

WULFF GROUP PLC'S INTERIM REPORT FOR JANUARY 1 – MARCH 31, 2019

Wulff invests on acquisitions of logistics properties

1.1.-31.3.2019 BRIEFLY

- Net sales totalled EUR 13.8 million (14.3), decreased by 2.9%.
- EBITDA and comparable EBITDA were EUR 0.6 million (0.4).
- Operating profit and comparable operating profit (EBIT) amounted to EUR 0.2 million (0.3).
- Earnings and comparable earnings per share (EPS) were EUR 0.01 (0.02).
- Equity-to-assets ratio was 39.7% (46.6).
- Wulff invested on the acquisition of the logistics property in Sweden with EUR 3.4 million
- After the reporting period Wulff invested EUR 2.2 million in its own office and logistics premises in Espoo, Finland.
- Kari Juutilainen, Ari Pikkarainen, Jussi Vienola, and Kristina Vienola were elected as members to the Board of Directors. Kari Juutilainen was elected as the Chairman of the Board by the Board of Directors.
- The outlook for the comparable operating profit remains the same; Wulff estimates the comparable operating profit 2019 to grow from the comparable operating profit 2018.

WULFF GROUP'S CEO HEIKKI VIENOLA

"It is important to Wulff to make the world better one workplace at a time. That is why Wulff invests strongly on its strategy. With the LAB project more green and responsible options are brought more conveniently available to Wulff's customers. Wulff invests strongly on its own properties, as well, now. The logistics center in Ljungby Sweden, which serves Scandinavia, was acquired on 9.1.2019. In Finland there is a call for Wulff to Espoo, the most sustainable and intelligent city in Europe (Intelligent Community of the Year 2018) in the fall. Wulff will move from Vantaa to Espoo to the premises it acquired in April. The premises will be renovated for Wulff's use by utilizing sustainable development and green choices. Espoo attracted Wulff's attention especially because it encourages companies to be more responsible. All forms of actions are developed across industry borders, together with the companies and residents."

GROUP'S NET SALES AND RESULT PERFORMANCE

In January-March 2019 net sales totalled EUR 13.8 million (14.3). Net sales decreased by 2.9% (-7.0) in January-March. The decline in net sales was impacted by the smaller fair business compared to the fair business in previous year.

In January-March 2019 the gross margin amounted to EUR 4.9 million (4.9) being 35.7% (34.7).

In January-March 2019 employee benefit expenses amounted to EUR 3.2 million (3.0) compared to net sales, 22.8% (21.1). Employee benefit expenses grew with the acquisition of the Canon Business Center printing equipment and solutions business in 2018. The company employs 12 people.

Other operating expenses amounted to EUR 1.3 million (1.6) in January-March 2019 being 9.2% (11.2) of net sales. Other operating expenses were less by EUR 0.2 million compared to previous year. The reason for this is the presentation of the office space rents and equipment leases in depreciations EUR -0.2 million and in interest expenses EUR -0.0 million instead of presenting them in other operating expenses. In addition, the first quarter 2018 included the growth of the credit loss provision, EUR -0.0 million. More information on the impact of the adaption of the IFRS 16 Leases standard has been presented in the notes to the Interim Report.

In January-March 2019 EBITDA and the comparable EBITDA amounted to EUR 0.6 million (0.4), 4.0% (2.6) of net sales. The growth of EBITDA EUR 0.2 million and 1.7%-points was due to the implementation of IFRS 16 Leases standard. The operating profit (EBIT) and the comparable operating profit (EBIT) amounted to EUR 0.2 million (0.3), 1.4% (1.9) of net sales. The first quarters of 2019 and 2018 did not include items affecting comparability.

In January-March 2019 the financial income and expenses totalled EUR -0.1 million (-0.1) including interest expenses of EUR -0.0 million (-0.0) and mainly currency-related other financial items and bank expenses EUR -0.0 million (-0.1).

In January-March 2019 the result before taxes was EUR 0.1 million (0.1), and the operating result EUR 0.1 million (0.1). Earnings per share and comparable earnings-per-share (EPS) were EUR 0.01 (0.02) in January-March 2019.

CONTRACT CUSTOMERS SEGMENT

Wulff's Contract Customers Division is the customer's comprehensive partner in the field of workplace services and products and international fair services in Finland and Scandinavia.

In January-March 2019 the segment's net sales totalled EUR 11.5 million (11.9), and the operating profit (EBIT) was EUR 0.2 million (0.2). The decline in net sales and operating profit were due to lower sales of fair services. Wulff Group's new Canon Business Center printing services (Mavecom Palvelut Ltd) had a positive effect on net sales and operating profit.

