



3rd Quarter Interim Report 2023

NORDIC FIBREBOARD AS

Consolidated Interim Report for the Third Quarter of 2023
(unaudited)

Beginning of the Interim Report Period:	1.07.2023
End of the Interim Report Period:	30.09.2023
Beginning of the financial year:	1.01.2023
End of the financial year:	31.12.2023
Business name:	Nordic Fibreboard AS
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E-mail:	group@nordicfibreboard.com
Homepage:	www.nordicfibreboard.com
Auditor:	AS PricewaterhouseCoopers
Main activity:	Production and sales of fibreboards

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COMPANY PROFILE

Nordic Fibreboard AS is a holding company with subsidiaries Nordic Fibreboard Ltd OÜ, Pärnu Riverside Development OÜ and Skano Furniture OÜ. Skano Furniture OÜ has had no activities for the last couple of years and was liquidated on 18.01.2023.

Nordic Fibreboard AS main activity is production and wholesale of building materials. In addition it owns a real estate company with one real estate project ongoing in Pärnu, Estonia.

The Group, as of 30.09.2023, therefore consists of the following companies, all 100% owned:

Subsidiary	Location	Activity
Nordic Fibreboard Ltd OÜ	Estonia	Production and sales
Pärnu Riverside Development OÜ	Estonia	Rental and property development

Nordic Fibreboard Ltd OÜ produces and distributes softboard products for use in many different applications, the main categories being within construction (insulation, soundproofing, and interior finishing panels for walls and ceilings) and industry (packaging, door cores, expansion joint filler, pin and notice boards, acoustic reduction, cake boards, firelighters).

Pärnu Riverside Development OÜ owns and manages real estate located at Suur-Jõe Street in Pärnu, the Company provides rental service to local companies.

The principal markets of the company are the Nordic and Baltic region. Nordic Fibreboard's customers and partners are well recognized parties within their field of expertise, and value long-term relations with Nordic Fibreboard.

The shares of Nordic Fibreboard AS are listed on the Nasdaq Tallinn Stock Exchange secondary list.

As at 30.09.2023 the Group employed 66 people (30.09.2022: 88 employees).



MANAGEMENT REPORT

NORDIC FIBREBOARD AS UNAUDITED RESULTS FOR THIRD QUARTER OF 2023

Consolidated net sales for Q3 2023 were € 1.79 million (Q3 2022: € 2.79 million). The main business area is Nordic Fibreboard Ltd, the production and wholesale of fibreboard, which recorded sales in Q3 2023 of € 1.78 million, (Q3 2022: € 2.78 million). The remaining business area is Pärnu Riverside Development, real estate management of the property owned in Suur-Jõe street in Pärnu, who recorded sales of € 11 thousand in Q3 2023 (Q3 2022: € 9 thousand).

The decline in Nordic Fibreboard's Q3 2023 sales revenue continues to be impacted by global economic uncertainty, which has led to a lack of confidence among end users of building materials, including the company's fiberboard. Nordic Fibreboard Ltd had sales of € 1.78 million in Q3 2023, down 12% from Q2 2023 and down 23% from Q1 2023, which shows that the decline in sales revenue is abating.

The consolidated EBITDA of Nordic Fibreboard for Q3 2023 was € 238 thousand, the EBITDA margin was 13% (Q3 2022: EBITDA was € 193 thousand and the EBITDA margin was 7%). Compared to the Q3 2022 the Group's gross margin increased from 19% to 27% in the Q3 2023, which indicates that the Group's profitability in the Q3 2023 has increased compared to the same period last year.

Financial expenses for the Q3 2023 were € 79 thousand, of which € 55 thousand were loan interest costs and € 24 thousand were losses from the revaluation of Trigon Property Development (TPD) shares. Total financial income of € 49 thousand was recorded in Q3 2022, which consist of the profit from the revaluation of shares (TPD) in the amount of € 79 thousand and the interest expense of loan obligations in the amount of € 30 thousand.

Group's consolidated net profit for Q3 2023 was € 37 thousand (Q3 2022: profit € 117 thousand).

DIVISIONAL REVIEW

REVENUE BY BUSINESS SEGMENTS

	€ thousand		€ thousand	
	Q3 2023	Q3 2022	9M 2023	9M 2022
Fibreboards production and sales	1,775	2,782	6,358	9,015
Real Estate Management	11	9	34	28
TOTAL	1,786	2,791	6,392	9,043

PROFIT BY BUSINESS SEGMENTS

	€ thousand		€ thousand	
	Q3 2023	Q3 2022	9M 2023	9M 2022
EBITDA by business units:				
Fibreboards production and sales	246	201	383	1,114
Real Estate Management	(2)	(6)	(19)	(18)
Group transactions	(6)	(2)	(30)	(25)
TOTAL EBITDA	238	193	334	1,071
Depreciation	(122)	(125)	(367)	(372)
TOTAL OPERATING PROFIT/ LOSS	116	68	(33)	699
Extraordinary expenses	0	0	(406)	0
Net financial income/ costs	(79)	49	(128)	149
NET PROFIT/ LOSS	37	117	(567)	848



NORDIC FIBREBOARD LTD: FIBREBOARD PRODUCTION AND SALES

Fibreboard sales in Q3 2023 were € 1.78 million (Q3 2022: € 2.78 million). In Q3 2023, the main reason for the decrease in sales revenue compared to Q3 2022 was the loss of a key customer in Denmark, resulting in a loss of 30% of sales compared to Q3 2022. In addition, sales in Finland decreased by 50% in Q3 2023 compared to the same period in 2022. But as positive news, it has been possible to revive relations with former export customers and found new customers both in the Middle East and in the European Union, for example Bulgaria and France. As a result, sales to the Middle East, Asia, Africa and other regions have improved in Q3 2023 compared to Q3 2022. Sales to European Union countries have decreased in the 3rd quarter of 2023 compared to the 3rd quarter of 2022. However, if we look at the countries of the European Union separately, sales to Sweden and Latvia have increased, and sales in Estonia have remained at the same level.

