



**First quarter  
Interim report  
2022**

**NORDIC FIBREBOARD AS**

Consolidated Interim Report for the First quarter of 2022  
(unaudited)

Beginning of the Interim Report Period:	1.01.2022
End of the Interim Report Period:	31.03.2022
Beginning of the financial year:	1.01.2022
End of the financial year:	31.12.2022
Business name:	Nordic Fibreboard AS
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Homepage:	www.nordicfibreboard.com
Auditor:	AS PricewaterhouseCoopers
Main activity:	Production and sales 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 and Skano Furniture OÜ, herewith in turn Nordic Fibreboard Ltd OÜ owns a subsidiary Suomen Tuulileijona OY.

The Group, as of 31.03.2022, 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 (operations ended)

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.

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 31.03.2022 the Group employed 95 people (31.03.2021: 97 employees).



## MANAGEMENT REPORT

### NORDIC FIBREBOARD AS UNAUDITED RESULTS FOR FIRST QUARTER OF 2022

Consolidated net sales for Q1 2022 were € 2.60 million (down 8% compared to Q1 2021). The main business area is the production and wholesale of fibreboard, which recorded sales in Q1 2022 of € 2.59 million (down 6% compared to Q1 2021). The remaining business area is real estate management of the property owned in Suur-Jõe street in Pärnu, who recorded sales of € 0.01 million in Q1 2022 (down from sales of € 0.08 million in Q1 2021).

Sales from production of fibreboards in Q1 2022 experienced a decline from Q1 2021 due to less volume sold as a consequence of more stoppages on the production line. Demand for our fibreboards during Q1 2022 was very strong, and production was running at full capacity. Delivery times to our key customers was on average 3 months, which has been the norm during the last 2 years. Operating profit, ie EBITDA, for Q1 2022 was € 279 thousand (ie 11% of sales), down from being € 496 thousand in Q1 2021 (ie 18% of sales). The main reason for this reduction in profitability is due to the sharp increase in raw material costs, ie woodchips and energy, experienced during Q1 2022.

Real estate management lost its largest tenant end of last year, which thus resulted in less sales in Q1 2022 compared to Q1 2021 (€ 9 thousand compared to € 89 thousand). This resulted in an operating loss of € 10 thousand in Q1 2022 (Q1 2021: € 8 thousand operating profit).

Financial income in Q1 2022 was positively affected by an increase of € 52 thousand in value of the shares owned by Nordic Fibreboard in the real estate company Trigon Property Development (TPD), listed on the stock exchange Nasdaq Tallinn. The shares were valued at € 644 thousand at start of Q1 2022, and ended up being valued at € 696 thousand at end of Q1 2022 (in Q1 2021, the shares value increased with € 255 thousand).

Group's consolidated net profit therefore for Q1 2022 was € 152 thousand (Q1 2021: profit € 550 thousand).

### DIVISIONAL REVIEW

#### REVENUE BY BUSINESS SEGMENTS

<i>€ thousand</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
Fibreboards production and sales	2,591	2,757
Real Estate Management	9	89
<b>TOTAL</b>	<b>2,600</b>	<b>2,846</b>

#### PROFIT BY BUSINESS SEGMENTS

<i>€ thousand</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
EBITDA by business units:		
Fibreboards production and sales	279	496
Real Estate Management	(10)	8
Group transactions	(14)	(20)
<b>TOTAL EBITDA</b>	<b>255</b>	<b>484</b>
Depreciation	(121)	(133)
<b>TOTAL OPERATING PROFIT/ LOSS</b>	<b>134</b>	<b>351</b>
Net financial costs	18*	199*
<b>NET PROFIT/ LOSS</b>	<b>152</b>	<b>550</b>

\* Includes upward value adjustment from Fibreboard's shareholding in real estate development company TPD due to its share price appreciation during Q1 2022 and Q1 2021. TPD owns a business park development area in Pärnu.



## NORDIC FIBREBOARD LTD: FIBREBOARD PRODUCTIONS AND SALES

Fibreboard sales for Q1 2022 were 2.59 € million. The order backlog remained strong throughout Q1 2022, which led us to prioritise our key customers in the nearby markets. EBITDA of € 279 thousand was 11% of sales in Q1 2022, down from 18% of sales in Q1 2021, such decrease being mainly due to the rapid rise during Q1 2022 in the cost of our main raw material, ie woodchips, as well as heating costs.

### FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

<i>€ thousand</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
European Union	2,259	2,159
Russia	269	433
Asia	41	102
Middle East	13	0
Other	9	16
Africa	0	47
<b>TOTAL</b>	<b>2,591</b>	<b>2,757</b>

## 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 € 9 thousand in Q1 2022, (Q1 2021: € 89 thousand). The reason for the decrease in sales revenue was caused by the loss of the largest tenant at the end of 2021.

The real estate management EBITDA for Q1 2022 were negative € 10 thousand (Q1 2021: positive € 8 thousand).

## STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 31.03.2022 the total assets of Nordic Fibreboard AS were € 8.6 million (31.03.2021: € 7.8 million). The liabilities of the company as of 31.03.2022 were € 4.6 million (31.03.2021: also € 4.6 million), of which Group has payables of € 0.8 million as at 31.03.2022 (31.03.2021: € 0.9 million) and borrowings of € 3.2 million as at 31.03.2022 (31.03.2021: also € 3.2 million).

Receivables and prepayments amounted to € 1.4 million as at 31.03.2022 (31.03.2021: € 1.0 million). Inventories were € 0.4 million as of 31.03.2022 (31.03.2021: € 0.3 million). Fixed assets were € 6.7 million as of 31.03.2022 (€ 6.4 million as of 31.03.2021).

During 2022 Q1, the Group's cash flows from operating activities totalled € 78 thousand (2021 Q1: € 196 thousand). Investment activities resulted in cash outflows in amount of € 98 thousand in 2022 Q1, which was mainly due to improvements in production machinery (2021 Q1: outflow € 27 thousand). Financing activities also resulted in cash outflows of € 35 thousand in Q1 2022 (2021 Q1: cash outflow € 64 thousand). Net cash effect during 2022 Q1 cash outflow of € 55 thousand (2021 Q1: cash inflow € 105 thousand).

## OUTLOOK

### NORDIC FIBREBOARD LTD

Demand for fibreboards continue to be strong. The increase in our raw materials costing led us to implement price increases during Q2 2022, which should largely offset the cost increases.

Management is working on preparing the Pärnu factory's boiler house to meet the new emission requirements coming into force in 01.01.2025. Our second factory, located in Püssi, is using gas as its



main energy source and the current high gas prices is currently making it untenable to consider restarting this factory in the near future.

The ongoing war in Ukraine has resulted in us ending our sales of fibreboards to our Russian customers, and our Ukrainian customers is understandably still unable to restart their business. However, the current strong demand picture is resulting in a strong order book, thus the loss of sales to Russian and Ukrainian customers is not having any negative impact on our total sales.

#### PÄRNU RIVERSIDE DEVELOPMENT

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

#### PEOPLE

On the 31.03.2022, the Group employed 95 people (compared to 97 people as of 31.03.2021). The average number of personnel in Q1 2022 was 93 (Q1 2021: 95).

For three months of 2022, wages and salaries with taxes amounted to € 484 thousand (three months 2021: € 460 thousand). Payments made to management board members of all group companies including all subsidiaries with relevant taxes were € 65 thousand in Q1 2022 and € 55 thousand in Q1 2021.



## FINANCIAL HIGHLIGHTS

€ thousand

<b>Income statement</b>	<b>Q1 2022</b>	<b>Q1 2021</b>
Revenue	2,600	2,846
EBITDA	255	484
EBITDA margin	10%	17%
Operating profit	134	351
Operating margin	5%	12%
Net profit	152	550
Net margin	6%	19%
<b>Statement of financial position</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Total assets	8,580	7,839
Return on assets	2%	7%
Equity	4,002	3,199
Return on equity	4%	17%
Debt-to-equity ratio	53%	59%
<b>Share</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Last Price (€)*	1.83	0.71
Earnings per share (€)	0.18	0.48
Price-earnings ratio	10.25	1.48
Book value of a share (€)	0.89	0.71
Market to book ratio	2.06	1.00
Market capitalization (€ thousand)	8,233	3,194
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 number of 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 31.03.2022 six months' EURIBOR rate was (0.367)% and at 31.03.2021 (0.509)%. 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. However, 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 euros. 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. In recent years, the risk of a possible deterioration in the economic environment has been exacerbated by the COVID-19 pandemic. However, the economic environment in the Q1 2022 has been most affected by Russia's aggression against Ukraine, which affects not only the European but also the world economy.

