



Fourth quarter and 12 months Interim Report 2023

NORDIC FIBREBOARD AS

Consolidated Interim Report for the Fourth quarter and 12 months of 2023
(unaudited)

Beginning of the Interim Report Period:	1.10.2023
End of the Interim Report Period:	31.12.2023
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 31.12.2023, 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 31.12.2023 the Group employed 67 people (31.12.2022: 74 employees).



MANAGEMENT REPORT

NORDIC FIBREBOARD AS UNAUDITED RESULTS FOR FOURTH QUARTER OF 2023

Consolidated net sales for Q4 2023 were € 1.31 million (Q4 2022: € 2.03 million). The main business area is Nordic Fibreboard Ltd, the production and wholesale of fibreboard, which recorded sales in Q4 2023 of € 1.30 million, (Q4 2022: € 2.02 million). The remaining business area is the management of the property on Suur-Jõe street in Pärnu through the company Pärnu Riverside Development OÜ, whose sales revenue in the 4th quarter of 2023 was €12 thousand (Q4 2022: € 11 thousand).

The decline in Nordic Fibreboard's sales during the fourth quarter of 2023 was primarily influenced by a slowdown in new construction and renovation activities due to the winter season, along with global economic uncertainty affecting both end-users and industrial-oriented business customers. Nordic Fibreboard Ltd had sales of € 1.30 million in Q4 2023, marking a 35% decrease from Q4 2022.

The consolidated EBITDA of Nordic Fibreboard for Q4 2023 was € 245 thousand, the EBITDA margin was 19% (Q4 2022: EBITDA was € 661 thousand and the EBITDA margin was 33%). Compared to the Q4 2022 the Group's gross margin decreased from 13% to 9% in the Q4 2023.

In Q4 2023, a revaluation of the fair value of real estate investment properties was conducted, relying on expert assessments prepared by an external appraiser, resulting in a profit of 404 thousand euros. (in the Q4 2022, a profit from the revaluation of real estate investments was 697 thousand euros).

Financial expenses for the Q4 2023 were € 237 thousand, of which € 54 thousand were loan interest costs and € 183 thousand were losses from the revaluation of Trigon Property Development (TPD) shares. Total financial income of € 150 thousand was recorded in Q4 2022, which consisted of the dividends received from TPD shares in the amount of € 24 thousand and losses from the revaluation of the same TPD shares in the amount of € 143 thousand and the interest expense of loan obligations in the amount of € 31 thousand.

Group's consolidated net loss for Q4 2023 was € 115 thousand (Q4 2022: profit € 386 thousand).

DIVISIONAL REVIEW

REVENUE BY BUSINESS SEGMENTS

€ thousand	Q4 2023	Q4 2022	12M 2023	12M 2022
Fibreboards production and sales	1,300	2,020	7,657	11,035
Real Estate Management	12	11	47	39
TOTAL	1,312	2,031	7,704	11,074

PROFIT BY BUSINESS SEGMENTS

€ thousand	Q4 2023	Q4 2022	12M 2023	12M 2022
EBITDA by business units:				
Fibreboards production and sales	127	(23)	510	1,092
Real Estate Management	132	690	113	672
Group transactions	(14)	(6)	(44)	(32)
TOTAL EBITDA	245	661	579	1,732
Extraordinary other operating expenses	0	0	(406)	0
Depreciation	(123)	(125)	(489)	(497)
TOTAL OPERATING PROFIT/ LOSS	122	536	(316)	1,235
Net financial costs	(237)	(150)	(366)	(1)
NET PROFIT/ LOSS	(115)	386	(682)	1,234



NORDIC FIBREBOARD LTD: FIBREBOARD PRODUCTION AND SALES

Fibreboard sales in Q4 2023 were € 1.30 million (Q4 2022: € 2.02 million). In Q4 2023, the main reason behind the decrease in sales revenue compared to Q4 2022 was the termination of the agreement with the primary customer in Denmark, which led to a decrease in sales by 24% compared to Q4 2022. In addition, sales in Finland decreased by 23% and sales in Latvia decreased by 47% in Q4 2023 compared to the same period in 2022. As a positive development, the company has successfully reestablished cooperation with former export customers and has also secured new customers in both the Middle East and the European Union. As a result, in Q4 2023 compared to Q4 2022, sales in Sweden have increased by 41%, and sales in Africa and Asia have recovered.

