



Fourth quarter and 12 months Interim report 2021

NORDIC FIBREBOARD AS

Consolidated Interim Report for the Fourth quarter and 12 months of 2021
(unaudited)

Beginning of the Interim Report Period:	1.10.2021
End of the Interim Report Period:	31.12.2021
Beginning of the financial year:	1.01.2021
End of the financial year:	31.12.2021
Business name:	Nordic Fibreboard AS
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Homepage:	www.nordicfibreboard.com
Auditor:	AS PricewaterhouseCoopers
Main activity:	Production and wholesales of fibreboards

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COMPANY PROFILE

Nordic Fibreboard AS main activity is production and sale of building materials. Nordic Fibreboard AS is a holding company with subsidiaries Nordic Fibreboard Ltd OÜ, Pärnu Riverside Development OÜ (was established by the demerger of subsidiary in 2019) and Skano Furniture OÜ, herewith in turn Nordic Fibreboard Ltd OÜ owns a subsidiary Suomen Tuulileijona OY.

The Group, as of 31.12.2021, therefore consists of the following companies, all 100% owned:

Subsidiary	Location	Activity
Nordic Fibreboard Ltd OÜ	Estonia	Production and sales
Suomen Tuulileijona OY	Finland	Marketing
Pärnu Riverside Development OÜ	Estonia	Rental and property development
Skano Furniture OÜ	Estonia	Retail

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). Suomen Tuulileijona OY is the marketing company of Nordic's Fibreboard products in Finland.

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

Skano Furniture OÜ is a retail company, whose activity was the sale of home furnishing furniture. The company finished its activities on 31.01.2020, when it closed the last two furniture showrooms. Skano Furniture OÜ subsidiary Skano LT UAB was liquidated on 17.03.2021.

The principal markets of the company are the Nordic, Russia 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 31.12.2021 the Group employed 91 people (31.12.2020: 97 people).



MANAGEMENT REPORT

NORDIC FIBREBOARD AS UNAUDITED RESULTS FOR FOURTH QUARTER AND 12 MONTHS OF 2021

Consolidated net sales for Q4 2021 were € 2.34 million, which was 13% higher than in the same period of previous year (Q4 2020: € 2.07 million), of which the sales revenue of fibreboard was € 2.30 million and the sales revenue of real estate management was € 0.04 million.

Consolidated sales for the full year 2021 was € 10.10 million, a slight decline from 2020 full year sales of € 10.27 million. Main reason for such decline was due to the closure of the second fibreboard factory in March 2020 triggered by the COVID-19 pandemic, which led to a decline of fibreboard sales in year 2021 from year 2020 of € 0.16 million.

Fibreboard sales in Q4 2021 of € 2.31 million was ahead of Q4 2020 sales with € 0.29 million, which was due to fewer production maintenance days during Q4 2021 compared to Q4 2020. In the real estate management subsidiary Pärnu Riverside Development, sales in Q4 2021 of € 0.04 million was a decrease of € 0.03 million from Q4 2020, this being caused by the loss of the largest rental tenant in Q4 2021.

The consolidated EBITDA of Nordic Fibreboard AS was € 215 thousand for Q4 2021 (Q4 2020: EBITDA was € 137 thousand). The improvement in EBITDA was due to slightly improved gross margin as well as less overhead costs in the fibreboard division during Q4 2021 compared to Q4 2020. Overhead costs were lower due to the one-off expense incurred in Q4 2020 for the removal of the old unused office building located at the fibreboard site in Pärnu.

Consolidated net loss for Q4 2021 was € 27 thousand (Q4 2020: net profit € 1,231 thousand). The main reasons for the change in net profit is the refinancing of loans and overdrafts at the end of 2020, which generated a one-off financial income of € 1,237 thousand in Q4 2020. In addition, the net loss for the Q4 2021 includes the loss from the revaluation of the Group's shareholding in the Nasdaq listed real estate company Trigon Property Development AS ("TPD") in the amount of € 89 thousand (TPD shareholding showed a profit of € 32 thousand during Q4 2020).

Net profit for full year 2021 was € 1.20 million (full year 2020: € 1.07 million, after adjusting for the one-off financial income of € 1.24 million from the refinancing at the end of year 2020).

DIVISIONAL REVIEW

REVENUE BY BUSINESS SEGMENTS

<i>€ thousand</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Fibreboards production and sales	2,304	2,007	9,842	10,001
Real Estate Management	36	64	254	212
Furniture retail	0	1	0	56
Group transactions	(0)	0	(0)	(0)
TOTAL	2,339	2,072	10,096	10,269



PROFIT BY BUSINESS SEGMENTS

€ thousand	Q4 2021	Q4 2020	12M 2021	12M 2020
EBITDA by business units:				
Fibreboards production and sales	218	139	1,555	597
Real Estate Management	5	3	15	0
Furniture retail	0	(1)	474	(40)
Group transactions	(8)	(4)	(487)	(18)
TOTAL EBITDA	215	137	1,557	540
Depreciation	(118)	(136)	(498)	(558)
TOTAL OPERATING PROFIT/ LOSS	97	0	1,059	(19)
Net financial costs	(124)	1,231*	143	1,092*
NET PROFIT/ LOSS	(27)	1,231	1,202	1,074

* Net financial costs in Q4 2020 (also 12M 2020) include extraordinary income € 1,237 thousand from loan refinancing.