### 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 first quarter 2022.

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 10-24 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, **May 31**, 2022



## INTERIM FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

<i>€ thousand</i>	31.03.2022	31.12.2021	31.03.2021	31.12.2020
Cash and cash equivalents	2	57	131	26
Receivables and prepayments (Note 2)	1,401	902	975	794
Inventories (Note 3)	436	390	329	544
<b>Total current assets</b>	<b>1,839</b>	<b>1,349</b>	<b>1,435</b>	<b>1,364</b>
Investment property (Note 4)	1,152	1,152	1,134	1,134
Financial assets at fair value through profit or loss (Note 7)	696	644	676	451
Property, plant and equipment (Note 5)	4,890	4,915	4,591	4,695
Intangible assets (Note 6)	3	3	3	6
<b>Total non-current assets</b>	<b>6,741</b>	<b>6,714</b>	<b>6,404</b>	<b>6,286</b>
<b>TOTAL ASSETS</b>	<b>8,580</b>	<b>8,063</b>	<b>7,839</b>	<b>7,650</b>
Borrowings (Note 8)	114	146	691	756
Payables and prepayments (Note 9)	1,234	829	1,282	1,574
Short-term provisions (Note 10)	14	19	13	18
<b>Total current liabilities</b>	<b>1,362</b>	<b>994</b>	<b>1,986</b>	<b>2,348</b>
Long-term borrowings (Note 8)	3,071	3,074	2,493	2,493
Long-term provisions (Note 10)	145	145	161	161
<b>Total non-current liabilities</b>	<b>3,216</b>	<b>3,219</b>	<b>2,654</b>	<b>2,654</b>
<b>Total liabilities</b>	<b>4,578</b>	<b>4,213</b>	<b>4,640</b>	<b>5,002</b>
Share capital (at nominal value) (Note 11)	450	450	450	450
Retained earnings (loss)	3,552	3,400	2,749	2,198
<b>Total equity</b>	<b>4,002</b>	<b>3,850</b>	<b>3,199</b>	<b>2,648</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,580</b>	<b>8,063</b>	<b>7,839</b>	<b>7,650</b>

\*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>	Q1 2022	Q1 2021
<b>Revenue (Note 13)</b>	<b>2 600</b>	<b>2,846</b>
Cost of goods sold (Note 14)	2 060	1,979
<b>Gross profit</b>	<b>540</b>	<b>867</b>
Distribution costs (Note 15)	284	342
Administrative expenses (Note 16)	121	172
Other operating income (Note 18)	0	2
Other operating expenses (Note 18)	1	4
<b>Operating profit</b>	<b>134</b>	<b>351</b>
Finance income (Note 19)	52	225
Finance costs (Note 19)	34	26
PROFIT BEFORE INCOME TAX	152	550
<b>NET PROFIT FOR THE PERIOD</b>	<b>152</b>	<b>550</b>
Basic earnings per share (Note 12)	0.03	0.12
Diluted earnings per share (Note 12)	0.03	0.12

\*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>	Q1 2022	Q1 2021
<b>Cash flows from operating activities</b>		
<b>Operating profit (loss)</b>	<b>134</b>	<b>351</b>
Adjustments:		
Depreciation charge (Notes 5; 6)	121	133
Profit from disposal of non-current asset (Note 18)	1	0
Change in trade and other receivables (Note 2)	(499)	(180)
Change in inventories (Note 3)	(46)	215
Change in trade and other payables (Note 9)	405	(292)
Change in provisions (Note 10)	(5)	(5)
<b>Cash generated from operations</b>	<b>111</b>	<b>222</b>
Interest payments (Note 19)	(33)	(25)
Net other financial income and expense	0	(1)
<b>Net cash generated from operating activities</b>	<b>78</b>	<b>196</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (Notes 5; 6)	(104)	(27)
Disposal of property, plant and equipment and intangible assets (Notes 5; 6)	6	0
<b>Net cash used in investing activities</b>	<b>(98)</b>	<b>(27)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans received (Note 8)	(24)	(53)
Loans received from related parties (Note 8)	0	263
Repayment of loans received from related parties (Note 8)	0	(263)
Change in overdraft (Note 8)	1	0
Repayment of principal element of lease liability (Note 8)	(12)	(11)
<b>Net cash (used in)/from financing activities</b>	<b>(35)</b>	<b>(64)</b>
<b>NET CHANGE IN CASH</b>	<b>(55)</b>	<b>105</b>
<b>OPENING BALANCE OF CASH</b>	<b>57</b>	<b>26</b>
<b>CLOSING BALANCE OF CASH</b>	<b>2</b>	<b>131</b>