The EBITDA of the fiberboard segment for the Q4 2023 was a positive € 127 thousand, which is a quarterly improvement compared to the EBITDA for the Q4 2022, which was a negative € 23 thousand, but when comparing EBITDA for the twelve months of 2023 with the 2022 with the same period, the drop is 53%. The main reason for the decline can be attributed to the exceptionally high electricity prices in early 2023, which had a significant impact on the company. The situation was alleviated by the implementation of a new electricity contract in April 2023, which provided more favorable terms for purchasing electricity.

FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

	€ thousand		€ thousand	
	Q4 2023	Q4 2022	12M 2023	12M 2022
European Union	1,120	1,871	6,974	10,297
Africa	64	0	197	0
Middle East	41	82	137	154
Asia	11	0	113	69
Russia	0	0	0	427
Other	64	67	236	88
TOTAL	1,300	2,020	7,657	11,035

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 € 12 thousand in Q4 2023, (Q4 2022: € 11 thousand).

The real estate management EBITDA for Q4 2023 were positive € 132 thousand (Q4 2022: EBITDA was positive € 690 thousand). As of the end of 2023 and 2022, fair value revaluations of the real estate investment object located at 48 Suur-Jõe Street in Pärnu was conducted, resulting in an income of € 142 thousand in the Q4 2023 and the income of the Q4 2022 was € 697 thousand.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 31.12.2023 the total assets of Nordic Fibreboard AS were € 8.5 million (31.12.2022: 9.4 million). The liabilities of the company as of 31.12.2023 were € 4.2 million (31.12.2022: € 4.3 million), of which the Group has payables of € 0.5 million as at 31.12.2023 (31.12.2022: € 0.5 million) and borrowings of € 3.2 million as at 31.12.2023 (31.12.2022: also € 3.2 million).

Receivables and prepayments amounted to € 0.5 million as at 31.12.2023 (31.12.2022: € 0.6 million). Inventories were € 0.7 million as of 31.12.2023 (31.12.2022: € 1.7 million). Fixed assets were € 7.2 million as of 31.12.2023 (€ 7.2 million as of 31.12.2022).

During 2023 twelve months, the Group's cash flows from operating activities totalled € 266 thousand (2022 twelve months: € 152 thousand). Cash outflows due to investment activities was € 257 thousand during 2023 twelve months, mainly consisting of investments into production assets of € 251 thousand



and real estate investments of € 6 thousand (2022 twelve months: cash outflow € 129 thousand). Financing activities also resulted in cash outflows of € 4 thousand during 2023 twelve months (2022 twelve months: cash outflow € 78 thousand). Net cash effect during 2023 twelve months cash inflow of € 7 thousand, (2021 twelve months: cash outflow € 55 thousand).

PEOPLE

On the 31st of December 2023, the Group employed 67 people (compared to 74 people as of 31.12.2022). The average number of personnel in Q4 2023 was 66 (Q4 2022: the average number of personnel was 82).

Labour costs were € 0.38 million including taxes in Q4 2023 and € 1.62 million for twelve months of 2023 (Q4 2022: € 0.52 million, 12M 2022: € 2.05 million). Group fees for the members of the management boards of holding company and its subsidiaries, together with taxes, were € 69 thousand in Q4 2023 and € 274 thousand for twelve months of 2023 (Q4 2022: € 70 thousand, 12M 2022: € 267 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 building materials market is experiencing modest demand overall, with an uncertain short-term outlook. Operating in such a challenging market environment, forecasting future trends is difficult, and market stability is elusive. High interest rates, ongoing economic uncertainty, and international tensions are influencing the purchasing decisions and business plans of both consumers and businesses. These factors have led to a slowdown in the construction and renovation market, affecting both consumers and businesses.