NORDIC FIBREBOARD LTD: FIBREBOARD

Fibreboard sales in Q4 2021 was € 2.30 million reflects full capacity utilisation of our Pärnu factory. Apart from having usual monthly one-day maintenance periods, we also had the usual year-end longer maintenance period of 14 days, allowing us to make more extensive production machinery maintenance and updates. Demand remained strong during Q4 2021 period, and main priority was given to our usual key customers in the local markets of Finland, Denmark, Estonia, Russia, Sweden, and Latvia. Customers in these key markets accounted for about 90% of our total sales in Q4 2021.

The EBITDA of the fibreboard division in Q4 2021 was € 218 thousand (Q4 2020: € 139 thousand), the EBITDA of fibreboard for the full year in 2021 was € 1,555 thousand (full year in 2020: € 597 thousand). The main reasons for such annual EBITDA improvement were due to an increase in gross margin and lower overhead costs. Gross margin improvement was due to higher capacity utilisation caused by focusing on fewer product thicknesses, which allowed for longer production runs for each produced thickness, which let to improved production profitability. Overhead costs was reduced in 2021 compared to 2020 mainly due to the March 2020 closure of the loss-making Püssi factory, as well as the one-off expense incurred when demolishing the old unused office building located on the Pärnu fibreboard site.

FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

	€ thousand		€ thousand	
	Q4 2021	Q4 2020	12M 2021	12M 2020
European Union	1,992	1,633	8,225	8,327
Russia	273	307	1,356	1,240
Asia	23	49	147	189
Africa	0	0	46	95
Middle East	0	10	13	65
Other	16	9	55	85
TOTAL	2,304	2,007	9,842	10,001

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, including the resale of utilities. Sales in Q4 2021 was € 36 thousand (2020 Q4: € 64 thousand). The reason for the decrease in sales revenue was caused by the loss of the largest tenant.



The real estate management EBITDA for Q4 2021 were positive € 5 thousand (Q4 2020: positive € 3 thousand). The real estate management net profit for Q4 2021 was € 5 thousand (Q4 2020: net profit € 3 thousand).

SKANO FURNITURE: RETAIL SALES

Skano Furniture finished its activities on 31.01.2020, when it closed the last two furniture showrooms, thus the retail sale of furniture did not have any sales revenue in Q4 2021 (Q4 2020, the revenue was € 1 thousand). We are in the process of liquidating Skano Furniture OÜ.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH-FLOW

As of 31.12.2021 the total assets of Nordic Fibreboard AS were € 8.1 million (31.12.2020: € 7.7 million). The liabilities of the company as of 31.12.2021 were € 4.2 million (31.12.2020: € 5.0 million), of which the Group has payables of € 0.4 million as at 31.12.2021 (31.12.2020: € 1.1 million) and borrowings of € 3.2 million as at 31.12.2021 (31.12.2020: also € 3.2 million).

Receivables and prepayments amounted to € 0.9 million as at 31.12.2021 (31.12.2020: € 0.8 million). Inventories were € 0.4 million as of 31.12.2021 (31.12.2020: € 0.5 million). Fixed assets were € 6.7 million as of 31.12.2021 (€ 6.3 million as of 31.12.2020).

During 2021 twelve months, the Group's cash flows from operating activities totalled € 730 thousand (2020 twelve months: € 150 thousand). Investment activities resulted in cash outflows in amount of € 587 thousand during 2021 twelve months, which was mainly due to improvements in production machinery (2020 twelve months: outflow € 56 thousand). Financing activities also resulted in cash outflows of € 112 thousand during twelve months 2021 (2020 twelve months: cash outflow € 75 thousand). Net cash effect during 2021 twelve months cash inflow of € 31 thousand, which compares to 2020 twelve months cash inflows of € 19 thousand.

OUTLOOK

NORDIC FIBREBOARD LTD

Demand for fibreboards continue to be strong, reflecting the growth in the building material market, as well as the growing awareness of the green credentials of soft density fibreboards, as produced by Nordic Fibreboard Ltd.

Management is working on preparing the Pärnu based factory's boiler house to meet the new emission requirements coming into force in 01.01.2025.

Preparations is also being undertaken in upgrading the company's second factory, located in Püssi, so that the factory's technical capabilities is adequate for possible restarting of the factory. The factory's main energy source is gas, and the current high gas prices is therefore making it untenable to consider restarting this factory in the near future.

