

Wulff Group Plc's Half-Year Financial Report for January 1 – June 30, 2022

Strong second quarter - investments in sales culture and synergies are paying off

1.4.–30.6.2023 BRIEFLY

- Net sales totalled EUR 24.4 million (24.9), decreased by 2.0%
- EBITDA and comparable EBITDA was EUR 1.3 million (1.0)
- Operating profit and comparable operating profit (EBIT) were EUR 0.8 million (0.4)
- Earnings and comparable earnings per share (EPS) were EUR 0.09 (0.02)
- The equity ratio was 42.1% (38.8)
- The outlook remains unchanged; Wulff estimates that net sales and comparable operating profit 2023 will increase compared to 2022.

1.1.–30.6.2023 BRIEFLY

- Net sales totalled EUR 49.6 million (50.5), decreased by 1.7%
- EBITDA and comparable EBITDA were EUR 2.7 million (2.8)
- Operating profit and comparable operating profit (EBIT) were EUR 1.7 million (1.6)
- Earnings and comparable earnings per share (EPS) were EUR 0.17 (0.16)

WULFF GROUP PLC'S CEO ELINA RAHKONEN

I am pleased with the positive earnings development in our first half of the year. It reports that the integration of the acquisition of Staples Finland in spring 2021: the integration of expertise, operating models, doing and systems, progressed as planned and well. The realized synergy benefits are reflected positively in our result. In all operating countries and business areas, it has been possible to clarify the focus of operations after the pandemic period, and necessary changes have also been made to operations. Our position as an expert in the Nordic working life has also been strengthened in this respect in all our businesses. It is important to know what is important to our customers now and in the future - and we get this information effectively and in real time from up to 200,000 personal customer encounters every year.

The positive development of profitability gives us the capabilities to build a responsible future and develop our product and service selection in line with our customers' wishes. Our results also show our customers' appreciation for our top-class sales expertise. At Wulff, solution-oriented customer service is the number one goal in both sales and support services. I believe we are the most competitive company in the field in the Nordics thanks to our committed staff and partners. What makes us a successful company is that we strongly share the same values with our customers. That's why our customers choose us as their partner again and again, and that's why we also win new ones.

GROUP'S NET SALES AND RESULT PERFORMANCE

In January-June 2023 net sales totalled EUR 49.6 million (50.5), and in April-June EUR 24.4 million (24.9). Net sales decreased in the first half year period by 1.7% (increased 31.0) and by 2.0% (increased 7.1) in the second quarter. In the second quarter, the sales of the Contract Customers Segment increased in Finland and almost equal to the comparison period in Scandinavia. The turnover of the Contract Customers Segment was affected by the emphasis on profitability, customer choices and the targeting of new customer acquisition activities. Wulff's accounting and financial management service business grew with the purchase of Carpentum Oy in 2022. The sales of the financial administration service business have grown as expected and steadily. The sales of Wulff Entre's international exhibition services and remote meeting solutions shrank from the comparison period due to the event selections that affected sales targeting. The development of Expertise Sales in Finland was positive compared to the comparison period, in the Scandinavian market Expertise Sales shrank slightly.

In January-June 2023 the gross margin amounted to EUR 15.2 million (15.3) being 30.7% (30.3) of net sales, and EUR 7.5 million (7.1) in the second quarter being 30.8% (28.7) of net sales. The integration of Wulff Solutions Oy, which was purchased in spring 2021, into Wulff's Contract Customers Segment proceeded as planned during the review period. The relative development of the sales margin was influenced by changes in demand for products sold by Wulff. The demand for products in the care products area is livelier than during the Coronavirus pandemic. Sales of more traditional workplace products and services are recovering to follow the general economic and employment situation. During the review period, the sales margin of workplace products has been affected by price inflation, which significantly accelerated during the comparison period and then became widespread. The purchase prices of the best-selling products were higher compared to the comparison period. During the review period, the availability of Wulff's range of products has normalized. The logistics cost challenges have been answered with the synergy benefits implemented in the Contract Customers Segment. The Contract Customers Segment's share of net sales shrank compared to the comparison period, while the share of gross margin increased. The sales value of the Expertise Sales Segment was almost the same as the comparison period, with a balanced development of the gross margin.