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 customers' and its own 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 with Wulff. The popular Wulff Business Forums will continue also in 2019. The main topic in Wulff Business Forum in September will be well-being at work.

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 online store and its services, functionalities and marketing are constantly being developed. The webshop got a new, mobile-friendly user interface in the beginning of year 2019 and its visitors and sales have been in growth.

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, recruitment of new key account managers, developing its operations in the US as well as in the presence and findability in web 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-March 2019 the Expertise Sales Segment's net sales totalled EUR 2.4 million (2.4), and operating profit EUR 0.1 million (0.1) were at the same level as in the comparison period. The Expertise Sales segment's product and service range continue 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 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 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 join its expertise sales again for the fall of 2019! 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.

FINANCING, INVESTMENTS AND FINANCIAL POSITION

In January-March 2019 the cash flow from operating activities was EUR -0.2 million (-0.9). The implementation of IFRS 16 Leases improved the cash flow of operating activities by approximately EUR 0.2 million as all the payments from lease agreements have been presented in cash flow from financing activities. In the industry, it is typical that the result and cash flow are generated in the last quarter.

In the end of March 2019, the equity-to-assets was 39.7% (46.6%) and debt-to-equity ratio 65.2% (29.5%). The decrease in equity-to-assets and the increase in debt-to-equity ratio resulted from the acquisition of logistics centre in Sweden, recognising lease agreements in the balance sheet according to the IFRS 16 Leases -standard from 1.1.2019 onwards and other usual equipment and IT investments. Equity-to-assets decreased 2.4%-points and debt-to-equity ratio increased 14.2%-points due to implementing the IFRS 16 Leases -standard.

The acquisition of logistics centre was financed with two new long-term loans in Swedish crowns, a total of approximately EUR 2.9 million. The repayment period of loans is 10 years. Long-term loans were repaid in total of EUR 0.2 million (0.2). Short-term loans were withdrawn amounting to EUR 1.6 million (1.5) in January-March 2019. Lease agreement payments were EUR 0.2 million. The cash flow of financing activities was EUR 4.1 million (1.3) in January-March 2019.

Recognition of lease agreements within the balance sheet increased group assets and liabilities EUR 1.7 million at the end of March 2019. Depreciations of the leasing assets were EUR -0.2 million and interest expenses EUR -0.0 million in the reporting period.

Information on the impact of the acquired Canon Business Center business in August 2018 to the Group's financial position have been presented in the Shares and share capital -section and in the notes to the Interim Report.

In total, the Group's cash balance increased by EUR 0.0 million in January-March 2019 (0.3). The Group's bank and cash funds totalled EUR 0.5 million (0.2) at the beginning of the year and EUR 0.5 million (0.5) at the end of the reporting period.

Equity attributable to the equity holders of the parent company was EUR 1.72 per share (1.64).

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 1.70 (1.61) and the market capitalization of the outstanding shares totalled EUR 11.6 million (10.5).

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 2019 no own shares were reacquired. At the end of March 2019, 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 4, 2019. The Annual General Meeting adopted the financial statements for the financial year 2018 and discharged the members of the Board of Directors and CEO from liability for the financial period 1.1.–31.12.2018. The Annual General meeting decided to pay a dividend of EUR 0.10 per share for the financial year 2018, amounting to EUR 0.7 million. The record date was April 8, 2019 and the payment date was April 17, 2019.

Kari Juutilainen, Ari Pikkarainen, Jussi Vienola and Kristina Vienola were 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, 2020. The Board of Directors decided to continue buying back own shares in accordance with the authorization granted by the Annual General Meeting on April 4, 2019.

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, 2020.

PERSONNEL

In January-March 2019 the Group's personnel totalled 197 (194) employees on average. At the end of March, the Group had 200 (192) employees of which 66 (66) persons were employed in Sweden, Norway or Denmark. The majority, 53% (58), of the Group's personnel work in sales operations and 47% (42) of the employees work in sales support, logistics and administration. Of the personnel, 47% (47) are women and 53% (53) are men.

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The demand for office supplies is strongly affected by the general economic development and the industry's tight competition. 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 balance sheet.

SUBSEQUENT EVENTS

Wulff Group invested in its premises by acquiring a 3 600 m² logistics property in Kilo, Espoo, on April 15, 2019. The debt-free purchase price of the real estate company acquired from Sponda Plc, approximately EUR 2.2 million, was mainly financed by external loans. Edistia, which is already operating in the premises, will continue as a tenant of Wulff. Wulff renews its property by utilizing, among other things, environmentally friendly and sustainable solutions, in line with its strategy for building a better world one workplace at a time. Wulff's Finnish operations will move to Espoo in fall of 2019.