REAL ESTATE MANAGEMENT

We will continue to manage and develop the property on Suur-Jõe Street 48, Pärnu.

PEOPLE

On the 31st of December 2021, the Group employed 91 people (compared to 97 people as of 31.12.2020). The average number of personnel in Q4 2021 was 96 (Q4 2020: 96).

For twelve months of 2021, wages and salaries with taxes amounted to € 2.0 million (twelve months 2020: also € 2.0 million). Payments made to management board members of all group companies including all subsidiaries with relevant taxes were € 245 thousand in twelve months 2021 and € 217 thousand in twelve months 2020.



FINANCIAL HIGHLIGHTS

€ thousand

Income statement	Q4 2021	Q4 2020	12M 2021	12M 2020
Revenue	2,339	2,072	10,096	10,269
EBITDA	215	137	1,557	540
EBITDA margin	9%	7%	15%	5%
Operating profit	97	0	1,059	(19)
Operating margin	4%	0%	10%	(0%)
Net profit	(27)	1,231	1,202	1,074
Net margin	(1%)	59%	12%	10%

Statement of financial position	31.12.2021	31.12.2020
Total assets	8,063	7,650
Return on assets	15%	14%
Equity	3,850	2,648
Return on equity	31%	41%
Debt-to-equity ratio	52%	65%

Share	31.12.2021	31.12.2020
Last Price*	1.95	0.45
Earnings per share	0.27	0.24
Price-earnings ratio	7.30	1.89
Book value of a share	0.86	0.59
Market to book ratio	2.28	0.76
Market capitalization, € thousand	8,773	2,025
Number of shares, piece	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-equity 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

Nordic Fibreboard AS's interest rate risk relates to changes in EURIBOR (Euro Interbank Offered Rate) since our loans are linked to EURIBOR. At 31.12.2021 six months' EURIBOR rate was (0.546) % and at 31.12.2020 six months' EURIBOR rate was (0.526) %. As EURIBOR is negative and the negative interest in the loan agreement is equal to zero, the continued negative rate of EURIBOR does not have interest expense reducing effect. As the borrowing have a maturity of up to 6 years, management is of the opinion that the floating interest rate will not bear significant impact to Group'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 euro zone. Nordic Fibreboard AS has a cash flow risk arising from the interest rate risk because its 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 euro zone are nominated in EUR. The production has been sold and raw materials for production has mainly been purchased in euros.

RISK OF THE ECONOMIC ENVIRONMENT

The risk of the economic environment for the fibreboard division depends on general developments in the construction and industrial segments. Over the past year, the risk of a possible deterioration in the economic environment has been exacerbated by the COVID-19 pandemic. Europe is still in the throes of a coronavirus pandemic, the impact of the pandemic on the economy is multi-layered and its duration is quite difficult to assess.

FAIR VALUE

The management estimates that the fair values of cash, accounts payable, 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 fourth quarter 2021.

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 or loss 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.

Torfinn Losvik

Chairman of the Management Board

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Pärnu, February 18, 2022



INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

<i>€ thousand</i>	31.12.2021	31.12.2020	31.12.2019
Cash and cash equivalents	57	26	7
Receivables and prepayments (Note 2)	902	794	1,394
Inventories (Note 3)	390	544	894
Total current assets	1,349	1,364	2,296
Investment property (Note 4)	1,152	1,134	1,121
Financial assets at fair value through profit or loss (Note 7)	644	451	397
Property, plant, equipment and right-of-use assets (Note 5)	4,915	4,695	5,212
Intangible assets (Note 6)	3	6	19
Total non-current assets	6,714	6,286	6,749
TOTAL ASSETS	8,063	7,650	9,045
Borrowings (Notes 8)	146	756	4,547
Payables and prepayments (Notes 9)	829	1,574	2,665
Short-term provisions (Note 10)	19	18	20
Total current liabilities	994	2,348	7,232
Long-term borrowings (Notes 8)	3,074	2,493	92
Long-term provisions (Note 10)	145	161	179
Total non-current liabilities	3,219	2,654	271
Total liabilities	4,213	5,002	7,503
Share capital (at nominal value) (Note 11)	450	450	2,699
Share premium	0	0	364
Statutory reserve capital	0	0	288
Other reserves	0	0	84
Retained earnings (loss)	3,400	2,198	(1,894)
Total equity	3,850	2,648	1,542
TOTAL LIABILITIES AND EQUITY	8,063	7,650	9,045