In January-June 2023 employee benefit expenses amounted to EUR 9.0 million (9.0) being 18.2% (17.7) of net sales, and respectively, in the second quarter EUR 4.5 million (4.5), being 18.3% (18.0) of net sales.

Other operating expenses amounted to EUR 3.6 million (3.9) in January-June 2023, being 7.2% (7.7) of net sales and respectively EUR 1.8 million (1.9) in the second quarter, being 7.4% (7.6) of net sales. The use of external services was reduced from the comparison period, both absolutely and relatively, thanks to the consolidation of the functions of the merging companies and Wulff's most cost-effective operating models as possible.

In January-June 2023 EBITDA and comparable EBITDA amounted to EUR 2.7 million (2.8) being 5.5% (5.5) of net sales, and EUR 1.3 million (1.0) in the second quarter, being 3.4% (3.9) of net sales. Operating profit (EBIT) and comparable operating profit (EBIT) amounted to EUR 1.7 million (1.6), 3.5% (3.2) of net sales and respectively EUR 0.8 million (0.4), 3.4% (1.6) in the second quarter. The first two quarters of 2023 and 2022 did not include items affecting comparability.

In January-June 2023 the financial income and expenses totalled (net) EUR -0.5 million (-0.4) including interest expenses of EUR -0.4 million (-0.2) and mainly currency-related other financial items and bank expenses EUR -0.1 million (-0.1). In the second quarter financial income and expenses totalled (net) EUR -0.3 million (-0.2). Financial expenses were EUR 0.1 million higher than the comparison period due to the increase in interest expenses caused by the rise in market interest rates.

In January-June 2023 the result before taxes was EUR 1.2 million (1.2), in the second quarter the result before taxes was EUR 0.5 million (0.2).

The net profit for the reporting period was EUR 1.2 million (1.1) and in the second quarter the net profit was EUR 0.6 million (0.2).

Earnings per share and comparable earnings per share (EPS) were EUR 0.17 (0.16) in January-June 2023, and EUR 0.09 (0.02) in the second quarter.

CONTRACT CUSTOMERS SEGMENT

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

In January-June 2023 the Contract Customers segment's net sales totalled EUR 45.6 million (47.2), and EUR 22.3 million (23.1) in the second quarter. In January-June 2023 the operating profit (EBIT) was EUR 1.9 million (1.9), and EUR 1.0 million (0.6) in the second quarter. In Finland, the sales value of the combined sales and supply chain organizations of Wulff Oy Ab and Wulff Solutions Oy's Contract Customers increased by 1.9% compared to the comparison period. During the review period, measures to unify and streamline expertise, operating models and systems progressed, and investments in the integration of enterprise resource planning systems have continued as planned. By implementing the integration benefits, a saving of approximately EUR 0.2 million was achieved in personnel, information system and premises costs for the second quarter of 2023. Scandinavian Contract Sales company Wulff Supplies' sales continued to be good; the decline in turnover from the comparison period was influenced by the exchange rate development of Scandinavian currencies. Profitability continued to be favorable despite the exchange rate fluctuations.

The unification of Wulff's workplace products and services business operations proceeded with a legal merger on May 31, 2023, when Wulff Oy Ab and Wulff Solutions Oy merged with Wulff Finland Oy. Along with the mergers, the receiving company assumed the name Wulff Oy Ab after the group's best-known brand.

During the review period, Wulff Entre sold and implemented both in-person exhibitions and remote meeting services for its customers. The company's turnover decreased compared to the corresponding time of the previous year. The exhibition industry has revived after the pandemic. Wulff Entre's chosen approach is to target events that are as predictable as possible for it, which has contributed to the decline in turnover during the review period. After the pandemic, face-to-face meetings are valued and invested in. Wulff Entre invests especially in renewing the industry by developing more responsible solutions and conceptualizing its services in new ways. The sales of its own remote meeting service, My Remote Studio, will also continue to be invested in. Both Wulff Entre's traditional, international exhibition services and My Remote Studio can be conveniently accessed remotely - from its own studio - and clients from the capital region are also often met at the Wulff building in Espoo.