However, there are signs of customer interest recovery in certain markets, and the company has secured agreements with some new customers, providing hope for some recovery of sales volume. Currently, the company's primary focus is on finding new customers to expand its customer portfolio. Meanwhile, the company continues to actively contribute to product development to ensure the sustainability of its operations and growth in the market.

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	Q4 2023	Q4 2022	12M 2023	12M 2022
Revenue	1,312	2,031	7,704	11,074
EBITDA	245	661	579	1,732
EBITDA margin	19%	33%	8%	16%
Operating profit	122	536	(316)	1,235
Operating margin	9%	26%	(4%)	11%
Net profit	(115)	386	(682)	1,234
Net margin	(9%)	19%	(9%)	11%

Statement of financial position	31.12.2023	31.12.2022
Total assets	8,505	9,408
Return on assets	(8%)	13%
Equity	4,402	5,084
Return on equity	(16%)	24%
Debt-to-equity ratio	48%	46%

Share	31.12.2023	31.12.2022
Last Price (€)*	0.90	1.60
Earnings per share (€)	(0.15)	0.27
Price-earnings ratio	(5.93)	5.83
Book value of a share (€)	0.98	1.13
Market to book ratio	0.92	1.42
Market capitalization, € thousand	4,049	7,198
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-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 31.12.2023 six months' EURIBOR rate was 3.861% and at 31.12.2022 2.693%. The loan from the Rural Development Foundation is concluded with a fixed interest rate, thus bear no interest rate risk. The Company loan agreement with Coop Pank AS has a floating interest rate, but according to the management's assessment, the floating interest rate does not have a significant impact on the 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 risks of the Group's economic environment depend to a significant extent on events in the construction-renovation and industrial sectors. Additionally, macroeconomic factors such as fluctuations in interest rates, global economic downturns, and geopolitical tensions impact consumption and export reduction, which in turn reflects in low production volumes and sales revenue. The rise in input prices can increase production costs, making products less affordable or forcing companies to raise prices, thereby potentially reducing demand. Changes resulting from government policies, such as changes in tax policy, regulations or trade policy, can affect the operating environment of companies.

In recent years, the aggression of Russia against Ukraine has had a particularly significant impact, affecting the global economy extensively, especially in Europe. This has caused fluctuations in raw materials prices, disruptions in supply chains, and an increase in interest rates. Currently, uncertainty continues regarding the prospect of higher interest rates, which will have a significant impact on end consumers as well as the construction-renovation and industrial sectors and the global economic environment as a whole, and makes it difficult to prepare future economic forecasts.

We are aware of these risks and implement strategies to mitigate and adapt to them, ensuring sustainability and resilience in changing economic conditions.

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 fourth quarter 2023.

The management board confirms that the management report on pages 4-9 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 11-26 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.

Enel Äkke, Member of the Management Board

Kevin Gustasson, Member of the Management Board

Pärnu, 29 February, 2024



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

<i>€ thousand</i>	31.12.2023	31.12.2022	31.12.2021
Cash and cash equivalents	7	2	57
Receivables and prepayments (Note 2)	534	559	902
Inventories (Note 3)	728	1,672	390
Total current assets	1,269	2,233	1,349
Investment property (Note 4)	2,269	1,859	1,152
Financial assets at fair value through profit or loss (Note 7)	491	644	644
Property, plant, equipment and right-of-use assets (Note 5)	4,475	4,670	4,915
Intangible assets (Note 6)	1	2	3
Total non-current assets	7,236	7,175	6,714
TOTAL ASSETS	8,505	9,408	8,063
Borrowings (Notes 8)	756	290	146
Payables and prepayments (Notes 9)	756	1,014	829
Short-term provisions (Note 10)	21	18	19
Total current liabilities	1,533	1,322	994
Long-term borrowings (Notes 8)	2,459	2,875	3,074
Long-term provisions (Note 10)	111	127	145
Total non-current liabilities	2,570	3,002	3,219
Total liabilities	4,103	4,324	4,213
Share capital (at nominal value) (Note 11)	450	450	450
Statutory reserve capital	45	45	0
Retained earnings (loss)	3,907	4,589	3,400
Total equity	4,402	5,084	3,850
TOTAL LIABILITIES AND EQUITY	8,505	9,408	8,063