The Group has not had any other significant subsequent events.

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.

WULFF GROUP PLC'S FINANCIAL REPORTING AND ANNUAL GENERAL MEETING 2019

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

Interim Report, January-June 2019
Interim Report, January-September 2019

Thursday August 1, 2019
Thursday October 31, 2019

In Vantaa on May 3, 2019

WULFF GROUP PLC
BOARD OF DIRECTORS

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A better world – one workplace at a time. Wulff's goal is a perfect workday! We enable better working environments and create workplaces, wherever you are. We offer the industry's most comprehensive product and service range that can help you create an office wherever you want it. More comfortable, healthier, safer, more enjoyable, more active and more diverse? How do you want to better your workday and working environment? Wulff has the solution. We offer our customers office supplies, facility management products, catering solutions, IT supplies, ergonomics, first aid, air purifiers, and innovative products for worksites. Customers can also acquire international exhibition services from Wulff. In addition to Finland, Wulff operates in Sweden, Norway, and Denmark. Check out our products and services at wulff.fi.

INTERIM REPORT, TABLE PART 1.1.–31.3.2019

The information presented in the Interim Report has not been audited.

CONSOLIDATED STATEMENT OF INCOME (IFRS)	I	I	I-IV
EUR 1000	2019	2018	2018
Net sales	13 844	14 256	55 889
Other operating income	40	25	141
Materials and services	-8 898	-9 307	-36 219
Employee benefit expenses	-3 161	-3 006	-11 542
Other operating expenses	-1 269	-1 600	-6 349
EBITDA	556	367	1 920
Depreciation and amortization	-365	-103	-412
Operating profit/loss	191	264	1 508
Financial income	14	3	16
Financial expenses	-71	-120	-281
Profit/Loss before taxes	134	147	1 243
Income taxes	-21	-11	-169
Net profit/loss for the period	113	137	1 074
Attributable to:			
Equity holders of the parent company	99	132	1 025
Non-controlling interest	14	5	49
Earnings per share for profit attributable to the equity holders of the parent company: (diluted = non-diluted)	0.01	0.02	0.15
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)			
EUR 1000			
Net profit/loss for the period	113	137	1 074
Other comprehensive income which may be reclassified to profit or loss subsequently (net of tax)			
Change in translation differences	-10	-81	-86
Total other comprehensive income	-10	-81	-86
Total comprehensive income for the period	103	56	988
Total comprehensive income attributable to:			
Equity holders of the parent company	87	62	949
Non-controlling interest	16	-6	39

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)			
EUR 1000	31.3.2019	31.3.2018	31.12.2018
ASSETS			
Non-current assets			
Goodwill	8 138	6 731	8 160
Other intangible assets	266	374	274
Property, plant, and equipment	5 742	632	663
Non-current financial assets			
Non-interest-bearing financial assets	182	105	105
Deferred tax assets	1 099	1 296	1 134
Total non-current assets	15 428	9 138	10 336
Current assets			
Inventories	6 857	6 900	7 227
Current receivables			
Interest-bearing receivables	17	12	18
Non-interest-bearing receivables	10 087	9 249	8 354
Cash and cash equivalents	519	459	476
Total current assets	17 480	16 619	16 076
TOTAL ASSETS	32 908	25 757	26 412
SHAREHOLDERS' 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	223	676
Retained earnings	790	169	729
Non-controlling interest	378	368	369
Total equity	12 157	11 072	12 086
Non-current liabilities			
Interest-bearing liabilities	3 778	1 474	1 258
Leasing liabilities	899	-	-
Non-interest-bearing liabilities	853	-	853
Deferred tax liabilities	132	45	108
Total non-current liabilities	5 662	1 520	2 219
Current liabilities			
Interest-bearing liabilities	2 966	2 261	1 151
Leasing liabilities	820	-	-
Non-interest-bearing liabilities	11 303	10 905	10 955
Total current liabilities	15 089	13 165	12 107
TOTAL EQUITY AND LIABILITIES	32 908	25 757	26 412