Wulff's contract customers include a large number of companies and groups whose need is to manage the procurement of workplace products and services as easily and smoothly as possible. Face-to-face meetings have been enthusiastically returned to workplaces, and Wulff has once again been able to serve customers with its entire wide range of products, both at company locations and at new work spaces and workstations created by multi-location work. The share of coffee and property maintenance and office supplies in sales is returning to the time before the pandemic, while the share of hygiene and protection products is decreasing as expected. However, hygiene and protection products are used in the everyday life of companies more than before the pandemic, and companies have wanted to include them in, for example, the replenishment service for workplace products, Wulff's MiniBar. With Wulff, it's also easy to be an attractive workplace! More and more employers take care of their employees' comfort and well-being with, among other things, smoothies, high-quality coffee, tea and refreshments, energy drinks and snack bars. You can get all of these from Wulff - and in the capital region of Finland also a responsible Catering service.

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

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

Wulff Entre is a brave innovator in the international exhibition and event industry and, in addition to Finland, it serves customers in Germany, Sweden, Norway and the United States, among others. The remote meeting services developed by Wulff Entre enable exhibition-like and inspiring meetings and, for example, popular webinars produced by the client company itself, easily and virtually. Traditionally, Wulff Entre has annually exported the know-how of Finnish companies to more than 30 countries and has held more than 100 in-person events with its customers. The industry's capacity is still recovering from the global exceptional conditions, among other things, after the availability of labor in the events industry was reduced during the pandemic. Moderate growth in the sector continues.

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

Wulff's strategy drives us to be even more responsible and growth oriented. We're looking for growth especially in new service and product areas, as well as through business acquisitions. Financial management services complement our service offering very well, and we've been investing into the industry by growing organically and through acquisitions where the latest example is the acquisition of Carpentum Oy on January 4, 2022. 24 top professionals work in our financial management operations. The annual net sales of these services are around EUR 2 million. For its customers, Wulff and Carpentum are a reputable, digital-capable, and responsible financial management partner.

Wulff's open webshop Wulffinkulma.fi is constantly being developed. Lately, the webshop, which is geared towards small companies and self-employed people has focused on also serving consumers and small business owners operating in a

consumer-like manner. The webshop, which serves a wider selection than its competitors in the workplace product and supplies sector, is constantly increasing its selection according to customers' wishes. There is always something new, up-to-date and responsible in the store. Popular products are Wulff's own and exclusively sold brands, for example Q-Connect and Stabilo.

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

EXPERTISE SALES SEGMENT

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

In January-June 2023 the Expertise Sales Segment's net sales totalled EUR 4.0 million (4.2), and EUR 1.9 million (2.0) in the second quarter. In January-June 2023 operating profit was EUR -0.1 million (-0.2), and EUR -0.1 million (-0.1) in the second quarter. The sales of the Expertise Sales Segment increased in Finland in the second quarter but decreased in the Scandinavian market. During the whole review period, sales teams and operating models were renewed and sharpened. Improving cost efficiency improved the segment's profitability from the comparison period. The strength of Expertise Sales is to quickly take over the sale of current products and reach local customers quickly and personally, knowing the special features of different industries. Wulff's expert is a contact who is trusted and whose professionalism is valued.

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

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

FINANCING, INVESTMENTS AND FINANCIAL POSITION

In January-June 2023 cash flow from operating activities was EUR 0.3 million (1.3). In the second quarter the cash flow from operating activities was EUR 1.7 million (1.9). The accumulation of cash flow was affected by the reduction of working capital amounts, especially account trade payables, compared to the comparison period. It is typical for the industry that profit and cash flow accumulate during the last quarter.

Long-term loans were repaid in total of EUR 1.4 million (1.1). Short-term loans were withdrawn amounting to EUR 2.4 million (3.4).

Lease agreement payments were EUR 0.3 million (0.6). Recognition of lease agreements on the balance sheet increased group assets by EUR 0.9 million (1.3) and liabilities by EUR 1.0 million (1.3) at the end of reporting period.