The EBITDA of the fiberboard segment for the Q3 2023 was a positive € 246 thousand, which is a quarterly improvement compared to the EBITDA for the Q3 2022, which was a positive € 201 thousand, but when comparing EBITDA for the first nine months of 2023 with the 2022 with the same period, the drop is 66%. The reason for the decline was the too high fixed electricity price, which was signed with the electricity supplier at the end of 2022. The electricity contract was cancelled on 31.3.2023, and a new less onerous electricity contract came into force on 01.04.2023.

FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

	€ thousand		€ thousand	
	Q3 2023	Q3 2022	9M 2023	9M 2022
European Union	1,537	2,723	5,855	8,425
Middle East	68	47	96	73
Asia	48	0	102	69
Africa	40	0	133	0
Russia	0	0	0	427
Other	82	12	172	21
TOTAL	1,775	2,782	6,358	9,015

PÄRNU RIVERSIDE DEVELOPMENT: REAL ESTATE MANAGEMENT

Pärnu Riverside Development owns the property located at Suur-Jõe 48 in Pärnu. The property has some rental tenants and rental income from real estate management was € 11 thousand in Q3 2023, (Q3 2022: € 9 thousand).

The real estate management EBITDA for Q3 2023 were negative € 2 thousand and net loss € 2 thousand (Q3 2021: EBITDA negative € 6 thousand and net loss € 6 thousand).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 30.09.2023 the total assets of Nordic Fibreboard AS were € 8.9 million (30.09.2022: € 9.4 million). The liabilities of the company as of 30.09.2023 were € 4.4 million (30.09.2022: € 4.7 million), of which the Group has payables of € 0.9 million as at 30.09.2023 (30.09.2022: € 1.0 million) and borrowings of € 3.0 million as at 30.09.2023 (30.09.2022: € 3.1 million).

Receivables and prepayments amounted to € 0.8 million as at 30.09.2023 (30.09.2022: € 1.3 million). Inventories were € 1.0 million as of 30.09.2023 (30.09.2022: € 0.9 million). Fixed assets were € 7.1 million as of 30.09.2023 (€ 6.7 million as of 30.09.2022).

During 2023 9M, the Group's cash flows from operating activities totalled cash inflow of € 472 thousand (2022 9M: cash inflow € 617 thousand). Cash outflows due to investment activities was € 215 thousand during 9M 2023, consisting of investments into production assets (9M 2022: cash



outflow € 93 thousand). Cash outflows due to financing activities was € 213 thousand during 9M 2023 (9M 2022: cash outflow € 111 thousand). Net cash effect during 9M 2023 showed cash inflows of € 44 thousand, (2022 9M: cash inflows € 413 thousand).

PEOPLE

On the 30th of September 2023, the Group employed 66 people (compared to 88 people as of 30.09.2022). The average number of personnel in Q3 2023 was 66 (Q3 2022: the average number of personnel was 86).

Labour costs were € 0.39 million including taxes in Q3 2023 and € 1.24 million for first nine months of 2023 (Q3 2022: € 0.51 million, 9M 2022: € 1.53 million). Group fees for the members of the management boards of holding company and its subsidiaries, together with taxes, were € 81 thousand in Q3 2023 and € 205 thousand for first nine months of 2023 (Q3 2022: € 65 thousand, 9M 2022: € 196 thousand).

The Group's definition of labour costs includes payroll expenses (incl. holiday pay) with additional remuneration fees, payroll taxes, special benefits and taxes calculated on special benefits.

OUTLOOK

NORDIC FIBREBOARD LTD

The overall demand picture continues to be challenging, and the short-term outlook remains uncertain due to headwinds coming from macro factors, such as increasing interest rates, global economic uncertainty, and the ongoing wars in Ukraine and in Israel. All have led to a construction/renovation market slowdown and a lack of confidence among end users of building materials, including the use of the company's fibreboards.

Main operation issue remains the ongoing preparation of upgrading the company's wood-based boiler house in Pärnu so to meet the new emission requirements coming into force in 01.01.2025.

PÄRNU RIVERSIDE DEVELOPMENT

We will continue to manage and develop the property on Suur-Jõe Street 48, Pärnu. A detail plan for the property has been completed, with the intention of converting the property into a private residential property.



FINANCIAL HIGHLIGHTS

€ thousand

Income statement	Q3 2023	Q3 2022	9M 2023	9M 2022
Revenue	1,786	2,791	6,392	9,043
EBITDA	238	193	334	1,071
EBITDA margin	13%	7%	5%	12%
Operating profit	116	68	(33)	699
Operating margin	6%	2%	(1%)	8%
Net profit	37	117	(567)	848
Net margin	2%	4%	(9%)	9%

Statement of financial position	30.09.2023	31.12.2022	30.09.2022	31.12.2021
Total assets	8,897	9,408	9,389	8,063
Return on assets	(6%)	13%	9%	15%
Equity	4,517	5,084	4,698	3,850
Return on equity	(13%)	24%	18%	31%
Debt-to-total assets ratio	49%	46%	50%	52%

Share	30.09.2023	31.12.2022	30.09.2022	31.12.2021
Last Price*	1.00	1.60	1.74	1.95
Earnings per share	(0.04)	0.27	0.18	0.27
Price-earnings ratio	(24.78)	5.83	9.54	7.30
Book value of a share	1.00	1.13	1.04	0.86
Market to book ratio	1.00	1.42	1.67	2.28
Market capitalization, € thousand	4,499	7,198	7,828	8,773
Number of shares, piece	4,499,061	4,499,061	4,499,061	4,499,061