*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>	Q4 2021	Q4 2020	12M 2021	12M 2020
Revenue (Note 13)	2,339	2,072	10,096	10,269
Cost of goods sold (Note 14)	1,843	1,591	7,294	8,099
Gross profit	496	481	2,802	2,170
Distribution costs (Note 15)	277	268	1,168	1,283
Administrative expenses (Note 16)	120	176	565	605
Other operating income (Note 18)	0	18	5	42
Other operating expenses (Note 18)	2	55	15	342
Operating profit (loss)	97	0	1,059	(19)
Finance income (Note 19)	0	1,269	265	1,291
Finance costs (Note 19)	124	38	122	199
Profit (Loss) before income tax	(27)	1,231	1,202	1,074
NET PROFIT (LOSS) FOR THE PERIOD	(27)	1,231	1,202	1,074
Basic earnings per share (Note 12)	(0.01)	0.27	0.27	0.24
Diluted earnings per share (Note 12)	(0.01)	0.27	0.27	0.24

*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>	12M 2021	12M 2020
Cash flows from operating activities		
Operating profit (loss)	1,059	(19)
Adjustments:		
Depreciation charge (Notes 5;6)	497	560
Profit/loss from revaluation of real estate investment (Note 4)	0	(5)
Profit/loss from sale of non-current asset (Note 18)	(2)	(28)
Profit/loss on non-current asset write-off (Note 18)	0	2
Profit/loss from revaluation financial assets (Notes 19)	0	(53)
Non-monetary transactions: reserve for share option	0	32
Change in trade and other receivables (Note 2)	(108)	600
Change in inventories (Note 3)	154	350
Change in trade and other payables (Note 9)	(745)	(1,091)
Cash generated from operations	855	348
Interest payments (Note 19)	(118)	(192)
Net other financial income and expense (Note 19)	(7)	(6)
Net cash generated from operating activities	730	150
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 6;7)	(643)	(78)
Disposal of property, plant and equipment and intangible assets	2	29
Purchase of real estate investment	(18)	(7)
Payout from TPD share capital reduction	72	0
Net cash used in investing activities	(587)	(56)
Cash flows from financing activities		
Loans received (Note 8)	1,200	1,200
Repayment of loans received (Note 8)	(1,266)	(853)
Loans received from related parties (Note 8)	503	549
Repayment of loans received from related parties (Note 8)	(503)	(569)
Repayment of principal element of lease liabilities (Note 8)	(46)	(62)
Change in overdraft (Note 8)	0	(340)
Net cash (used in)/from financing activities	(112)	(75)
NET CHANGE IN CASH	31	19
OPENING BALANCE OF CASH	26	7
CLOSING BALANCE OF CASH	57	26

*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	Share premium	Statutory reserve capital	Other reserves	Retained earnings	Total
Balance at 31.12.2019	2,699	364	288	84	(1,894)	1,542
Share options 2020	0	0	0	(84)	116	32
Other changes	0	(364)	(288)	0	652	0
Change in share capital	(2,250)	0	0	0	2,250	0
<i>Net profit for 2020</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,074</i>	<i>1,074</i>
<i>Other comprehensive income for 2020</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total comprehensive profit for 2020	0	0	0	0	1,074	1,074
Balance at 31.12.2020	450	0	0	0	2,198	2,648
<i>Net profit for 2021</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,202</i>	<i>1,202</i>
<i>Other comprehensive income for 2021</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total comprehensive profit for 2021	0	0	0	0	1,202	1,202
Balance at 31.12.2021	450	0	0	0	3,400	3,850

*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, it operates in Estonia. On December 7, 2021, the legal address of Nordic Fibreboard AS changed, instead of the previous address, Suur-Jõe 48, Pärnu, the new legal address of the Company is Rääma 31, Pärnu.

The Group's main activities are production and sale of softboard, and 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 spun off and transferred to the new entity.

The Group's shares were listed in the Main List of the Tallinn Stock Exchange until 2nd of April 2018, when the shares were moved from the Main List to the Secondary List. The Group's largest shareholder is Pärnu Holdings OÜ (owning 57.63%), and its largest owners as of 31 December 2021 are OÜ Stetind (49.75%) and Joakim Johan Helenius (49.75%).

BASIS 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 Consolidated Annual Report for the financial year that ended on 31.12.2020. 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 2020.

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 4th quarter of 2021 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

€ thousand	31.12.2021	31.12.2020	31.12.2019
Customer receivables	729	677	1,186
Prepaid taxes	151	92	185
Prepaid services	21	16	16
Other receivables	1	9	7
TOTAL	902	794	1,394

Impairment losses of receivables and their reversal are included in the income statement lines *Other Operating income* and *Other Operating expenses*, see also Note 18.