\*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	Retained earnings	Total
<b>Balance at 31.12.2020</b>	<b>450</b>	<b>2,198</b>	<b>2,648</b>
<i>Net loss for 3M 2021</i>	<i>0</i>	<i>550</i>	<i>550</i>
Total comprehensive profit/loss for 3M 2021	0	550	550
<b>Balance at 31.03.2021</b>	<b>450</b>	<b>2,749</b>	<b>3,199</b>
<b>Balance at 31.12.2021</b>	<b>450</b>	<b>3,400</b>	<b>3,850</b>
<i>Net profit/loss for 3M 2022</i>	<i>0</i>	<i>152</i>	<i>152</i>
Total comprehensive profit/loss for 3M 2022	0	152	152
<b>Balance at 31.03.2022</b>	<b>450</b>	<b>3,552</b>	<b>4,002</b>

\*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 sale 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. The Group's largest shareholder is Pärnu Holdings OÜ (owning 57.63%), and its largest owners are OÜ Stetind (46.71% of the share capital and 49.75% of the voting shares) and Joakim Johan Helenius (46.71% of the share capital and 49.75% of the voting shares) by the time of compiling these financial statements.

#### 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 Annual Report for the financial year that ended on 31.12.2021. 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 2021.

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 1st quarter of 2022 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>	<b>31.03.2022</b>	<b>31.12.2021</b>	<b>31.03.2021</b>	<b>31.12.2020</b>
Trade receivables	1,202	729	851	677
Prepaid taxes	185	151	99	92
Prepaid services	14	22	19	17
Other receivables	0	1	6	9
<b>TOTAL</b>	<b>1,401</b>	<b>902</b>	<b>975</b>	<b>795</b>

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>	31.03.2022	31.12.2021	31.03.2021	31.12.2020
<b>Not past due</b>	<b>1,192</b>	<b>678</b>	<b>836</b>	<b>650</b>
incl receivables from customers who also have receivables past due	0	95	8	75
incl receivables from customers who have no receivables past due	1,192	583	828	575
<b>Past due but not impaired</b>	<b>10</b>	<b>51</b>	<b>15</b>	<b>27</b>
Overdue up to 90 days	10	51	8	20
Overdue more than 90 days	0	0	7	7
<b>TOTAL</b>	<b>1,202</b>	<b>729</b>	<b>851</b>	<b>677</b>

NOTE 3 INVENTORIES

<i>€ thousand</i>	31.03.2022	31.12.2021	31.03.2021	31.12.2020
Raw materials and other materials	293	303	171	181
Work-in-progress	52	41	48	91
Finished goods	130	32	140	264
Goods in transit	0	11	0	0
Prepayments to suppliers	1	43	9	48
Write-off reserve for inventories	(40)	(40)	(40)	(41)
<b>TOTAL</b>	<b>436</b>	<b>390</b>	<b>329</b>	<b>544</b>

NOTE 4 INVESTMENT PROPERTY

	<i>thousand €</i>
<b>Carrying amount 31.12.2020</b>	<b>1,134</b>
<b>Carrying amount 31.03.2021</b>	<b>1,134</b>
<b>Carrying amount 31.12.2021</b>	<b>1,152</b>
<b>Carrying amount 31.03.2022</b>	<b>1,152</b>

FAIR VALUE OF INVESTMENT PROPERTY BY OBJECT:

	<i>thousand €</i>
<b>31.12.2019</b>	
Share of registered immovable property at Suur-Jõe 48, Pärnu	951
Share of registered immovable property at Rääma Street 31, Pärnu	170
<b>31.03.2020</b>	
Share of registered immovable property at Suur-Jõe 48, Pärnu	955
Share of registered immovable property at Rääma Street 31, Pärnu	170
<b>31.12.2020</b>	
Share of registered immovable property at Suur-Jõe 48, Pärnu	959
Share of registered immovable property at Rääma Street 31, Pärnu	175
<b>31.03.2021</b>	
Share of registered immovable property at Suur-Jõe 48, Pärnu	959
Share of registered immovable property at Rääma Street 31, Pärnu	175



The amount of expenses related to the management of investments properties for Q1 2022 were € 18 thousand and expenses together with resold expenses were € 82 thousand in Q1 2021. Rental income from investment properties for O1 2022 was € 9 thousand and rental income including utilities in the Q1 2021 were € 89 thousand.