EBITDA = Earnings before interest, taxes, depreciation and amortization

EBITDA margin = EBITDA / Revenue

Operating margin = Operating profit / Revenue

Net margin = Net profit / Revenue

Return on assets = Net profit / Total assets

Return on equity = Net profit / Equity

Debt-to-total assets ratio = Liabilities / Total assets

Earnings per share = Trailing twelve months (TTM) net profit / Total shares

Price-earnings ratio = Last price / Earnings per share

Book value of a share = Equity / Total shares

Market to book ratio = Last price / Book value of a share

Market capitalization = Last price * Total shares

*<http://www.nasdaqbaltic.com/>



FINANCIAL RISKS

INTEREST RATE RISK

Interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of changes in market interest rates. The interest rate risk of Nordic Fibreboard AS depends on a possible change in EURIBOR (Euro Interbank Offered Rate), since some of the Group's loans are linked to EURIBOR, the Group's financial cost also increases when the interest rate increases. At 30.09.2023 six months' EURIBOR rate was 4.125% and at 30.09.2022 1.809%. The loan from the Rural Development Foundation is concluded with a fixed interest rate, thus bear no interest rate risk. However, the Company loan from Coop Pank AS does have a floating interest rate, but the management is of the opinion that the floating interest rate will not bear significant impact to Company's cash flows.

The dates for fixing interest rates on the basis of changes in EURIBOR are the 30th day of every six months for its bank loans.

The interest rate risk also depends on the overall economic situation in Estonia and in the eurozone. Nordic Fibreboard AS has a cash flow risk arising from the interest rate risk, as part of the loans have a floating interest rate. Management believes that the cash flow risk is not significant, therefore no hedging instruments are used.

CURRENCY RISK

The foreign exchange risk is the risk that the company may have significant loss because of fluctuating foreign exchange rates. Nordic Fibreboard has no operations outside of the euro zone and most of our export-import contracts to customers outside of the eurozone are nominated in EUR. Raw materials for production purchased mainly in EUR.

RISK OF THE ECONOMIC ENVIRONMENT

The risk of the economic environment for the Group depends on general developments in the construction and industrial segments. The economic environment in the last two years has been most affected by Russia's aggression against Ukraine, which has had an impact on the world economy, especially in Europe. Commodities prices have therefore been volatile, supply chains have been disturbed, and interest rates have increased. At the start of 2023, there were signs of some easing of the macroeconomic risks that the Company faced in 2022, however the ongoing uncertainty created by the war in Ukraine, and its implications and effects on the global, and especially European, economic environment make it difficult to make future economic forecasts.

FAIR VALUE

The management estimates that the fair values of cash, accounts receivables and payables, short-term loans and borrowings do not materially differ from their carrying amounts. The fair values of long-term loans do not materially differ from their carrying amounts because their interest rates correspond to the interest rate risks prevailing on the market.

LIQUIDITY RISK

The liquidity risk is a potential loss arising from the existence of limited or insufficient financial resources that are necessary for performing the obligations related to the activities of the Group. The Management Board continuously monitors cash flow movements, using the existence and sufficiency of the Group's financial resources for performing the assumed obligations and financing the strategic objectives of the Group.



DECLARATION OF THE MANAGEMENT BOARD

The management board has prepared the management report and the consolidated financial interim statements of Nordic Fibreboard AS for the third quarter 2023.

The management board confirms that the management report on pages 4-8 provides a true and fair view of the business operations, financial results and financial condition of the parent company and the entities included in consolidation.

The management board confirms that according to their best knowledge the consolidated financial interim report on pages 10-25 presents a fair view of the assets, liabilities, financial position and profit of the issuer and the entities involved in the consolidation as a whole according to the International Financial Reporting Standards as they are adopted by the European Union and contains a description of the main risks.

Aigar Kallas, Chairman of the Management Board

Enel Äkke, Member of the Management Board

Kevin Gustasson, Member of the Management Board

Pärnu, 30 November, 2023



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

<i>€ thousand</i>	30.09.2023	31.12.2022	30.09.2022
Cash and cash equivalents	46	2	470
Receivables and prepayments (Note 2)	776	559	1 345
Inventories (Note 3)	971	1 672	874
Total current assets	1,793	2,233	2,689
Investment property (Note 4)	1,859	1,859	1,156
Financial assets at fair value through profit or loss (Note 7)	674	644	787
Property, plant and equipment (Note 5)	4,570	4,670	4,755
Intangible assets (Note 6)	1	2	2
Total non-current assets	7,104	7,175	6,700
TOTAL ASSETS	8,897	9,408	9,389
Borrowings (Note 8)	318	290	38
Payables and prepayments (Note 9)	1,109	1,014	1,410
Short-term provisions (Note 10)	3	18	4
Total current liabilities	1,430	1,322	1,452
Long-term borrowings (Note 8)	2,684	2,875	3,094
Long-term payables and prepayments (Note 9)	139	0	0
Long-term provisions (Note 10)	127	127	145
Total non-current liabilities	2,950	3,002	3,239
Total liabilities	4,380	4,323	4,691
Share capital (at nominal value) (Note 11)	450	450	450
Statutory reserve capital	45	45	45
Retained earnings (loss)	4,022	4,589	4,203
Total equity	4,517	5,084	4,698
TOTAL LIABILITIES AND EQUITY	8,897	9,408	9,389