Investments during the reporting period were EUR 0.7 million (1.4). During the reporting period, Wulff invested in its information systems as part of the integration of the Wulff Solutions acquisition. During the review period, the company used a cash flow of EUR 0.2 million for the acquisition of subsidiary shares in connection with the payment of the last part of the additional purchase price of Mavecom Palvelut Oy's stock transaction on August 14, 2018. The additional purchase price paid based on the realized operating profit of the fiscal year 2022 reduced the additional purchase price debt presented in interest-free liabilities. During the comparison period, the company used a cash flow of EUR 0.6 million to purchase subsidiary shares, e.g. as payment for the part of the cash purchase price of the stock sale of Carpentum Oy that took place on January 4, 2022. During the comparison period, the company invested EUR 0.9 million in the renovation of Espoo's Wulff building.

In April 2023 a dividend of EUR 0.5 million was paid to the owners of the parent company.

The cash flow of financing activities was EUR 0.1 million (1.3) in January-June 2023.

The Group's cash balance changed by EUR -0.5 million (0.6) in January-June. The Group's bank and cash funds totalled EUR 1.0 million (0.8) at the beginning of the year and EUR 0.5 million (1.4) at the end of the reporting period.

Equity attributable to the shareholders of the parent company was EUR 3.08 per share (2.82).

SHARES AND SHARE CAPITAL

Wulff Group Plc's share is listed on the Nasdaq Helsinki in the Small Cap segment under the Industrial Goods and Services sector. The company's trading code is WUF1V. At the end of the reporting period, the share was valued at EUR 3.30 (4.16) and the market capitalization of the outstanding shares totalled EUR 22.4 million (28.5).

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

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

At the end of June 2023, the Group held 111,624 (44,812) treasury shares representing 1.6% (0.6) of the total number and voting rights of Wulff shares.

DECISIONS OF THE ANNUAL GENERAL MEETING AND BOARD OF DIRECTORS

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

Kari Juutilainen, Lauri Sipponen, Jussi Vienola and Kristina Vienola were re-elected as members of the Board. The organizing meeting of Wulff Group Plc's Board of Directors, held after the Annual General Meeting, decided that the Chairman of the Board is Kari Juutilainen. It was confirmed that the members of the Board of Directors will receive a monthly fee of EUR 1,250.

BDO Oy, a company of Authorized Public Accountants, with Authorized Public Accountant Juha Selänne as the lead audit partner, was chosen as the auditor of Wulff Group Plc.

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

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

PERSONNEL

In January-June 2023 the Group's personnel totalled 273 (287) employees on average. At the end of June, the Group had 267 (287) employees of which 70 (69) persons were employed in Sweden, Norway or Denmark. Of the Group's personnel 42% (42) work in sales operations and 58% (58) in sales support, logistics and administration. 51% (53) of the personnel are women and 49% (47) are men.

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The general economic and market development and the employment rate have a significant impact on the demand for workplace products and services. Global inflation trends have an impact on Wulff's operations. The rate of increase in prices

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

SUBSEQUENT EVENTS

The Group has not had any significant subsequent events.

MARKET SITUATION AND FUTURE OUTLOOK

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

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

The ongoing geopolitical crisis, Russia's attack on Ukraine and sanctions aimed at Russia do not directly affect Wulff's operations, as Wulff has not had operations or partnerships in countries involved in the crisis. The crisis has had an impact on global supply chains, whose changes may still indirectly affect Wulff's operations as well. The changes in the supply chains have intensified and broadened the trend of price inflation. The availability challenges of many product groups have subsided after the comparison period due to the reorganization of global supply chains. As the inflation trend continues, measures are needed to ensure a positive development of the sales margin. The wide scope of price inflation and its effect on the costs of the services used, as well as the related uncertainty, limit predictability.

As a result of the cooperation negotiations between Wulff Oy Ab and Wulff Solutions Oy held in August-September 2021 in connection with the renewal of Wulff's Finnish Contract Sales Organization, functions in sales, administration and support functions were combined. As a result of the cooperation negotiations, the company achieves annual cost savings of around 1.9 million euros from personnel costs. In the same context, Wulff announced that it believed in annual cost synergy benefits of a total of at least 3 million euros that would be realized in stages, a significant part of which was expected to be realized already in 2022. Wulff announced that it had achieved a total of approximately 2.5 million euros in annual cost synergy benefits during the financial year 2022 through reorganization measures, for example the integration of information systems and logistics and operational processes and thanks to changes in premises.

Thanks to the implemented reorganization measures, Wulff achieved a cost synergy benefit of approximately EUR 0.4 million in January-June.