CONSOLIDATED STATEMENT OF CASH FLOW (IFRS)	I	I	I-IV
EUR 1000	2019	2018	2018
Cash flow from operating activities:			
Cash received from sales	12 112	13 659	56 184
Cash received from other operating income	40	25	141
Cash paid for operating expenses	-12 346	-14 530	-55 054
Cash flow from operating activities before financial items and income taxes	-194	-846	1 272
Interest paid	-34	-20	-80
Interest received	3	3	16
Income taxes paid	-26	-12	-123
Net cash flow from operating activities	-251	-875	1 085
Cash flow from investing activities:			
Investments in intangible and tangible assets	-3 727	-193	-446
Proceeds from sales of intangible and tangible assets	-	-	14
Other non-current financial assets	-77	-	-
Net cash flow from investing activities	-3 804	-193	-432
Cash flow from financing activities:			
Dividends paid	-6	-	-326
Payment for the non-controlling interest in a subsidiary that does not involve loss of control	-	-	-44
Repayments of finance lease liabilities	-235	-17	-60
Withdrawals and repayments of short-term loans	1 569	1 490	542
Withdrawals of long-term loans	2 922	-	-
Repayments of long-term loans	-155	-152	-486
Net cash flow from financing activities	4 094	1 322	-375
Change in cash and cash equivalents	39	254	278
Cash and cash equivalents at the beginning of the period	476	213	213
Translation difference of cash	4	-8	-14
Cash and cash equivalents at the end of the period	519	459	476

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

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, 2019	2 650	7 662	676	-260	-583	1 572	11 718	368	12 086
IAS 17 adjustment 1.1.2019 to retained earnings						-26	-26	-	-26
Adjusted equity on Jan 1, 2019	2 650	7 662	676	-260	-583	1 546	11 692	368	12 060
Net profit / loss for the period						99	99	14	113
Net profit / loss for the period Total						99	99	14	113
Other comprehensive income (net of taxes):									
Change in translation difference					-12		-12	2	-10
Comprehensive income (net of taxes)					-12	99	87	16	103
Dividends paid						-	-	-6	-6
Equity on Mar 31, 2019	2 650	7 662	676	-260	-595	1 645	11 779	378	12 157
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						70	70	-	70
Net profit / loss for the period Total						132	132	5	137
Other comprehensive income (net of taxes):									
Change in translation difference					-69		-69	-11	-81
Comprehensive income (net of taxes)					-69	132	62	-6	56
Equity on Mar 31, 2018	2 650	7 662	223	-260	-577	1 006	10 704	368	11 072

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This Interim 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 2018 financial statements and taking into account the IFRS standard changes adopted as of Jan 1, 2019.

The most significant change as of financial year beginning from 1.1.2019 resulted from implementing the IFRS 16 Lease Agreements -standard. The implementation as of 1.1.2019 was prepared utilizing the simplified method, hence comparison period from 2018 has not been adjusted according to the changed reporting requirements, instead the reporting period of 2018 has been presented according to the IAS 17 Leases standard in force in the comparison period. The impact of the IFRS 16 Leases -standard in 2019 was as follows:

Consolidated statement of income (IFRS)	MEUR
Other operating expenses	0.2
EBITDA	0.2
Depreciation and amortization	-0.2
Operating profit/loss	-0.0
Financial income and expenses	-0.0
Income taxes	0.0
Net profit/loss for the period	-0.0

Consolidated statement of financial position (IFRS)	MEUR
Non-current assets	
Leasing assets	1.7
Non-current liabilities	
Leasing	0.9
Current liabilities	
Leasing	0.8

Consolidated statement of cash flow (IFRS)	MEUR
Net cash flow from operating activities	0.2
Net cash flow from financing activities	-0.2

The rent expenses from lease agreements that are no longer presented in the other operating expenses of the consolidated statement of income due to adaption IFRS 16 standard, were EUR 0.2 million in 2019, hence the 1.7%-point increase in the EBITDA -percentage. The IFRS 16 -standard entails the lessee to recognise lease agreements in the balance sheet as lease liabilities and right-of-use lease assets accordingly. The impact on the assets and liabilities of the consolidated statement of financial position was EUR 1.7 million at the end of March 2019. The adoption of IFRS 16 Leases standard increased the net cash flow from operating activities by EUR 0.2 million, as all payments from lease agreements were presented in the net cash flow from financing activities. The equity-to-assets ratio decreased 2.4%-points and the debt-to-equity ratio increased 14.2%-points due to adapting IFRS 16 Leases standard.

The IFRS 15 Revenue from Contracts with Customers standard replaced previous IAS 18 and IAS 11 -standards and related interpretations. Due to the IFRS 15 standard adoption from Jan 1, 2018 onwards, the revenue of fair projects will be recognized at the time of fairs, and partial revenue recognition is no longer applied. Due to the IFRS 15 standard adoption, fair projects of partial revenue recognition from the last quarter 2017 are presented in the net sales for the first quarter 2018 on the date of the fairs amounting to EUR 0.1 million, and -0.1 million in purchase transactions. 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 regard to net sales and result. There are more fairs in the first and last quarters of the year.