*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>€ thousand</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Revenue (Note 13)	1,786	2,791	6,392	9,043
Cost of goods sold (Note 14)	1,433	2,387	5,497	7,134
Gross profit	353	404	895	1,909
Distribution costs (Note 15)	133	278	536	919
Administrative expenses (Note 16)	100	90	374	315
Other operating income (Note 18)	0	33	0	33
Other operating expenses (Note 18)	4	1	18	9
Operating profit (loss)	116	68	(33)	699
Extraordinary expenses	0	0	406	0
Finance income (Note 19)	0	79	74	248
Finance costs (Note 19)	79	30	202	99
Profit (loss) before income tax	37	117	(567)	848
Net profit (loss) for the period	37	117	(567)	848
Basic earnings per share (Note 12)	0.01	0.03	(0.13)	0.19
Diluted earnings per share (Note 12)	0.01	0.03	(0.13)	0.19

*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

<i>€ thousand</i>	9M 2023	9M 2022
Cash flows from operating activities		
Operating profit (loss)	(33)	699
Adjustments:		
Depreciation charge (Notes 5; 6)	367	372
Profit/loss from disposal of fixed assets (Note 18)	0	1
Change in trade and other receivables (Note 2)	(217)	(443)
Change in inventories (Note 3)	701	(484)
Change in trade and other payables (Note 9)	234	581
Change in provisions (Note 10)	(15)	(15)
Cash generated from operations	1,037	711
Interest payments (Notes 8; 19)	(135)	(91)
Net other financial income and expense	(24)	(3)
Extraordinary expense	(406)	0
Net cash generated from operating activities	472	617
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 5; 6)	(215)	(194)
Purchase of investment property (Note 4)	0	(4)
Received dividends	0	105
Net cash used in investing activities	(215)	(93)
Cash flows from financing activities		
Repayment of loans received (Note 8)	(357)	(76)
Loans received from related parties (Note 8)	200	0
Finance lease payments (Note 8)	(39)	(35)
Change in overdraft (Note 8)	(17)	0
Net cash (used in)/from financing activities	(213)	(111)
NET CHANGE IN CASH	44	413
OPENING BALANCE OF CASH	2	57
CLOSING BALANCE OF CASH	46	470

*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>€ thousand</i>	Share capital	Statutory reserve capital	Retained earnings	Total
Balance at 31.12.2021	450	0	3,400	3,850
Other changes	0	45	(45)	0
<i>Net profit/loss for 9M 2022</i>	0	0	848	848
Total comprehensive profit/loss for 9M 2022	0	0	848	848
Balance at 30.09.2022	450	45	4,203	4,698
Balance at 31.12.2022	450	45	4,589	5,084
<i>Net profit/loss for 9M 2023</i>	0	0	(567)	(567)
Total comprehensive profit/loss for 9M 2023	0	0	(567)	(567)
Balance at 30.09.2023	450	45	4,022	4,517

*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements.



NOTES TO THE CONSOLIDATED INTERIM REPORT

NOTE 1 ACCOUNTING POLICIES AND MEASUREMENT BASES

GENERAL INFORMATION

Nordic Fibreboard AS (the Company) (registration number: 11421437; address: Rääma 31, Pärnu), is an entity registered in the Republic of Estonia, whose activities take place in Estonia.

The Group's main activities are production and wholesale of softboard, to a minor extent, the Group also handles real estate management.

Nordic Fibreboard AS was established on 19 September 2007 in the demerger of the former Skano Group AS, currently AS Trigon Property Development, as a result of which the manufacturing units, i.e. the building materials division and furniture division were separated and transferred to subsidiaries established at the same time. The real estate management activities were added to the Group in 2019.

The Group's shares were listed in the Main List of the Nasdaq Tallinn until 2nd of April 2018, when the shares were moved from the Main List to the Secondary List. AS of 30.09.2023 the largest shareholder of the Group is NFB Pärnu Holdings OÜ (owning 38.9%), whose owner is 100% Joakim Johan Helenius.

BASIC FOR PREPARATION

The Condensed Consolidated Interim Accounts of Nordic Fibreboard AS has been prepared in accordance with the International Financial Reporting Standard (IFRS) Interim Financial Reporting as adopted by the European Union. The same accounting policies were applied for both the Interim Report and the Annual Report for the financial year that ended on 31.12.2022. The consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting. The Condensed Interim Financial Statements do not contain all the information presented in the annual financial statements and should be read in conjunction with the Group's latest published annual financial statements as at and for the year ended 31 December 2022.

The functional and presentation currency of Nordic Fibreboard AS is euro. All amounts disclosed in the financial statements have been rounded to the nearest thousand unless referred to otherwise.

According to the assessment of the Management Board Nordic Fibreboard AS is a going concern and the Interim Report for the 3rd quarter of 2023 gives a true and fair view of the financial position of Nordic Fibreboard AS and the results of its operations. This Condensed Consolidated Interim Report has not been audited or otherwise reviewed by auditors.

NOTE 2 TRADE AND OTHER RECEIVABLES

<i>€ thousand</i>	30.09.2023	31.12.2022	30.09.2022
Customer receivables	656	391	1,080
Prepaid taxes	108	150	253
Prepaid services	12	17	12
Other receivables	0	1	0
TOTAL	776	559	1,345

No write-downs of receivables have been made in Q3 2023 or Q3 2022.



