acquired a two percent share of the share capital of S Supplies Holding AB and owns 89% of the share capital of the company after the acquisition. The purchase price was EUR 44 thousand. The book value of S Supplies Holding AB's net assets was EUR 2.3 million without goodwill at the end of December 2018.

On 14.8.2018 On August 14, 2018, Wulff Group Plc acquired the entire share capital of Mavecom Palvelut Ltd that specializes in printing solutions. More information on the acquisition is given in note 17.

12. RECEIVABLES FROM GROUP COMPANIES

EUR 1000	2018	2017
Non-current:		
Capital loans	3 231	3 232
Other loans	2 760	3 029
Non-current receivables total	5 991	6 261
Current:		
Trade receivables	53	16
Other receivables	58	37
Accrued income and expenses	570	136
Current receivables total	681	190
Receivables from group companies total	**6 672**	**6 451**

13. PREPAID EXPENSES AND ACCRUED INCOME

EUR 1000	2018	2017
Accruals for employee benefits	3	0
Other accruals	26	2
Total	**29**	**2**

14. CASH AND CASH EQUIVALENTS

EUR 1000	2018	2017
Carrying amount, Jan 1	1	230
Additions during the financial year	12	-229
Total	**12**	**1**

15. EQUITY

EUR 1000	2018	2017
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	223	223
Directed share issue*	453	-
Invested unrestricted equity fund as of Dec 31	**676**	**223**
Treasury shares as of Jan 1	-260	-260
Acquisitions of treasury shares		
Treasury shares as of Dec 31	**-260**	**-260**
Retained earnings from previous financial years as of Jan 1	1 558	2 648
Dividend distribution	-326	-653
Retained earnings from previous financial years as of Dec 31	1 232	1 995
Net profit for the financial year	55	-437
Retained earnings total as of Dec 31	**1 287**	**1 558**
Equity total as of Dec 31	**12 242**	**12 060**

Distributable funds in euros as of Dec 31	31.12.2018	31.12.2017
Invested unrestricted equity fund	676 051,20	223 051,20
Treasury shares	-260 070,00	-260 070,00
Retained earnings from previous financial years	1 231 140,57	1 995 045,28
Net profit for the financial year	55 221,88	-437 473,31
Distributable funds total	**1 702 343,65**	**1 520 553,17**

* Information on the change of the invested unrestricted equity fund is given in note 17.

16. INTEREST-BEARING LIABILITIES

PAYMENT SCHEDULE FOR THE LOANS

EUR 1000	Book value Dec 31, 2018	2019	2020	2021	2022	2023	Later
		Payment schedule (years):					
Non-current							
Loans from financial institutions	1 191		340	340	298	171	43
Total	**1 191**		**340**	**340**	**298**	**171**	**43**
Current							
Loans from financial institutions	927	927					
Pension loans	17	17					
Total	**945**	**945**					

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

EUR 1000	2018	2017
Other long-term non-interest bearing liabilities	898	-
Other short-term non-interest bearing liabilities*	120	-
Total	**1 018**	-

*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 fixed amount has been set for the conditional additional purchase price and no value range for the additional purchase price is presented due to the nature of the business. The unpaid portion of the estimated additional purchase price is presented in non-interest-bearing long-term liabilities EUR 0.9 million and in non-interest-bearing long-term liabilities EUR 0.1 million. The business acquisition did not cause cash transactions during the reporting period. 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	2018	2017
Accounts payable	10	7
Other short-term liabilities	2 056	1 672
Total	**2 066**	**1 679**

19. ACCRUED LIABILITIES AND DEFERRED INCOME

EUR 1000	2018	2017
Accruals for employee benefits	19	10
Interest accruals	4	5
Other accruals	6	5
Total	**29**	**20**

20. COMMITMENTS

EUR 1000	2018	2017
Mortgages and guarantees on own behalf		
Subsidiary shares pledged as security for own liabilities	6 953	6 953
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
Minimum future operating lease payments, total		
of which will be payable:		
in less than one year	65	60
between 1-5 years	-	-
after 5 years	-	-

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), Wulff Oy Ab (3 500) ja S Supplies Holding AB (951).

Parent company's non-cancellable rental agreement has been resignable with a three-month-notice from 1.1.2018 onwards.

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

Vantaa, March 13, 2019

Heikki Vienola
Group CEO

Ari Pikkarainen
Chairman of the Board

Kari Juutilainen
Board Member

Jussi Vienola
Board Member

Kristina Vienola
Board Member

Auditor's Note

We have today submitted the report on the conducted audit.

Vantaa, March 13, 2019

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, 2018. 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.