ANALYSIS OF TRADE RECEIVABLES BY AGING:

<i>thousand €</i>	31.12.2021	31.12.2020	31.12.2019
Not past due	678	650	1,034
incl receivables from customers who also have receivables past due	95	75	551
incl receivables from customers who have no receivables past due	583	575	483
Past due but not impaired	51	27	152
Overdue up to 90 days	51	20	140
Overdue more than 90 days	0	7	12
TOTAL	729	677	1,186

NOTE 3 INVENTORIES

<i>€ thousand</i>	31.12.2021	31.12.2020	31.12.2019
Raw materials and other materials	303	181	218
Work-in-progress	41	91	130
Finished goods	32	264	568
Goods purchased for resale	0	0	59
Goods in transit	11	0	0
Prepayments to suppliers	43	48	18
Write-off reserve for inventories	(40)	(41)	(100)
TOTAL	390	544	894

NOTE 4 INVESTMENT PROPERTY

	<i>thousand €</i>
Carrying amount 31.12.2019	1,121
Capitalized cost	8
Fair value revaluation	5
Carrying amount 31.12.2020	1,134
Capitalized cost	18
Carrying amount 31.12.2021	1,152

The investment properties consist of the real estate owned by Pärnu Riverside OÜ in Pärnu, Suur-Jõe street 48 and the part of the real estate owned by Nordic Fibreboard Ltd OÜ, Rääma street 31.

The amount of expenses related to the management of investments properties with resold expenses during the 12M 2021 were € 210 thousand and € 205 thousand in 12M 2020. Rental income from investment properties, including utilities, for 12M 2021 was € 254 thousand and € 212 thousand in 12M 2020. Capitalized cost of investment property during 2021 and 2020 are related to expenses of Suur-Jõe 48, Pärnu detail plan.



thousand €

31.12.2019	
Share of registered immovable property at Suur-Jõe 48, Pärnu	951
Share of registered immovable property at Rääma Street 31, Pärnu	170
31.12.2020	
Share of registered immovable property at Suur-Jõe 48, Pärnu	959
Share of registered immovable property at Rääma Street 31, Pärnu	175
31.12.2021	
Share of registered immovable property at Suur-Jõe 48, Pärnu	977
Share of registered immovable property at Rääma Street 31, Pärnu	175

NOTE 5 PROPERTY PLANT EQUIPMENT AND RIGHT-OF-USE ASSETS

thousand €	Land	Buildings and facilities	Machinery and equipment	Other fixtures	Construction-in-progress	Right-of-use asset	TOTAL
Cost at 31.12.2019	191	2,573	10,773	95	70	267	13,969
Accumulated depreciation at 31.12.2019	0	(1,649)	(6,938)	(91)	0	(79)	(8,757)
Carrying amount at 31.12.2019	191	924	3,835	4	70	188	5,212
Additions	0	0	33	0	77	0	110
Reclassification	0	0	116	0	(116)	0	0
Disposals and write-offs (Note 18)	0	(32)	(176)	(6)	0	(137)	(351)
Accumulated depreciation of fixed assets written off	0	31	175	6	0	60	271
Depreciation (Notes 14;16)	0	(83)	(401)	(2)	0	(62)	(548)
Cost at 31.12.2020	191	2,541	10,747	89	31	130	13,728
Accumulated depreciation at 31.12.2020	0	(1,701)	(7,165)	(87)	0	(81)	(9,034)
Carrying amount at 31.12.2020	191	840	3,582	3	31	49	4,694
Additions	0	0	48	0	580	104	732
Reclassification	0	15	123	0	(138)	0	0
Disposals and write-offs (Note 18)	0	0	(72)	0	0	(120)	(192)
Accumulated depreciation of fixed assets written off	0	0	72	0	0	100	172
Depreciation (Notes 14;16)	0	(78)	(365)	(1)	0	(47)	(491)
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



NOTE 6 INTANGIBLE ASSETS

<i>thousand €</i>	Computer software
Cost at 31.12.2019	87
Accumulated amortisation at 31.12.2019	(69)
Carrying amount 31.12.2019	18
Additions 2020	0
Disposals and write-offs (Note 18)	(10)
Accumulated depreciation of fixed assets written off	10
Amortisation charge (Notes 14;16)	(12)
Cost at 31.12.2020	77
Accumulated amortisation at 31.12.2020	(71)
Carrying amount 31.12.2020	6
Additions 2021	2
Disposals and write-offs (Note 18)	(66)
Accumulated depreciation of fixed assets written off	66
Amortisation charge (Notes 14;16)	(6)
Cost at 31.12.2021	14
Accumulated amortisation at 31.12.2021	(11)
Carrying amount 31.12.2021	3

NOTE 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>thousand €</i>	31.12.2021	Change 12M 2021	31.12.2020	31.12.2019
Non-current assets				
Listed securities - Equity securities - cost at	338	(72)	410	410
Revaluation	306	265	40	(13)
Fair value as at	644	193	451	397

In June 2021, Trigon Property development AS decided to reduce the share capital by reducing the book value of the shares by making equity payments to shareholders of € 0.089 per share, as a result of which the acquisition cost of financial assets decreased by € 72 thousand. The disbursement of equity was received on 13.12.2021.

Financial assets at fair value through profit or loss (Trigon Property Development AS shares) have been revaluated to reflect fair value based on last price at 31.12.2021, 31.12.2020 and 31.12.2019 as shown on Nasdaq Tallinn Stock Exchange.