ANALYSIS OF TRADE RECEIVABLES BY AGING

<i>thousand €</i>	30.09.2023	31.12.2022	30.09.2022
Not past due	558	373	1,075
incl receivables from customers who also have receivables past due	210	236	310
incl receivables from customers who have no receivables past due	348	137	765
Past due but not impaired	98	18	5
Overdue up to 90 days	98	16	2
Overdue more than 90 days	0	2	3
TOTAL	656	391	1,080

NOTE 3 INVENTORIES

<i>€ thousand</i>	30.09.2023	31.12.2022	30.09.2022
Raw materials and other materials	209	401	425
Work-in-progress	30	228	129
Finished goods	747	1,081	303
Prepayments to suppliers	25	2	57
Write-off reserve for inventories	(40)	(40)	(40)
TOTAL	971	1,672	874

NOTE 4 INVESTMENT PROPERTY

INVESTMENT PROPERTY BY LOCATION:

	<i>thousand €</i>
31.12.2021	
Share of registered immovable property at Suur-Jõe Street 48, Pärnu	977
Share of registered immovable property at Rääma Street 31, Pärnu	175
30.09.2022	
Share of registered immovable property at Suur-Jõe Street 48, Pärnu	981
Share of registered immovable property at Rääma Street 31, Pärnu	175
31.12.2022	
Share of registered immovable property at Suur-Jõe Street 48, Pärnu	1,684
Share of registered immovable property at Rääma Street 31, Pärnu	175
30.09.2023	
Share of registered immovable property at Suur-Jõe Street 48, Pärnu	1,684
Share of registered immovable property at Rääma Street 31, Pärnu	175

The property belonging to Pärnu Riverside Development OÜ, Suur-Jõe street 48 in Pärnu and the part of the property belonging to Nordic Fibreboard Ltd OÜ, Rääma street 31 are recorded as real estate investments.

The amount of expenses related to the management of investments properties for Q3 2023 were € 13 thousand and € 15 thousand in Q3 2022. Rental income from investment properties for Q2 2023 was € 11 thousand and in Q3 2022 were € 9 thousand.



thousand €

Carrying amount 31.12.2021	1,152
Capitalized cost	4
Carrying amount 30.09.2022	1,156
Carrying amount 31.12.2022	1,859
Carrying amount 30.09.2023	1,859

NOTE 5 PROPERTY PLANT EQUIPMENT AND RIGHT OF USE ASSETS

thousand €	Land	Buildings and facilities	Machinery and equipment	Other fixtures	Construct ion-in-progress	Right-of-use asset	TOTAL
Cost at 31.12.2021	191	2,556	10,845	89	473	114	14,268
Accumulated depreciation at 31.12.2021	0	(1,779)	(7,459)	(88)	0	(28)	(9,353)
Carrying amount at 31.12.2021	191	777	3,387	1	473	86	4,915
Additions	0	0	44	0	151	44	239
Reclassification	0	0	265	0	(255)	(10)	0
Reclassification of accumulated depreciation	0	0	(10)	0	0	10	0
Disposals and write-offs (Note 18)	(7)	0	(80)	0	0	(29)	(116)
Accumulated depreciation of fixed assets written off	0	0	80	0	0	9	89
Depreciation (Notes 14)	0	(59)	(278)	0	0	(35)	(372)
Cost at 30.09.2022	184	2,556	11,074	89	369	119	14,391
Accumulated depreciation at 30.09.2022	0	(1,837)	(7,667)	(88)	0	(44)	(9,636)
Carrying amount at 30.09.2022	184	718	3,407	1	369	75	4,755
Cost at 31.12.2022	184	2,560	11,030	89	405	119	14,387
Accumulated depreciation at 31.12.2022	0	(1,857)	(7,716)	(88)	0	(57)	(9,717)
Carrying amount at 31.12.2022	184	703	3,314	1	405	62	4,670
Additions	0	0	17	0	198	56	271
Reclassification	0	0	159	0	(159)	0	0
Disposals and write-offs (Note 18)	0	0	(3)	0	0	(75)	(78)
Accumulated depreciation of fixed assets written off	0	0	3	0	0	69	72
Depreciation (Note 14)	0	(59)	(278)	(0)	0	(28)	(366)
Cost at 30.09.2023	184	2,560	11,203	89	444	100	14,580
Accumulated depreciation at 30.09.2023	0	(1,916)	(7,990)	(88)	0	(16)	(10,010)
Carrying amount at 30.09.2023	184	644	3,213	1	444	84	4,570



NOTE 6 INTANGIBLE ASSETS

<i>thousand €</i>	Computer software
Cost at 31.12.2021	13
Accumulated amortisation at 31.12.2021	(10)
Carrying amount 31.12.2021	3
Amortisation charge (Note 14)	(1)
Cost at 30.09.2022	13
Accumulated amortisation at 30.09.2022	(11)
Carrying amount 30.09.2022	2
Cost at 31.12.2022	13
Accumulated amortisation at 31.12.2022	(11)
Carrying amount 31.12.2022	2
Amortisation charge (Note 14)	(1)
Cost at 30.09.2023	13
Accumulated amortisation at 30.09.2023	(12)
Carrying amount 30.09.2023	1

NOTE 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>thousand €</i>	30.09.2023	Change 9M 2023	31.12.2022	31.12.2021
Non-current assets				
Listed securities - Equity securities - cost as at	338		338	338
Revaluation	336	30	306	306
Fair value as at	674	30	644	644

* *Financial assets at fair value through profit or loss (i.e. Trigon Property Development shares) have been revaluated to reflect fair value based on last price as at 30.09.2023 as shown on Nasdaq Tallinn.*

NOTE 8 BORROWINGS

Nordic Fibreboard AS subsidiary Nordic Fibreboard Ltd OÜ has loan obligations to Coop Pank AS and Rural Development Foundation (RDF). The term of the loan received from Coop Pank AS is 5 years with a 10-year amortization schedule, and as of 30.09.2023 the loan interest was 6 month EURIBOR+3.5% per annum. The term of the loan received from RDF is 6 years and from 31.12.2022 the loan interest is 4% per annum. There is also a one-year overdraft agreement with Coop Bank AS with a limit of € 200 thousand, in 2023, the overdraft interest rate was 4.2% per annum.

After the balance sheet date of 30.09.2023, the volume and terms of loan agreements of Coop Pank AS were changed. In the tables below, loan obligations and conditions are reflected as of 30.09.2023.