#### NOTE 5 PROPERTY PLANT EQUIPMENT

<i>thousand €</i>	Land	Buildings and facilities	Machinery and equipment	Other fixtures	Constructi on-in-progress	Right-of-use asset	TOTAL
<b>Cost at 31.12.2020</b>	191	2,541	10,747	89	31	130	13,728
<b>Accumulated depreciation at 31.12.2020</b>	0	(1,701)	(7,165)	(87)	0	(81)	(9,034)
<b>Carrying amount at 31.12.2020</b>	191	840	3,582	3	31	49	4,694
Additions	0	0	6	0	21	0	27
Depreciation (Note 14)	0	(20)	(98)	(0)	0	(11)	(130)
<b>Cost at 31.03.2021</b>	191	2,541	10,752	89	52	129	13,754
<b>Accumulated depreciation at 31.03.2021</b>	0	(1,721)	(7,263)	(87)	0	(92)	(9,163)
<b>Carrying amount at 31.03.2021</b>	191	820	3,489	2	52	37	4,591
<b>Cost at 31.12.2021</b>	191	2,556	10,845	89	473	114	14,268
<b>Accumulated depreciation at 31.12.2021</b>	0	(1,779)	(7,459)	(88)	0	(28)	(9,353)
<b>Carrying amount at 31.12.2021</b>	191	777	3,387	1	473	86	4,915
Additions	0	0	36	0	68	0	104
Reclassification	0	0	211	0	(211)	0	(0)
Disposals and write-offs (Note 18)	(7)	0	(80)	0	0	0	(87)
Accumulated depreciation of fixed assets written off	0	0	80	0	0	0	80
Depreciation (Note 14)	0	(20)	(90)	(0)	0	(12)	(122)
							0
<b>Cost at 31.03.2022</b>	184	2,556	11,012	89	330	114	14,285
<b>Accumulated depreciation at 31.03.2022</b>	0	(1,799)	(7,468)	(88)	0	(40)	(9,395)
<b>Carrying amount at 31.03.2022</b>	184	757	3,544	1	330	74	4,890





## NOTE 6 INTANGIBLE ASSETS

<i>thousand €</i>	Computer software
<b>Cost at 31.12.2020</b>	<b>77</b>
<b>Accumulated amortisation at 31.12.2020</b>	<b>(71)</b>
<b>Carrying amount 31.12.2020</b>	<b>6</b>
Amortisation charge (Note 14)	(3)
<b>Cost at 31.03.2021</b>	<b>77</b>
<b>Accumulated amortisation at 31.03.2021</b>	<b>(74)</b>
<b>Carrying amount 31.03.2021</b>	<b>3</b>
<b>Cost at 31.12.2021</b>	<b>13</b>
<b>Accumulated amortisation at 31.12.2021</b>	<b>(10)</b>
<b>Carrying amount 31.12.2021</b>	<b>3</b>
Amortisation charge (Note 14)	(0)
<b>Cost at 31.03.2022</b>	<b>13</b>
<b>Accumulated amortisation at 31.03.2022</b>	<b>(10)</b>
<b>Carrying amount 31.03.2022</b>	<b>3</b>

## NOTE 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>thousand €</i>	31.03.2022	Change Q1 2022	31.12.2021	31.03.2021	31.12.2020
Non-current assets					
Listed securities - Equity securities - cost as at	338	0	338	410	410
Revaluation*	358	52	306	266	40
<b>Fair value as at</b>	<b>696</b>	<b>52</b>	<b>644</b>	<b>676</b>	<b>451</b>

\*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 31.03.2022 as shown on Nasdaq Tallinn.