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

Wulff estimates that net sales and comparable operating profit 2023 will increase compared to 2022.

WULFF GROUP PLC'S FINANCIAL REPORTING

Wulff Group Plc will release the following financial report in 2023:

Interim Report, January-September 2023 Monday October 17, 2023

In Espoo on July 17, 2023

WULFF GROUP PLC
BOARD OF DIRECTORS

Further information:
CEO Elina Rahkonen
tel. +358 40 647 1444
e-mail: elina.rahkonen@wulff.fi

DISTRIBUTION
Nasdaq Helsinki Oy
Key media
www.wulff.fi/en

A better world - one workplace at a time. We enable better and more sustainable work environments and a perfect working day. We make the workplace where you do your work. Here you can find today's workplace products: e.g. cafe supplies, real estate and cleaning maintenance products, office and IT supplies, ergonomics, first aid, hygiene, protection and safety products, air purification and innovative products for construction sites. Our selection also includes high-quality Canon printing and document management services as well as financial management services. Our customers also purchase international exhibition services and solutions for remote meetings from us. It is important for us to constantly develop our product range to be more and more sustainable and our customer experience to be the best in the field. In addition to Finland, Wulff Group operates in Sweden, Norway, and Denmark. Read more at wulff.fi/en.

HALF-YEAR FINANCIAL REPORT, TABLE PART Jan 1 – Jun 30, 2023

The information presented in the report has not been audited.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IFRS)	II	II	I–II	I–II	I–IV
EUR 1000	2023	2022	2023	2022	2022
Net sales	24 365	24 873	49 617	50 483	102 171
Other operating income	58	228	92	266	359
Materials and services	-16 871	-17 746	-34 370	-35 165	-71 185
Employee benefit expenses	-4 452	-4 486	-9 031	-8 950	-17 361
Other operating expenses	-1 793	-1 898	-3 583	-3 864	-7 772
EBITDA	1 308	971	2 725	2 770	6 213
Depreciation and amortization	-476	-573	-984	-1 165	-2 224
Operating profit/loss	832	398	1 741	1 605	3 988
Financial income	32	0	42	13	20
Financial expenses	-322	-175	-566	-394	-735
Profit/Loss before taxes	541	224	1 218	1 224	3 273
Income taxes	48	-62	-36	-126	-129
Net profit/loss for the period	589	162	1 182	1 099	3 144
Attributable to:					
Equity holders of the parent company	598	163	1 159	1 077	3 052
Non-controlling interest	-8	-1	23	21	92
Earnings per share for profit attributable to the equity holders of the parent company:					
(diluted = non-diluted)	0,09	0,02	0,17	0,16	0,45
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)					
EUR 1000					
Net profit/loss for the period	589	162	1 182	1 099	3 144
Other comprehensive income which may be reclassified to profit or loss subsequently (net of tax)					
Change in translation differences	-160	-246	-362	-279	-414
Total other comprehensive income	-160	-246	-362	-279	-414
Total comprehensive income for the period	430	-84	820	819	2 730
Total comprehensive income attributable to:					
Equity holders of the parent company	456	-48	839	836	2 697
Non-controlling interest	-26	-36	-19	-17	33

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)			
EUR 1000	30.6.2023	30.6.2022	31.12.2022
ASSETS			
Non-current assets			
Goodwill	8 737	8 873	8 821
Other intangible assets	1 974	1 274	1 663
Property, plant and equipment	9 417	10 234	10 037
Non-current financial assets			
Non-interest-bearing financial assets	381	193	382
Deferred tax assets	1 340	1 039	1 248
Total non-current assets	21 849	21 614	22 151
Current assets			
Inventories	13 449	12 571	14 140
Current receivables			
Interest-bearing receivables	11	14	13
Non-interest-bearing receivables	16 732	17 660	16 787
Cash and cash equivalents	526	1 399	1 028
Total current assets	30 718	31 644	31 968
TOTAL ASSETS	52 567	53 258	54 119
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company:			
Share capital	2 650	2 650	2 650
Share premium fund	7 662	7 662	7 662
Invested unrestricted equity fund	676	676	676
Retained earnings	9 917	8 359	9 554
Non-controlling interest	674	814	774
Total equity	21 579	20 161	21 316
Non-current liabilities			
Interest-bearing liabilities	8 522	7 841	9 931
Leasing liabilities	430	724	674
Deferred tax liabilities	225	147	244
Total non-current liabilities	9 177	8 713	10 849
Current liabilities			
Interest-bearing liabilities	5 148	5 512	2 752
Leasing liabilities	597	621	601
Non-interest-bearing liabilities	16 066	18 252	18 601
Total current liabilities	21 811	24 384	21 954
TOTAL EQUITY AND LIABILITIES	52 567	53 258	54 119