*The notes to the financial statements presented on pages 15 to 26 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>€ thousand</i>	Q4 2023	Q4 2022	12M 2023	12M 2022
Revenue (Note 13)	1,312	2,031	7,704	11,074
Cost of goods sold (Note 14)	1,313	1,890	6,810	9,024
Gross profit	(1)	141	894	2,050
Distribution costs (Note 15)	137	193	673	1,112
Administrative expenses (Note 16)	141	109	514	424
Other operating income (Note 18)	404	697	404	730
Other operating expenses (Note 18)	3	0	427	9
Operating profit (loss)	122	536	(316)	1,235
Finance income (Note 19)	0	24	0	129
Finance costs (Note 19)	237	174	366	130
PROFIT (LOSS) BEFORE INCOME TAX	(115)	386	(682)	1,234
NET PROFIT (LOSS) FOR THE PERIOD	(115)	386	(682)	1,234
Basic earnings per share (Note 12)	(0.03)	0.09	(0.15)	0.27
Diluted earnings per share (Note 12)	(0.03)	0.09	(0.15)	0.27

*The notes to the financial statements presented on pages 15 to 26 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

<i>€ thousand</i>	12M 2023	12M 2022
Cash flows from operating activities		
Operating profit (loss)	(316)	1,235
Adjustments:		
Depreciation charge (Notes 5; 6)	489	498
Profit/loss from revaluation of real estate investment (Note 4)	(404)	(697)
Profit/loss from sale of non-current assets (Note 18)	0	1
Change in trade and other receivables (Note 2)	25	343
Change in inventories (Note 3)	944	(1,282)
Change in trade and other payables (Note 9)	(258)	185
Cash generated from operations	480	283
Interest payments (Notes 8; 19)	(181)	(120)
Net other financial income and expense	(33)	(11)
Net cash generated from operating activities	266	152
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 5; 6)	(251)	(254)
Disposal of property, plant and equipment and intangible assets (Notes 5;6)	0	6
Purchase of investment property (Note 4)	(6)	(10)
Received dividends	0	129
Net cash used in investing activities	(257)	(129)
Cash flows from financing activities		
Repayment of loans received (Note 8)	(408)	(102)
Loans received from related parties (Note 8)	200	0
Finance lease payments (Note 8)	(50)	(46)
Change in overdraft (Note 8)	254	70
Net cash (used in)/from financing activities	(4)	(78)
NET CHANGE IN CASH	5	(55)
OPENING BALANCE OF CASH	2	57
CLOSING BALANCE OF CASH	7	2

*The notes to the financial statements presented on pages 15 to 26 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 for 12M 2022</i>	0	0	1,234	1,234
Total comprehensive income for 12M 2022	0	0	1,234	1,234
Balance at 31.12.2022	450	45	4,589	5,084
<i>Net loss for 12M 2023</i>	0	0	(682)	(682)
Total comprehensive income for 12M 2023	0	0	(682)	(682)
Balance at 31.12.2023	450	45	3,907	4,402

*The notes to the financial statements presented on pages 15 to 26 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 31.12.2023 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 4th 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>	31.12.2023	31.12.2022	31.12.2021
Customer receivables	443	391	729
Prepaid taxes	71	150	151
Prepaid services	13	17	21
Other receivables	7	1	1
TOTAL	534	559	902

No write-downs of receivables have been made in Q4 2023 or Q4 2022.