## NOTE 8 BORROWINGS

<i>thousand €</i>	Interest rate	31.03.2022	31.12.2021	31.03.2021	31.12.2020
Current borrowings					
Current portion of long-term loan (Swedbank)	6 month EURIBOR+5%	0	0	663	717
Current portion of long-term loan (Coop Bank)	6 month EURIBOR+3.5%	79	100	0	0
Current portion of long-term lease liabilities	6 month EURIBOR+2.49%	34	46	28	39
Bank overdrafts (Coop Bank)		1	0	0	0
<b>Total</b>		<b>114</b>	<b>146</b>	<b>691</b>	<b>756</b>



Non-current borrowings	Interest rate	31.03.2022	31.12.2021	31.03.2021	31.12.2020
Non-current portion of long-term loan (Swedbank)	6 month EURIBOR+5%	0	0	483	483
Non-current portion of long-term loan (Coop Bank)	6 month EURIBOR+3.5%	1,031	1,034	0	0
Non-current portion of long-term loan (RDF)	Until 30.12.2022 2%, later 4%	2,000	2,000	2,000	2,000
Non-current portion of long-term lease liabilities	6 month EURIBOR+2.49%	40	40	10	10
<b>Total</b>		<b>3,071</b>	<b>3,074</b>	<b>2,493</b>	<b>2,493</b>
<b>Total borrowings</b>		<b>3,185</b>	<b>3,220</b>	<b>3,184</b>	<b>3,249</b>

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, the interest rate was initially 4.5% per annum, in March 2022 Coop Bank AS lowered the loan interest rate to 3.5% 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.

In Q1 2022, repayments of lease obligations in the amount of € 12 thousand were made.

INFORMATION REGARDING MOVEMENT OF BORROWINGS (TABLE SHOWING CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES): Q1 2022

Changes in liabilities arising from financing activities <i>thousand €</i>	31.12.2021	Cash flows	Interest accrued	Interest paid	Reclassification	31.03.2022
Current portion of long-term loan (Coop Bank)	100	(24)	13	(13)	3	79
Current portion of long-term lease liabilities	46	(12)	1	(1)	0	34
Bank overdrafts (Coop Bank)	0	1	0	(0)	0	12
Non-current portion of long-term loan (Coop Bank)	1,034	0	0	0	(3)	1,031
Non-current portion of long-term loan (RDF)	2,000	0	19	(19)	0	2,000
Non-current portion of long-term lease liabilities	40	0	0	0	0	40
<b>Total liabilities from financing activities</b>	<b>3,220</b>	<b>(35)</b>	<b>33</b>	<b>(33)</b>	<b>0</b>	<b>3,185</b>



INFORMATION REGARDING MOVEMENT OF BORROWINGS (TABLE SHOWING CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES): Q1 2021

Changes in liabilities arising from financing activities <i>thousand €</i>	31.12.2020	Cash flows	Interest accrued	Interest paid	Other	31.03.2021
Current portion of long-term loan (Swedbank)	717	(53)	15	(15)	0	663
Current portion of long-term lease liabilities	39	(11)	0	(0)	0	28
Non-current portion of long-term loan (Swedbank)	483	0	0	0	0	483
Non-current portion of long-term loan (Coop Pank)	0	0	0	0	0	0
Non-current portion of long-term loan (RDF)	2,000	0	10	(10)	0	2,000
Non-current portion of long-term lease liabilities	10	0	0	0	0	10
<b>Total liabilities from financing activities</b>	<b>3,249</b>	<b>(65)</b>	<b>25</b>	<b>(25)</b>	<b>0</b>	<b>3,184</b>

NOTE 9 PAYABLES AND PREPAYMENTS

<i>thousand €</i>	31.03.2022	31.12.2021	31.03.2021	31.12.2020
Trade payables	746	367	904	1,110
Payables to employees	158	149	139	138
<i>incl. accrued holiday pay reserve</i>	46	46	33	33
Tax liabilities	134	137	126	128
<i>incl. social security and unemployment insurance</i>	80	87	79	82
<i>personal income tax</i>	39	40	33	35
<i>contribution to mandatory funded pension</i>	2	2	3	3
<i>value added tax</i>	0	0	1	0
<i>other taxes</i>	13	8	10	8
Prepayments received	164	152	62	162
Other payables	31	24	51	36
<b>TOTAL</b>	<b>1,234</b>	<b>829</b>	<b>1,282</b>	<b>1,574</b>

NOTE 10 PROVISIONS

<i>thousand €</i>	
<b>Balance at 31.12.2020</b>	<b>179</b>
incl. current portion of provision	18
incl. non-current portion of provision	161
<b>Movements 2021 3M:</b>	
Use of provision	(7)
Interest cost (Note 19)	2
<b>Balance at 31.03.2021</b>	<b>174</b>
incl. current portion of provision	13
incl. non-current portion of provision	161