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)	I–II	I–II	I–IV
EUR 1000	2023	2022	2022
Cash flow from operating activities:			
Cash received from sales	49 672	49 960	102 580
Cash received from other operating income	64	243	302
Cash paid for operating expenses	-48 825	-48 297	-97 962
Cash flow from operating activities before financial items and income taxes	910	1 906	4 920
Interest paid	-424	-230	-445
Interest received	18	3	15
Income taxes paid	-182	-381	-501
Net cash flow from operating activities	323	1 298	3 990
Cash flow from investing activities:			
Investments in intangible and tangible assets	-723	-1 443	-2 479
Acquisition of subsidiary company shares	-233	-583	-595
Short-term investments in other shares	-	-	-251
Proceeds from sales of intangible and tangible assets	28	24	57
Repayments of loans receivable	2	-	53
Net cash flow from investing activities	-926	-2 002	-3 215
Cash flow from financing activities:			
Acquisition of own shares	-	-	-220
Dividends paid	-476	-446	-982
Dividends received	17	-	-
Changes in the shares of minority shareholders	-81	-	-
Repayments of finance lease liabilities	-322	-587	-1 008
Withdrawals and repayments of short-term loans	2 361	3 406	-164
Withdrawals of long-term loans	-	-	4 000
Repayments of long-term loans	-1 374	-1 058	-2 158
Net cash flow from financing activities	124	1 315	-531
Change in cash and cash equivalents	-479	611	245
Cash and cash equivalents at the beginning of the period	1 028	797	797
Translation difference of cash	-23	-9	-14
Cash and cash equivalents at the end of the period	526	1 399	1 028

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1000	Equity attributable to equity holders of the parent company								
	Share capital	Share premium fund	Fund for invested non-restricted equity	Own shares	Translation differences	Retained earnings	Total	Non-controlling interest	TOTAL
Equity on Jan 1, 2023	2 650	7 662	676	-332	-766	10 651	20 542	774	21 316
Net profit / loss for the period						1 159	1 159	23	1 182
Net profit / loss for the period Total						1 159	1 159	23	1 182
Other comprehensive income (net of taxes):									
Change in translation difference					-320		-320	-42	-362
Comprehensive income					-320	1 159	839	-19	820
Dividends paid						-476	-476		-476
Changes in ownership								-81	-81
Equity on June 30, 2023	2 650	7 662	676	-332	-1 086	11 335	20 905	674	21 579
Equity on Jan 1, 2022	2 650	7 662	676	-343	-411	8 277	18 512	830	19 343
Net profit / loss for the period						1 077	1 077	21	1 099
Net profit / loss for the period Total						1 077	1 077	21	1 099
Other comprehensive income (net of taxes):									
Change in translation difference					-241		-241	-38	-279
Comprehensive income					-241	1 077	836	-17	819
Dividends paid						-446	-446		-446
Transfer of own shares				231		215	446		446
Equity on June 30, 2022	2 650	7 662	676	-112	-652	9 123	19 348	814	20 162

NOTES TO THE HALF-YEAR FINANCIAL REPORT

1. BASIS OF PREPARATION

This Half-Year Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles used in the preparation of this report are consistent with those used in the 2022 financial statements and take into account the IFRS standard changes adopted as of Jan 1, 2023.

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. Items affecting comparability are income and expenses that are not included in normal business activities, such as results from sales and acquisitions of subsidiaries, and non-recurring costs related to their implementation affect comparability as the acquisition of Wulff Solutions on 3 May 2021 and write-downs of goodwill and significant one-time expenses. The Alternative Performance Measures should not be taken as substitutes for the standards presented in the Generally Accepted Accounting Principles for IFRS.