Valuation of inventories
We refer to the note 18 of the consolidated financial statements

The inventory balance in the consolidated statement of financial position amounted to EUR 7.2 million.

- Inventories are measured at the lower of cost and net realisable value 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.
- This matter is a significant risk of material misstatement referred to in EU Regulation No 537/2014, 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.
- 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.
- We reviewed possible negative margins and the reasons to the negative

margins.

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 537/2014, 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 budgeting procedures and assessed the historical accuracy of forecasts by comparing the actual results for the year 2018 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.

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 and 12

- The equity of the parent company is EUR 12.2 million as of 31 December 2018, of which the distributable equity amounts to EUR 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 EUR 14.7 million as of 31 December 2018. The measurement of these investments has a material impact when calculating the parent company's distributable equity.
- According to the Finnish Bookkeeping Act, if the fair value of the long –term investment is evaluated to be permanently lower than the book value, the difference must be written down.
- 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 2018 with the forecasts made in previous years.
- We assessed the assumptions used in the valuation of the subsidiary shares and long-term receivables to market and industry information.

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 4 April 2017, and our appointment represents a total period of uninterrupted engagement of 2 year.

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.

Helsinki, Finland, March 13, 2019

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Authorized Public Accountant Firm

Juha Selänne
Authorized Public Accountant

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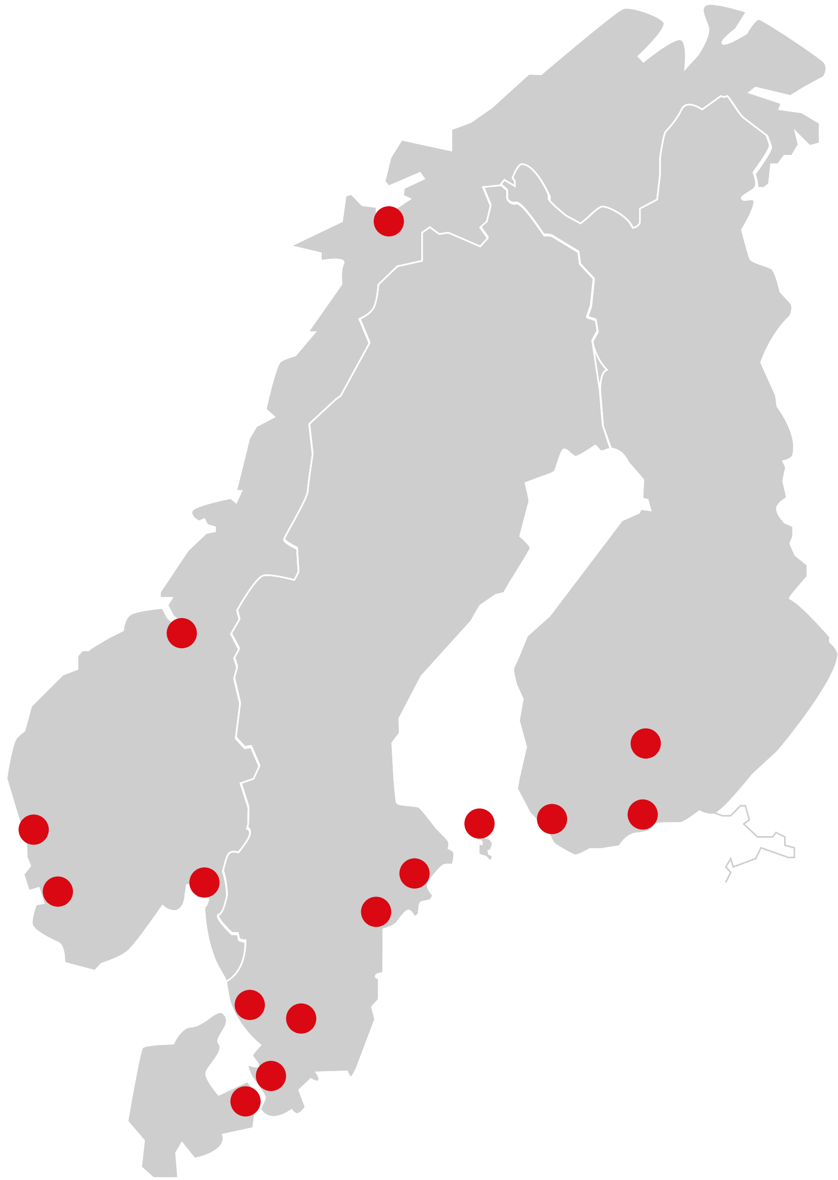

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