NOTE 8 BORROWINGS

In the second quarter of 2021, Nordic Fibreboard AS and its subsidiary Nordic Fibreboard Ltd entered into loan agreements with Coop Bank for the full refinancing of Swedbank AS Group loan. The loan provided by Coop Bank AS has a duration of 5 years with 10 year amortisation schedule, and carry an interest rate of 4.5% per annum. There is also a one-year overdraft agreement with Coop Bank AS entered into in the second quarter of 2021 with a limit of € 200 thousand. The interest rate on the overdraft is 4% per annum.



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<i>thousand €</i>	Interest rate	31.12.2021	31.12.2020	31.12.2019
Current borrowings				
Current portion of long-term loan (Swedbank)	6 month EURIBOR+5%	0	717	4,090
Current portion of long-term loan (Coop Bank)	6 month EURIBOR+4.5%	100	0	0
Current portion of long-term lease liabilities	6 month EURIBOR+2.49%	46	39	97
Short term loan from related parties	5%	0	0	20
Bank overdrafts (Swedbank)	5%	0	0	340
Total		146	756	4,547
Non-current borrowings				
Non-current portion of long-term loan (Swedbank)	6 month EURIBOR+5%	0	483	0
Non-current portion of long-term loan (Coop Bank)	6 month EURIBOR+4.5%	1,034	0	0
Non-current portion of long-term loan (MES)	Until 30.12.2022 2%, later 4%	2,000	2,000	0
Non-current portion of long-term lease liabilities	6 month EURIBOR+2.49%	40	10	92
Total		3,074	2,493	92
Total borrowings		3,220	3,249	4,639

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES IN 2021

Changes in liabilities arising from financing activities <i>thousand €</i>	31.12.2020	Cash flows	Non-monetary settlements	Interest accrued	Interest paid	Reclassification	31.12.2021
Current portion of long-term loan (Swedbank)	717	(717)	0	26	(26)	0	0
Current portion of long-term loan (Coop Bank)	0	(66)	0	49	(49)	166	100
Current portion of long-term lease liabilities	39	(46)	(12)	2	(2)	65	46
Bank overdrafts (Coop Bank)	0	0	0	1	(1)	0	0
Non-current portion of long-term loan (Swedbank)	483	(483)	0	0	0	0	0
Non-current portion of long-term loan (Coop Bank)	0	1,200	0	0	0	(166)	1,034
Non-current portion of long-term loan (MES)	2,000	0	0	40	(40)	0	2,000
Non-current portion of long-term lease liabilities	10	0	95	0	0	(65)	40
Total liabilities from financing activities	3,249	(112)	83	118	(118)	0	3,220



CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES IN 2020

Changes in liabilities arising from financing activities <i>thousand €</i>	31.12.2019	Cash flows	Non-monetary settlements	Interest accrued	Interest paid	Reclassification	31.12.2020
Current portion of long-term loan (Swedbank)	4,090	(853)	(2,000)	173	(173)	(520)	717
Current portion of long-term lease liabilities	97	(62)	(33)	3	(3)	37	39
Short term loan from related parties	20	(20)	0	1	0	0	0
Bank overdrafts (Swedbank)	340	(340)	0	16	(16)	0	0
Non-current portion of long-term loan (Swedbank)	0	1,200	0	0	0	(717)	483
Non-current portion of long-term loan (MES)	0	0	2,000	0	0	0	2,000
Non-current portion of long-term lease liabilities	92	0	(45)	0	0	(37)	10
Total liabilities from financing activities	4,639	(75)	(78)	192	(192)	(1,237)	3,249

NOTE 9 TRADE AND OTHER PAYABLES

<i>thousand €</i>	31.12.2021	31.12.2020	31.12.2019
Trade payables	367	1,110	2,226
Payables to employees incl. accrued holiday pay reserve	149	138	163
Tax liabilities incl. social security and unemployment insurance	46	33	36
personal income tax	137	128	162
contribution to mandatory funded pension	87	82	101
value added tax	40	35	42
other taxes	2	3	4
Prepayments received	0	0	5
Other payables	8	8	10
TOTAL	152	162	82
	24	36	32
	829	1,574	2,665

NOTE 10 PROVISIONS

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. As of 31.12.2021 the provisions for former employees was increased by € 3 thousand due to the extension of the accounting period of one beneficiary.