In the industry, it is typical that the result and cash flow are generated in the last quarter. School sales will have an impact on working capital and cash flow, especially in the second and third quarters. The seasonality of the international exhibition business and the timing of the same exhibitions arranged yearly have an impact on accumulation of the net sales and operating profit.

The IFRS principles require the management to make estimates and assumptions when preparing financial statements. Operational risks in business have increased due to the impact of global inflation and the resulting continuation of monetary policy measures in developed economies. Due to the market change, the valuation of inventories and trade receivables have been monitored very closely. Although these estimates and assumptions are based on management's best knowledge of today, the outcome may differ from the estimated values presented in the financial statements. The current European geopolitical crisis is not expected to have a direct impact on Wulff's business. Russia's assault on Ukraine and the sanctions imposed on Russia are having an impact on global supply chains, and the changes may also indirectly affect Wulff's activities. The rise in energy prices, which has affected supply chains, has partly strengthened, and widened the recent price inflation trend, both through direct effects and indirectly through the rise in logistics costs. Wulff estimates that the inflation trend will continue, although more moderate than the fiercest phase, and will cause the need for measures to secure the development of the sales margin.

Wulff Solutions Oy and Wulff Finland Oy have received special dispensations for the deduction of business losses in previous financial years following a change in ownership. The established losses of Wulff Solutions Oy and Wulff Finland Oy for previous financial years as of December 31, 2022, total approximately EUR 12.1 million. The established losses constitute a total deferred tax asset of approximately EUR 2.4 million. The deferred tax asset of these established losses has not been noted in the reporting period's results and balance in accordance with the precautionary principle.

The Group has no knowledge of any significant events after the end of the reporting period that would have had a material impact on this report in any other way that has already been presented in this financial report.

All figures in the tables have been rounded to the nearest thousand euros.

The information presented in the Half-Year Report has not been audited.

This Report has been translated from the Finnish equivalent. In case of any differences, the Finnish Interim Report is the official one.

2. CHANGES IN GROUP STRUCTURE

Acquisitions

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

Founded in 1997, Carpentum Oy's net sales from July 1, 2020 to June 30, 2021, were approximately EUR 1.2 million and adjusted operating profit was approximately EUR 0.2 million. Carpentum Oy's balance sheet total to be transferred in the

transaction is approximately EUR 250 thousand, equity EUR 120 thousand, and cash and cash equivalents EUR 108 thousand. The balance sheet does not include interest-bearing liabilities.

During Wulff's strategy update, financial management services were found to complement our service offering very well, and we've been investing in that industry by growing organically and through minor acquisitions. After the acquisition of Carpentum, 24 top professionals will be working in our financial management operations. The annual net sales of these services are around EUR 2.2 million.

Mergers

Wulff Solutions AB merged with its parent company Wulff Belton AB on February 21, 2023. Wulff Oy Ab and Wulff Solutions Oy merged to Wulff Finland Oy on May 31, 2023.

Changes in the shares of minority shareholders

In May 2023, the Group acquired 2% of the share capital of S Supplies Holding AB and owned 89% of the company's shares after the acquisition, the merged company took the name Wulff Oy Ab in the same connection.

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

3. SEGMENT INFORMATION

	II	II	I-II	I-II	I-IV
EUR 1000	2023	2022	2023	2022	2022
Net sales by operating segments					
Contract Customers Segment	22 265	23 094	45 641	47 202	95 019
Expertise Sales Segment	1 869	1 965	4 011	4 172	8 512
Group Services	354	305	778	647	1 281
Intersegment eliminations	-122	-491	-812	-1 537	-2 640
TOTAL NET SALES	24 365	24 873	49 617	50 483	102 171
Operating profit/loss by segments					
Contract Customers Segment	960	592	1 894	1 873	4 233
Direct Sales Segment	-53	-134	-56	-174	-142
Group Services and non-allocated items	-76	-60	-97	-95	-102
TOTAL OPERATING PROFIT/LOSS	832	398	1 741	1 605	3 988