Due to the adoption of the IFRS 9 Financial Instruments standard, credit loss provision was increased by EUR 0.0 million in the first quarter. Other standard changes that have come into effect on Jan 1, 2018 have not had material impact on the financial statements. The changes have been described in the 2018 IFRS Consolidated Financial Statements. No standard changes and interpretations that have not been in effect at the end of reporting period 31.12.2018 have been used in the preparation of this interim report.

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.

In the industry, it is typical that the result and cash flow are generated in the last quarter. The seasonality of the international fair business and the timing of the same fair trades arranged yearly and every other year have an impact on accumulation of the net sales and net profit.

The IFRS principles require the management to make estimates and assumptions when preparing financial reports. 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 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 are presented as thousands of euros and have been rounded to the nearest thousand euros.

The information presented in the Interim Report has not been audited.

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

2. CHANGES IN GROUP STRUCTURE

Acquisitions

Wulff invested on the acquisition of the logistics property in Sweden with EUR 3.4 million on 9.1.2019. The valuation and acquisition of the property company have been prepared according to the IAS 16 Tangible Assets -standard, as the acquisition of the property company does not form a business with the Group's external clients according to the IFRS 3 Business combinations -standard.

There were no business acquisitions during the reporting period in 2019.

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. During financial year 2018 the acquisition increased the net sales by EUR 0.9 million, the profit margin by EUR 0.5 million, and 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 2018 would have been EUR 57.3 million and operating profit EUR 1.5 million.

The preliminary purchase price for the share capital of Mavecom is 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 on the basis of the approved financial statements of the subsidiary. 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 presented in non-interest-bearing long- and short-term liabilities. The business acquisition did not cause cash transactions during the reporting period. The first additional purchase price payment, EUR 0.1 million liability presented in the current liabilities, was paid according to the approved financial statements of the subsidiary in April 2019.

EUR 1000	
The fair value of assets and liabilities at the date of acquisition	14.8.2018
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

Changes in the shares of minority shareholders

There were no changes in the shares of minority shareholders during the reporting period in 2019. 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.

3. SEGMENT INFORMATION

	I	I	I-IV
EUR 1000	2019	2018	2018
Net sales by operating segments			
Contract Customers Segment	11 456	11 918	46 974
Expertise Sales Segment	2 400	2 424	9 144
Group Services	202	99	563
Intersegment eliminations	-213	-184	-792
TOTAL NET SALES	13 844	14 256	55 889
Operating profit/loss by segments			
Contract Customers Segment	159	217	1 388
Expertise Sales Segment	123	137	455
Group Services and non-allocated items	-90	-90	-335
TOTAL OPERATING PROFIT/LOSS	191	264	1 508

4. KEY FIGURES

	I	I	I-IV
EUR 1000	2019	2018	2018
Net sales	13 844	14 256	55 889
Change in net sales, %	-2.9%	-7.0%	-1.8%
Gross profit	4 946	4 949	19 670
Gross profit, %	35.7%	34.7%	35.2%
EBITDA	556	367	1 920
EBITDA margin, %	4.0%	2.6%	3.4%
Operating profit/loss	191	264	1 508
Operating profit/loss margin, %	1.4%	1.9%	2.7%
Profit/Loss before taxes	134	147	1 243
Profit/Loss before taxes margin, %	1.0%	1.0%	2.2%
Net profit/loss for the period attributable to equity holders of the parent company	99	132	1 025
Net profit/loss for the period, %	0.7%	0.9%	1.8%
Earnings per share, EUR (diluted = non-diluted)	0.01	0.02	0.15
Return on equity (ROE), %	0.9%	1.2%	9.3%
Return on investment (ROI), %	1.0%	1.2%	9.5%
Equity-to-assets ratio at the end of period, %	39.7%	46.6%	49.1%
Debt-to-equity ratio at the end of period	65.2%	29.5%	15.8%
Equity per share at the end of period, EUR *	1.72	1.64	1.72
Investments in non-current assets	3 727	193	446
Investments in non-current assets, % of net sales	26.9%	1.4%	0.8%
Treasury shares held by the Group at the end of period	79 000	79 000	79 000
Treasury shares, % of total share capital and votes	1.1%	1.2%	1.1%
Average number of outstanding shares	6 907 628	6 607 628	6 643 696
Number of total issued shares at the end of period	6 907 628	6 607 628	6 907 628
Personnel on average during the period	197	194	191
Personnel at the end of period	200	192	191

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

The adaption of the IFRS 16 Leases standard as of 1.1.2019 has been accounted for in the calculation of the key figures. More information on the impact of the adaption has been presented in the notes to the Interim Report.

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 capitalisation	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