<i>thousand €</i>	
Balance at 31.12.2019	199
incl. current portion of provision	20
incl. non-current portion of provision	179
Movements 2020:	
Use of provision	(24)
Interest cost (Note 19)	3
Balance at 31.12.2020	179
incl. current portion of provision	18
incl. non-current portion of provision	161
Movements 2021:	
Use of provision	(25)
Interest cost (Note 19)	7
Increase of reserve	3
Balance at 31.12.2021	164
incl. current portion of provision	19
incl. non-current portion of provision	145

NOTE 11 EQUITY

	Nominal value €	Number of shares pcs	Share capital <i>thousand €</i>
Balance at 31.12.2021	0.10	4,499,061	450
Balance at 31.12.2020	0.10	4,499,061	450
Balance at 31.12.2019	0.60	4,499,061	2,699

As of 31.12.2021 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 31.12.2021 the Group had 1,048 shareholders (31.12.2020: 485 shareholders) of which with more than 5% ownership interest were:

- Pärnu Holdings OÜ with 2,592,775 shares or 57.63% (31.12.2020: 2,682,192 shares or 59.62%)
- Gamma Holding Investment OÜ with 605,300 shares or 13.45% (31.12.2019: 374,968 shares or 8.06%)

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:

- Joakim Johan Helenius 20,000 shares (31.12.2020: 20,000 shares)
- Trond Brekke 0 shares (31.12.2020: 0 shares)
- Sakari Wallin 0 shares (31.12.2020: 0 shares)
- Torfinn Losvik 0 shares (31.12.2020: 0 shares)



Both Joakim Johan Helenius and Torfinn Losvik have indirect ownership through parent company Pärnu Holdings OÜ. Torfinn Losvik owns shares through Stetind OÜ in the amount of 44,206 shares (2020: 44,206 shares).

Until 31.12.2020, Torfinn Losvik had a share option agreement for a total of 300,000 share options, such share option agreement was signed 11 October 2017. Strike price was higher (€ 0.506) compared to the market price (€ 0.45 as of 31.12.2020) and the option agreement was not used, thus the option reserve was released and accounted in retained earnings.

NOTE 12 EARNINGS PER SHARE

	31.12.2021	31.12.2020	31.12.2019
Net profit (-loss) (in thousands of euros)	1,202	1,074	(1,398)
Weighted average number of shares (units)	4,499	4,499	4,499
Basic earnings per share	0.27	0.24	(0.31)
Weighted average number of shares used for calculating the diluted earnings per shares (units)	4,499	4,499	4,630
Diluted earnings per share	0.27	0.24	(0.30)
Book value of share	0.86	0.59	0.34
Price/earnings ratio (P/E)	7.30	1.89	(1.32)
Last price of the share of Nordic Fibreboard AS on Tallinn Stock Exchange at 31.12.2021, 31.12.2020, 31.12.2019.	1.95	0.45	0.41
Weighted average number of shares used as the denominator (units)			
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (th pc)	4,499	4,499	4,499
Adjustments for calculation of diluted earnings per share:			
Share options (2017 program)	0	0	131
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (th pc)	4,499	4,499	4,630

Diluted earnings (loss) per share is calculated based on the net profit (loss) and the number of shares plus contingent shares corresponding with the Group's option programs. Nordic Fibreboard share price on average has been lower than the exercise price of options granted to Torfinn Losvik. The share options were valid until 31.12.2020 with strike price of € 0.506. Since the Strike price was higher compared to the market price the option agreement was not used, thus the option reserve was released and accounted in retained earnings.

The share of Nordic Fibreboard AS has been listed on Tallinn Stock Exchange 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 current business based on the types of products and services as follows:

- Fibreboard manufacturing and sale (Nordic Fibreboard Ltd OÜ and Suomen Tuulileijona Oy) - 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 48, Pärnu.
- Furniture retail sale (Skano Furniture OÜ) - retail sales of furniture in Estonia, ceased active operations in the first quarter of 2020.



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.

All amounts provided to the Management Board are measured in a manner consistent with that of the financial statements. Inter-segment sales are carried out at arm's length.

BUSINESS SEGMENTS:

12 months 2021 <i>thousand €</i>	Fibreboard manufacturing and wholesale	Real Estate Management	Furniture retail sale	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	9,842	254	0	0	10,096
Inter-segment revenue	0	0	0	(0)	0
Operating profit/-loss	1,057	15	474	(487)	1,059
Amortisation/ depreciation (Notes 5; 6)	496	0	0	1	497
Segment assets	7,209	994	1	(141)	8,063
Non-current assets of the segment (Note 4; 5; 6; 7)	5,736	977	0	1	6,714
Segment liabilities	4,049	14	0	151	4,213
Additions to non-current assets (Note 5;6)	734	18	0	0	752
Interest expenses (Note 19)	117	0	0	5	122

12 months 2020 <i>thousand €</i>	Fibreboard manufacturing and wholesale	Rental Estate Management	Furniture retail sale	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	10,001	212	56	0	10,269
Inter-segment revenue	0	0	0	(0)	0
Operating profit/-loss	39	0	(40)	(18)	(19)
Amortisation/ depreciation (Notes 5; 6)	558	0	0	1	558
Segment assets	6,751	1,011	11	(122)	7,650
Non-current assets of the segment (Note 4; 5; 6; 7)	5,325	959	0	1	6,286
Segment liabilities	4,795	45	483	(322)	5,002
Additions to non-current assets (Note 5; 6)	110	8	0	0	118
Interest expenses (Note 19)	178	0	0	17	194