In 2023, Nordic Fibreboard Ltd OÜ received a short-term loan of € 200 thousand at an interest rate of 8% per year from Pärnu Holdings AS, a related party.

In Q3 2023, repayments of lease obligations in the amount of € 39 thousand were made.



INFORMATION REGARDING BORROWINGS AS AT:

<i>thousand €</i>	Interest rate	30.09.2023	31.12.2022	30.09.2022
Current borrowings				
Current portion of long-term loan (Coop Bank)	6 month EURIBOR +margin 3.5%	32	106	27
Current portion of long-term loan (RDF)	Until 30.12.2022 2%, later 4%	28	83	0
Current portion of long-term lease liability	2.49%	5	31	11
Short term loan from related parties	8%	200	0	0
Bank overdrafts (Coop Bank)	4.2%	53	70	0
Total		318	290	38
Non-current borrowings				
Non-current portion of long-term loan (Coop Bank)	6 month EURIBOR +margin 3.5%	926	926	1,031
Non-current portion of long-term loan (RDF)	Until 30.12.2022 2%, later 4%	1,689	1,917	2,000
Non-current portion of long-term lease liabilities	2.49%	69	32	63
Total		2,684	2,875	3,094
Total borrowings		3,002	3,165	3,132

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES 9M 2023

<i>thousand €</i>	31.12.2022	Cash flows	Non-monetary movements	Interest accrued	Interest paid	Reclassification	30.09.2023
Current portion of long-term loan (Coop Bank)	106	(74)	0	73	(73)	0	32
Current portion of long-term loan (RDF)	83	(83)	0	58	(58)	28	28
Current portion of long-term lease liabilities	31	(39)	13	2	(2)	0	5
Short term loan from related parties	0	200	0	0	0	0	200
Bank overdrafts (Coop Bank)	70	(17)	0	2	(2)	0	53
Non-current portion of long-term loan (Coop Bank)	926	0	0	0	0	0	926
Non-current portion of long-term loan (RDF)	1,917	(200)	0	0	0	(28)	1,689
Non-current portion of long-term lease liabilities	32	0	36	0	0	0	69
Total liabilities from financing activities	3,165	(213)	49	135	(135)	0	3,002



CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES 9M 2022

<i>thousand €</i>	31.12.2021	Cash flows	Non-monetary movements	Interest accrued	Interest paid	Reclassification	30.09.2022
Current portion of long-term loan (Coop Bank)	100	(76)	0	32	(32)	3	27
Current portion of long-term lease liabilities	46	(35)	0	1	(1)	0	11
Bank overdrafts (Coop Bank)	0	0	0	1	(1)	0	0
Non-current portion of long-term loan (Coop Bank)	1,034	0	0	0	0	(3)	1,031
Non-current portion of long-term loan (RDF)	2,000	0	0	57	(57)	0	2,000
Non-current portion of long-term lease liabilities	40	0	23	0	0	0	63
Total liabilities from financing activities	3,220	(111)	23	91	(91)	0	3,132

NOTE 9 PAYABLES AND PREPAYMENTS

<i>thousand €</i>	30.09.2023	31.12.2022	30.09.2022
Trade payables	765	471	965
Payables to employees	131	145	152
<i>incl. accrued holiday pay reserve</i>	50	50	46
Tax liabilities	107	133	140
<i>incl. social security and unemployment insurance</i>	68	83	86
<i>personal income tax</i>	30	40	41
<i>contribution to mandatory funded pension</i>	1	2	2
<i>other taxes</i>	8	8	11
Prepayments received	73	246	99
Other payables	33	19	54
TOTAL	1,109	1,014	1,410

NOTE 10 PROVISIONS

<i>thousand €</i>	
Balance at 31.12.2021	164
incl. current portion of provision	19
incl. non-current portion of provision	145
Movements 2022 9M:	
Use of provision	(19)
Interest cost (Note 19)	4
Balance at 30.09.2022	149
incl. current portion of provision	4
incl. non-current portion of provision	145
Balance at 31.12.2022	145
incl. current portion of provision	18
incl. non-current portion of provision	127



Movements 2023 9M:	
Use of provision	(19)
Interest cost (Note 19)	4
Balance at 30.09.2023	130
incl. current portion of provision	3
incl. non-current portion of provision	127

Provisions are made in relation to the compensations for loss of working capacity of former employees after work accidents. The total amount of the provision has been estimated considering the number of persons receiving the compensation, extent of their disability, their former level of salary, level of pension payments and estimations of the remaining period of payments.

NOTE 11 EQUITY

	Nominal value	Number of shares	Share capital
	€	pcs	thousand €
Balance at 30.09.2023	0.10	4,499,061	450
Balance at 31.12.2022	0.10	4,499,061	450
Balance at 30.09.2022	0.10	4,499,061	450
Balance at 31.12.2021	0.10	4,499,061	450

As of 30.09.2023 the share capital of Nordic Fibreboard AS totalled 449,906.10 euros which consisted of 4,449,061 no par value registered shares with a book value of 0.10 euros per share. Each ordinary share grants its owner one vote in the General Meeting of Shareholders and the right to receive dividends. The minimum share capital outlined in the Articles of Association is 250,000 euros and the maximum share capital is 1,000,000 euros.