<b>Balance at 31.12.2021</b>	<b>164</b>
incl. current portion of provision	19
incl. non-current portion of provision	145
<b>Movements 2022 3M:</b>	
Use of provision	(7)
Interest cost (Note 20)	1
<b>Balance at 31.03.2022</b>	<b>159</b>
incl. current portion of provision	14
incl. non-current portion of provision	145

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 31.03.2022	0.10	4,499,061	450
Balance at 31.12.2021	0.10	4,499,061	450
Balance at 31.03.2021	0.10	4,499,061	450
Balance at 31.12.2020	0.10	4,499,061	450

As of 31.03.2022 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 31.03.2022 the Group had 1172 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 Mitteidagi	580,000	12.89

As at 31.03.2021 the Group had 571 shareholders of which with more than 5% ownership interest were:

Shareholder	Number of shares (pcs)	Ownership interest (%)
Pärnu Holdings OÜ	2,682,192	59.62
Gamma Holding Investment OÜ	456,026	10.14

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 (31.03.2021: 20.000 shares)
- Trond Brekke 0 shares (31.03.2021: 0 shares)
- Sakari Wallin 0 shares (31.03.2021: 0 shares)
- Torfinn Losvik 0 shares (31.03.2021: 0 shares)



Both Joakim Johan Helenius and Torfinn Losvik have indirect ownership through parent company OÜ Pärnu Holdings. Torfinn Losvik owns shares through Stetind OÜ in the amount of 44.206 shares (31.03.2021 44.206 shares).

#### NOTE 12 EARNINGS PER SHARE

	31.03.2022	31.12.2021	31.03.2021	31.12.2020
Net profit (-loss) (in thousands of euros)	152	1,202	550	1,074
Weighted average number of shares (units)	4,499,061	4,499,061	4,499,061	4,499,061
Basic earnings per share (in euros)	0.03	0.27	0.12	0.24
Weighted average number of shares and potential shares used for calculating the diluted earnings per shares (units)	4,499,061	4,499,061	4,499,061	4,499,061
Diluted earnings per share	0.03	0.27	0.12	0.24
Last price of the share of Nordic Fibreboard AS on Nasdaq Tallinn	1.83	1.95	0.71	0.45

Basic 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.

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.

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 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 Street 48, Pärnu.
- Furniture retail sale (Skano Furniture OÜ) - retail sales of furniture in Estonia, ceased active operations in the first quarter of 2020, this segment is no longer significant and is not significant in Q1 2021 treated separately.

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:

<b>Q1 2022</b> <i>thousand €</i>	<b>Fibreboard manufacturing and wholesale</b>	<b>Real Estate Management</b>	<b>Group's general expenses and eliminations</b>	<b>SEGMENTS TOTAL</b>
Revenue from external customers	2,591	9	0	<b>2,600</b>
Operating profit/-loss	157	(10)	(13)	<b>134</b>
Amortisation/ depreciation (Notes 5; 6)	121	0	0	<b>121</b>
Segment assets	7,760	981	(161)	<b>8,580</b>
Non-current assets of the segment (Notes 4; 5; 6; 7)	5,764	977	0	<b>6,741</b>
Segment liabilities	4,423	10	145	<b>4,578</b>
Additions to non-current assets (Notes 5;6)	104	0	0	<b>104</b>
Interest expenses (Note 19)	33	0	1	<b>34</b>

<b>Q1 2021</b> <i>thousand €</i>	<b>Fibreboard manufacturing and wholesale</b>	<b>Real Estate Management</b>	<b>Group's general expenses and eliminations</b>	<b>SEGMENTS TOTAL</b>
Revenue from external customers	2,757	89	0	<b>2,846</b>
Operating profit/-loss	363	8	(20)	<b>351</b>
Amortisation/ depreciation (Notes 5; 6)	133	0	0	<b>133</b>
Segment assets	6,959	1,011	(131)	<b>7,839</b>
Non-current assets of the segment (Notes 4; 5; 6; 7)	5,445	959	1	<b>6,405</b>
Segment liabilities	4,440	39	162	<b>4,641</b>
Additions to non-current assets (Notes 5; 6)	27	0	0	<b>27</b>
Interest expenses (Note 19)	25	0	1	<b>26</b>

BUSINESS SEGMENT BY THE GEOGRAPHICAL REGION OF CUSTOMERS:

<i>thousand €</i>	<b>3M 2022</b>			<b>3M 2021</b>		
	<b>Fibreboard manufacturing and sale</b>	<b>Real Estate Management</b>	<b>SEGMENTS TOTAL</b>	<b>Fibreboard manufacturing and sale</b>	<b>Real Estate Management</b>	<b>SEGMENTS TOTAL</b>
European Union	2,259	9	<b>2,268</b>	2,159	89	<b>2,249</b>
Russia	269	0	<b>269</b>	433	0	<b>433</b>
Asia	41	0	<b>41</b>	102	0	<b>102</b>
Middle East	13	0	<b>13</b>	0	0	<b>0</b>
Africa	0	0	<b>0</b>	47	0	<b>47</b>
Other	9	0	<b>9</b>	16	0	<b>16</b>
<b>Grand Total</b>	<b>2,591</b>	<b>9</b>	<b>2,600</b>	<b>2,757</b>	<b>89</b>	<b>2,846</b>



#### NOTE 14 COST OF GOODS SOLD

<i>thousand €</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
Raw materials and main materials	684	649
Electricity, heat and water	899	633
Labour expenses (Note 17)	380	359
Depreciation (Notes 5; 6)	122	133
Change in balances of finished goods, goods in transit and work in progress	(99)	166
Other expenses	74	39
<b>TOTAL</b>	<b>2,060</b>	<b>1,979</b>

#### NOTE 15 DISTRIBUTION COSTS

<i>thousand €</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
Transportation expenses	220	252
Labour expenses (Note 17)	46	43
Commission fees	11	34
Operating Lease	0	8
Other expenses	7	4
<b>TOTAL</b>	<b>284</b>	<b>342</b>

#### NOTE 16 ADMINISTRATIVE AND GENERAL EXPENSES

<i>thousand €</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
Labour expenses (Note 17)	55	52
Purchased services	30	102
Office supplies	13	4
Other expenses	23	13
<b>TOTAL</b>	<b>121</b>	<b>171</b>

#### NOTE 17 LABOUR EXPENSES

<i>thousand €</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
Wages and salaries	223	344
Social security and unemployment insurance	258	111
Fringe benefits paid to employees	3	5
<b>TOTAL</b>	<b>484</b>	<b>460</b>

#### NOTE 18 OTHER OPERATING INCOME AND EXPENSES

##### OTHER OPERATING INCOME

<i>thousand €</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
Wage subsidy	0	2
<b>TOTAL</b>	<b>0</b>	<b>2</b>

##### OTHER OPERATING EXPENSES

<i>thousand €</i>	<b>Q1 2022</b>	<b>Q1 2021</b>
Reclamations	0	1
Loss from sales of fixed assets	1	0
Penalties paid	0	3
<b>TOTAL</b>	<b>1</b>	<b>4</b>



## NOTE 19 FINANCIAL INCOME AND EXPENSES

### FINANCIAL INCOME

<i>thousand €</i>	Q1 2022	Q1 2021
Revaluation of TPD shares	52	225
<b>Total financial income</b>	<b>52</b>	<b>225</b>

### FINANCIAL COST

<i>thousand €</i>	Q1 2022	Q1 2021
Interest expenses	34	26
<i>including interest expenses related to provisions (Note 10)</i>	1	2
<b>Total financial cost</b>	<b>34</b>	<b>26</b>

## 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.

The persons with significant influence over the Group at the time of preparing this report are the biggest owners of OÜ Pärnu Holdings are OÜ: Stetind (46.71% of the share capital and 49.75% of the voting shares) and Joakim Johan Helenius (46.71% of the share capital and 49.75% of the voting shares) by the time of compiling these financial statements.

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

<i>thousand €</i>	Q1 2022	Q1 2021
Membership fees	49	42
Social tax	16	14
<b>Total</b>	<b>65</b>	<b>55</b>

Benefits (incl. Tax expenses) include remuneration paid to the members of the Management Board and Supervisory Board of the parent companies and subsidiaries during 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.

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

### TRANSACTIONS WITH RELATED PARTIES:

<i>thousand €</i>	Q1 2022	Q1 2021
Purchased services	4	4
<b>Total</b>	<b>4</b>	<b>4</b>

### BALANCES WITH RELATED PARTIES AS OF:

<i>thousand €</i>	31.03.2022	31.12.2021	31.03.2021	31.12.2020
Purchased services	1	1	4	17
Short-term loan interest	0	0	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>17</b>