4. KEY FIGURES

	II	II	I-II	I-II	I-IV
EUR 1000	2023	2022	2023	2022	2022
Net sales	24 365	24 873	49 617	50 483	102 171
Change in net sales %	-2.0%	7.1%	-1.7%	31.0%	13.0 %
Gross profit	7 494	7 127	15 247	15 318	30 986
Gross profit. %	30.8%	28.7%	30.7%	30.3%	30.3 %
EBITDA	1 308	971	2 725	2 770	6 213
EBITDA margin. %	5.4%	3.9%	5.5%	5.5%	6.1 %
Operating profit/loss	832	398	1 741	1 605	3 988
Operating profit/loss margin. %	3.4%	1.6%	3.5%	3.2%	3.9 %
Profit/Loss before taxes	541	224	1 218	1 224	3 273
Profit/Loss before taxes margin. %	2.2%	0.9%	2.5%	2.4%	3.2 %
Net profit/loss for the period attributable to equity holders of the parent company	598	163	1 159	1 077	3 052
Net profit/loss for the period. %	2.5%	0.7%	2.3%	2.1%	3.0 %
Earnings per share. EUR (diluted = non-diluted)	0.09	0.02	0.17	0.16	0.45
Return on equity (ROE). %	2.8%	0.9%	5.5%	5.6%	15.5 %
Return on investment (ROI). %	2.3%	0.9%	4.7%	4.4%	11.2 %
Equity-to-assets ratio at the end of period. %	42.1%	38.8%	42.1%	38.8%	40.5 %
Debt-to-equity ratio at the end of period	65.6%	65.9%	65.6%	65.9%	60.6 %
Equity per share at the end of period. EUR *	3.08	2.82	3.08	2.82	3.02
Investments in non-current assets	271	931	723	1 443	2 479
Investments in non-current assets. % of net sales	1.1%	3.7%	1.5%	2.9%	2.4 %
Treasury shares held by the Group at the end of period	111 624	44 812	111 624	44 812	111 624
Treasury shares. % of total share capital and votes	1.6%	0.6%	1.6%	0.6%	1.6 %
Average number of outstanding shares	6 796 004	6 862 816	6 796 004	6 858 521	6 852 051
Number of total issued shares at the end of period	6 907 628	6 907 628	6 907 628	6 907 628	6 907 628
Personnel on average during the period	269	285	273	287	286
Personnel at the end of period	267	287	267	287	280

* Equity attributable to the equity holders of the parent company / Number of shares excluding the acquired own shares

CALCULATION OF KEY FIGURES

Gross profit	Net sales - Materials and services
Gross profit-%	$(\text{Net sales} - \text{Material and services}) / \text{Net sales} \times 100$
EBITDA	Operating profit before interest, taxes, depreciation, and amortization
EBITDA-%	$\text{Operating profit before interest, taxes, depreciation, and amortization} / \text{Net sales} \times 100$
Operating margin, EBIT-%	$\text{Operating profit} / \text{Net sales} \times 100$
Return on Equity (ROE) %	$\frac{\text{Net profit/loss for the period (total including the non-controlling interest of the result)} \times 100}{\text{Shareholders' equity total on average during the period (including non-controlling interest)}}$
Return on Investment (ROI) %	$\frac{(\text{Profit/loss before taxes} + \text{Interest expenses}) \times 100}{\text{Balance sheet total} - \text{Non-interest-bearing liabilities on average during the period}}$
Equity-to-assets, %	$\frac{(\text{Shareholders' equity} + \text{Non-controlling interest at the end of the period}) \times 100}{\text{Balance sheet total} - \text{Advances received at the end of the period}}$
Net interest-bearing debt	Interest-bearing liabilities - Interest-bearing receivables - Cash and cash equivalents
Gearing, %	$\frac{\text{Net interest-bearing debt} \times 100}{\text{Shareholders' equity} + \text{Non-controlling interest at the end of the period}}$
Earnings per share (EPS), EUR	$\frac{\text{Net profit attributable to the equity holders of the parent company}}{\text{Share issue adjusted number of outstanding shares on average during the period (without own shares)}}$
Equity per share, EUR	$\frac{\text{Equity attributable to equity holders of the parent company at the end of the period}}{\text{Share issue-adjusted number of outstanding shares at the end of period (without own shares)}}$
Market capitalization	Share issue-adjusted number of outstanding shares at the end of the reporting period (without own shares) x the closing price at the end of the reporting period