As at 30.09.2023 the Group had 1,122 shareholders of which with more than 5% ownership interest were:

Shareholder	Number of shares (pcs)	Ownership interest (%)
NFB Pärnu Holdings OÜ	1,750,135	38.90
Pärnu Holdings OÜ	842,640	18.73
OÜ Kõik või Mittemidagi	643,899	14.31

As at 30.09.2022 the Group had 1,182 shareholders of which with more than 5% ownership interest were:

Shareholder	Number of shares (pcs)	Ownership interest (%)
Pärnu Holdings OÜ	2,592,775	57.63
OÜ Kõik või Mittemidagi	613,991	13.65

As at 30.09.2023 and 30.09.2022 the number of Nordic Fibreboard AS shares owned by the members of the Management Board and Supervisory Board of Nordic Fibreboard AS was as follows:

- Rando Tomingas 0 shares (30.09.2022: 0 shares)
- Sakari Wallin 0 shares (30.09.2022: 0 shares)
- Aigar Kallas 0 shares (30.09.2022: 0 shares)
- Torfinn Losvik 0 shares (30.09.2022: 0 shares)
- Kevin Gustasson 0 shares (30.09.2022: 0 shares)



At the extraordinary general meeting of Nordic Fibreboard AS held on 13.07.2023, Trond Brekke was recalled from the Supervisory Board of Nordic Fibreboard AS, and Aigar Kallas who does not own Nordic fibreboard AS shares, was confirmed as a new member of the Supervisory Board.

Torfinn Losvik have indirect ownership through Pärnu Holdings OÜ, in addition, he owns shares through Stetind OÜ in the amount of 44,206 shares (30.09.2022: 44,206 shares). Rando Tomingas owns shares through Triangel Kapital OÜ in the amount of 36,762 shares (30.09.2022: 36,762 shares).

NOTE 12 EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the profit (loss) attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share have been calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period, taking into account the number of shares potentially issued. As the Group has no option programs valid from 31.12.2020, the Group does not own any potential shares.

	30.09.2023	31.12.2022	31.12.2021
Net profit (-loss) (in thousands of euros)	(567)	1,234	1,202
Weighted average number of shares (th pc)	4,499	4,499	4,499
Basic earnings per share (in euros)	(0.13)	0.27	0.27
Weighted average number of shares used for calculating the diluted earnings per shares (th pc)	4,499	4,499	4,499
Diluted earnings per share (in euros)	(0.13)	0.27	0.27
Last price of the share of Nordic Fibreboard AS on Tallinn Stock Exchange (in euros)	1.00	1.60	1.95

The share of Nordic Fibreboard AS has been listed on Nasdaq Tallinn starting from 25.09.2007.

NOTE 13 SEGMENTS

Operating segments have been determined based on the reports reviewed by the Management Board that are used to make strategic decision. The Management Board considers the business based on the types of products and services as follows:

- Fibreboard manufacturing and sale (Nordic Fibreboard Ltd OÜ) - manufacture general construction boards based on soft wood fibre boards and interior finishing boards in the Pärnu factory and wholesale of those boards.
- Real Estate Management (Pärnu Riverside Development OÜ) – real estate management and development on Suur-Jõe Street 48, Pärnu.

In 2022 and 2023, the furniture retail sales in Estonia (Skano Furniture OÜ) has not been treated separately since the said subsidiary ceased active operations in the first quarter of 2020. Skano Furniture OÜ was liquidated on 18.01.2023.

The Management Board assesses the performance of operating segments based on operating profit and EBITDA as a primary measure. As a secondary measure, the Management Board also reviews net revenue. The Group defines EBITDA as profit before extraordinary other operating costs and net finance costs and tax, depreciation and impairment charges. As extraordinary other business expenses, the Group has treated one-time expenses that have not arisen in the course of normal business activities, but have arisen from some extraordinary circumstances. EBITDA is not a performance measure defined in IFRS. The Group's definition of EBITDA may not be comparable to similarly titled operating profit measures and disclosures by other entities.



All amounts provided to the Management Board are measured in a manner consistent with that of the financial statements.

9 months 2023 <i>thousand €</i>	Fibreboard manufacturing and wholesale	Real Estate Management	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	6,358	34	0	6,392
EBITDA	383	(19)	(30)	334
Amortisation/ depreciation (Notes 5; 6)	367	0	0	367
Operating profit/-loss	16	(19)	(30)	(33)
Extraordinary expenses	406	0	0	406
Finance income (Note 19)	74	0	0	74
Finance costs (Note 19)	200	0	2	202
Net profit/-loss	(516)	(19)	(32)	(567)
Segment assets	7,489	1,688	(280)	8,897
Non-current assets of the segment (Notes 4;5;6;7)	5,420	1,684	0	7,104
Segment liabilities	4,246	54	80	4,380
Additions to non-current assets (Notes 5; 6)	271	0	0	271

9 months 2022 <i>thousand €</i>	Fibreboard manufacturing and wholesale	Real Estate Management	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	9,015	28	0	9,043
EBITDA	1,114	(18)	(25)	1,071
Amortisation/ depreciation (Notes 5; 6)	372	0	0	372
Operating profit/-loss	743	(18)	(26)	699
Finance income (Note 19)	248	0	0	248
Finance costs (Note 19)	96	0	3	99
Net profit/-loss	894	(18)	(28)	848
Segment assets	8,599	985	(195)	9,389
Non-current assets of the segment (Notes 4;5;6;7)	5,718	981	1	6,700
Segment liabilities	4,544	24	123	4,691
Additions to non-current assets (Note 5;6)	239	4	0	243

SALES REVENUE OF BUSINESS BY THE GEOGRAPHICAL LOCATION OF CUSTOMERS:

<i>thousand €</i>	9M 2023			9M 2022		
	Fibreboard manu- facturing and wholesale	Real Estate Management	SEGMENTS TOTAL	Fibreboard manu- facturing and wholesale	Real Estate Management	SEGMENTS TOTAL
European Union	5,855	34	5,889	8,425	28	8,453
Middle East	96	0	96	73	0	73
Asia	102	0	102	69	0	69
Africa	133	0	133	0	0	0
Russia	0	0	0	427	0	427
Other	172	0	172	21	0	21
TOTAL	6,358	34	6,392	9,015	28	9,043