BUSINESS SEGMENT BY THE GEOGRAPHICAL LOCATION OF CUSTOMERS:

<i>thousand €</i>	12M 2021				12M 2020			
	Fibreboard manufacturing and wholesale	Real Estate Management	Furniture retail sale	SEGMENTS TOTAL	Fibreboard manufacturing and wholesale	Real Estate Management	Furniture retail sale	SEGMENTS TOTAL
European Union	8,225	254	0	8,478	8,327	212	56	8,594
Russia	1,356	0	0	1,356	1,240	0	0	1,240
Asia	147	0	0	147	189	0	0	189
Africa	46	0	0	46	96	0	0	96
Middle East	13	0	0	13	65	0	0	65
Other	55	0	0	55	85	0	0	85
TOTAL	9,842	254	0	10,096	10,001	212	56	10,269

NOTE 14 COST OF GOODS SOLD

<i>thousand €</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Raw materials and main materials	608	566	2,483	2,689
Electricity, heat and water	590	555	2,329	2,705
Labour expenses (Note 18)	387	356	1,532	1,600
Depreciation (Note 6;7)	118	136	497	557
Purchased goods	0	0	0	68
Change in balances of finished goods and work in progress	75	(56)	269	257
Other expenses	65	34	184	223
TOTAL	1,843	1,591	7,294	8,099

NOTE 15 DISTRIBUTION COSTS

<i>thousand €</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Transportation expenses	181	182	837	921
Labour expenses (Note 18)	68	47	199	192
Commission fees	24	37	107	146
Marketing expense	1	0	1	3
Other expenses	3	2	24	21
TOTAL	277	268	1,168	1,283

NOTE 16 ADMINISTRATIVE AND GENERAL EXPENSES

<i>thousand €</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Labour expenses (Note 18)	60	56	220	248
Purchased services	31	92	266	285
Office supplies	5	3	13	10
Depreciation (Note 6;7)	0	0	1	1
Other expenses	24	24	65	60
TOTAL	120	176	565	605



NOTE 17 LABOUR EXPENSES

<i>thousand €</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Wages and salaries	392	348	1,478	1,551
Social security and unemployment insurance	123	111	473	490
Fringe benefits paid to employees	8	7	19	18
TOTAL	523	466	1,970	2,059

NOTE 18 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME

<i>thousand €</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Compensation from insurance	0	5	0	5
Profit from sale of fixed assets	0	6	2	28
Other operating income	0	7	3	9
TOTAL	0	18	5	42

OTHER OPERATING EXPENSES

<i>thousand €</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Reclamations	0	0	1	19
Contract and factoring fees	0	2	8	3
Membership fees	0	0	1	3
Doubtful receivables	0	12	0	12
Penalties paid	2	1	5	72
Loss from sales of fixed assets	0	1	0	2
Other costs	0	39*	0	231*
TOTAL	2	55	15	342

* Other operating expenses in the 2020 include the closure cost of the Püssi factory in the Q1 of € 187 thousand and in the Q4 a one-time cost of € 38 thousand for the demolition of the building that was not used.

NOTE 19 FINANCIAL INCOME AND EXPENSES

<i>thousand €</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Financial income:				
Interests received	0	0	0	1
Revaluation of TPD shares	0	32	265	53
Loans and overdrafts refinancing	0	1,237	0	1,237
TOTAL	0	1,269	265	1,291

<i>thousand €</i>				
Financial cost:				
Interest expenses	35	38	122	194
<i>including interest expenses related to provisions (Note 13)</i>	2	0	7	3
Revaluation of TPD shares	89	0	0	0
Other finance cost	0	0	0	5
TOTAL	124	38	122	199



NOTE 20 RELATED PARTIES

The following parties are considered to be related parties:

- Parent company Pärnu Holdings OÜ and 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 31 December 2021, the largest shareholder of Pärnu Holdings OÜ and the entities with significant influence over the Group are: Joakim Johan Helenius (50%) and Stetind OÜ (50%), as of 31 December 2020 Joakim Johan Helenius (46%) and Stetind OÜ (47%). The owner of Stetind OÜ is Torfinn Losvik.

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

<i>thousand €</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Membership fees	59	45	184	163
Social tax	20	15	61	54
Total	79	59	245	217

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.

SALES AND PURCHASES FROM RELATED PARTIES:

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

<i>thousand €</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Goods sold	0	0	0	9
Purchased services	5	7	17	20
Total	5	7	17	29

BALANCES WITH RELATED PARTIES AS OF:

<i>thousand €</i>	31.12.2021	31.12.2020
Purchased services	1	17
Short-term loan interest	0	1
Total	1	18