NOTE 14 COST OF GOODS SOLD

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Raw materials and main materials	503	1,073	1,471	2,924
Electricity and heat, water	515	964	1,963	2,821
Labour expenses (Note 17)	286	409	933	1,207
Depreciation (Notes 5;6)	122	124	367	372
Purchased goods	0	0	127	0
Change in balances of finished goods and work in progress	(33)	(235)	513	(348)
Other expenses	40	52	123	158
TOTAL	1,433	2,387	5,497	7,134

NOTE 15 DISTRIBUTION COSTS

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Transportation expenses	69	206	339	709
Labour expenses (Note 17)	48	46	138	138
Agency fees	12	24	48	57
Marketing expense	0	0	2	0
Other expenses	4	2	9	13
TOTAL	133	278	536	919

NOTE 16 ADMINISTRATIVE AND GENERAL EXPENSE

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Labour expenses (Note 17)	57	54	167	173
Purchased services	22	15	112	70
Office supplies	11	12	44	35
Other expenses	10	9	51	37
TOTAL	100	90	374	315

NOTE 17 LABOUR EXPENSES

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Wages and salaries	294	384	935	1,147
Social security and unemployment insurance	96	124	304	371
Fringe benefits paid to employees	2	2	5	8
TOTAL	392	510	1,244	1,526

NOTE 18 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Compensation from insurance	0	33	0	33
TOTAL	0	33	0	33

OTHER OPERATING EXPENSES

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Reclamations	0	0	2	3
Contract fees	0	0	1	1
Membership fees	4	0	5	1
Penalties paid	0	1	4	3
Loss from sales of fixed assets	0	0	0	1
Other costs	0	0	6	0
TOTAL	4	1	18	9



NOTE 19 FINANCIAL INCOME AND EXPENSES

FINANCIAL INCOME

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Received dividends	0	0	0	105
Revaluation of TPD share	0	79	74	143
Total financial income	0	79	74	248

FINANCIAL EXPENSES

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Interest expenses	55	30	154	95
<i>including interest expenses related to provisions (Note 10)</i>	<i>1</i>	<i>1</i>	<i>4</i>	<i>4</i>
Revaluation of TPD shares	24	0	44	0
Other finance cost	0	0	4	4
Total financial cost	79	30	202	99

NOTE 20 RELATED PARTIES

The following parties are considered to be related parties:

- Owners of the parent company;
- Other entities in the same consolidation group;
- Members of the Management, the Management Board and the Supervisory Board of Nordic Fibreboard AS and their close relatives;
- Entities under the control of the members of the Management Board and Supervisory Board;
- Individuals with significant ownership unless these individuals lack the opportunity to exert significant influence over the business decisions of the Group.

As of 30 September 2023, Joakim Johan Helenius, the owner of NFB Pärnu Holdings OÜ, had significant influence over the Group (indirect and direct shareholding of 48.71% in the Company). As of 30 September 2022, the persons with significant influence over the Group were Stetind OÜ (owned by 100% Torfinn Losvik) and Joakim Johan Helenius who both held 50% shareholding in Pärnu Holdings OÜ, a company which owned 57.63% of the Company

BENEFITS (INCL. TAX EXPENSES) TO THE MEMBERS OF THE MANAGEMENT ALL CONSOLIDATION GROUP ENTITIES:

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Membership fees	61	49	154	147
Social tax	20	16	51	49
Total	81	65	205	196

Benefits (incl. tax expenses) include payments of parent and subsidiary company Management Board and Supervisory Board fees paid within the period. The member of the Management Board of Nordic Fibreboard AS will receive severance pay to three months' remuneration according to the contract. No payments were made to members of Supervisory Board.

TRANSACTIONS WITH RELATED PARTIES:

Nordic Fibreboard AS has purchased consultation services from related parties. Transactions with related parties are based on market terms.

<i>thousand €</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Purchased services	5	4	15	12
Total	5	4	15	12



BALANCES WITH RELATED PARTIES AS OF:

<i>thousand €</i>	30.09.2023	31.12.2022	30.09.2022	31.12.2021
Purchased services	9	1	1	1
Short-term loan	200	0	0	0
Total	209	1	1	1

NOTE 21 EVENTS AFTER BALANCE SHEET DATE

At the extraordinary general meeting of Nordic Fibreboard AS held on 10.10.2023, Joakim Johan Helenius was re-elected as a member of the Supervisory Board of Nordic Fibreboard AS, who owned 20,000 Nordic Fibreboard AS shares as of 30.09.2023 and 30.09.2022. Joakim Johan Helenius have indirect ownership through companies NFB Pärnu Holdings OÜ and Pärnu Holdings OÜ.

The Supervisory Board of AS Nordic Fibreboard elected Enel Äkke as a new member of the Management Board whose powers began on 10.10.2023 and are valid for 3 years. Enel Äkke does not own Nordic Fibreboard AS shares. The Supervisory Board of Nordic Fibreboard AS recalled Torfinn Losvik from the Management Board as of 06.11.2023.

At the extraordinary general meeting of Nordic Fibreboard AS held on 27.11.2023, Aigar Kallas was recalled from the Supervisory Board of Nordic Fibreboard AS, Torfinn Losvik was elected as a new member of the Supervisory Board. The council of Nordic Fibreboard AS elected Aigar Kallas as a new member of the Management Board whose mandate began on 22.11.2023 and are valid for 3 years.

On 15.11.2023, an amendment to the overdraft agreement was concluded with Coop Pank AS, which increased the overdraft limit from € 200 thousand to € 700 thousand and confirmed the new interest rate of 6 months EURIBOR+2.9% per year. The contract amendment is valid until 30.04.2025.