ANALYSIS OF TRADE RECEIVABLES BY AGING

<i>thousand €</i>	31.12.2023	31.12.2022	31.12.2021
Not past due	412	373	678
incl receivables from customers who also have receivables past due	0	236	95
incl receivables from customers who have no receivables past due	412	137	583
Past due but not impaired	31	18	51
Overdue up to 90 days	31	16	51
Overdue more than 90 days	0	2	0
TOTAL	443	391	729

NOTE 3 INVENTORIES

<i>€ thousand</i>	31.12.2023	31.12.2022	31.12.2021
Raw materials and other materials	177	401	303
Work-in-progress	30	228	41
Finished goods	561	1,081	32
Goods in transit	0	0	11
Prepayments to suppliers	0	2	43
Write-off reserve for inventories	(40)	(40)	(40)
TOTAL	728	1,672	390

NOTE 4 INVESTMENT PROPERTY

	<i>thousand €</i>
Carrying amount 31.12.2021	1,152
Capitalized cost	10
Fair value revaluation	697
Carrying amount 31.12.2022	1,859
Capitalized cost	6
Fair value revaluation	404
Carrying amount 31.12.2023	2,269

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 Q4 2023 were € 23 thousand and € 18 thousand in Q4 2022. Rental income from investment properties for Q4 2023 was € 12 thousand and in Q4 2022 were € 11 thousand.

As of 31.12.2023 the investment property objects at Suur-Jõe Street 48 and Rääma Street 31 were recorded in the balance sheet at the new fair value, which is based on expert assessments prepared by an independent appraiser in January 2024. In selecting the valuating method, the valuer has assumed that the valuer is aware of the purchase and sale transactions of similar assets to be valued from competing market areas, which was a sufficient basis for using the comparison method.



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
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
31.12.2023	
Share of registered immovable property at Suur-Jõe Street 48, Pärnu	1,832
Share of registered immovable property at Rääma Street 31, Pärnu	437

NOTE 5 PROPERTY PLANT EQUIPMENT AND RIGHT OF USE ASSETS

<i>thousand €</i>	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	4	44	0	187	44	279
Reclassification	0	0	265	0	(255)	(10)	0
Accumulated depreciation of reclassified fixed assets	0	0	(10)	0	0	10	0
Disposals and write-offs (Note 20)	(7)	0	(124)	0	0	(29)	(160)
Accumulated depreciation of fixed assets written off	0	0	124	0	0	9	133
Depreciation (Notes 15;17)	0	(78)	(371)	0	0	(48)	(497)
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	226	56	299
Reclassification	0	0	295	0	(295)	0	0
Disposals and write-offs (Note 20)	0	(3)	(158)	(8)	0	(75)	(244)
Accumulated depreciation of fixed assets written off	0	3	158	8	0	69	238
Depreciation (Notes 15;17)	0	(79)	(373)	0	0	(36)	(488)
Cost at 31.12.2023	184	2,557	11,184	81	336	100	14,442
Accumulated depreciation at 31.12.2023	0	(1,933)	(7,931)	(80)	0	(24)	(9,967)
Carrying amount at 31.12.2023	184	624	3,253	1	336	76	4,475



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 31.12.2022	13
Accumulated amortisation at 31.12.2022	(11)
Carrying amount 31.12.2022	2
Amortisation charge (Note 14)	(1)
Cost at 31.12.2023	13
Accumulated amortisation at 31.12.2023	(12)
Carrying amount 31.12.2023	1

NOTE 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>thousand €</i>	31.12.2023	Change 12M 2023	31.12.2022	31.12.2021
Non-current assets				
Listed securities - Equity securities - cost as at	338	0	338	338
Revaluation	153	(153)	306	306
Fair value as at	491	(153)	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 31.12.2023 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, from March 2022 the loan interest is 6 months 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 1.5 year overdraft agreement with Coop Bank AS with a limit of € 700 thousand, the overdraft interest rate is 6 months euribor+2.9% per annum. The overdraft limit was increased from € 200 thousand to € 700 thousand in the Q4 2023, and the conditions of the agreement were also changed.

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 Q4 2023, repayments of lease obligations in the amount of € 6 thousand were made and in 2023 a total of € 50 thousand.



INFORMATION REGARDING BORROWINGS AS AT:

thousand €	Interest rate	31.12.2023	31.12.2022	31.12.2021
Current borrowings				
Current portion of long-term loan (Coop Bank)	6 month EURIBOR+3.5%	98	106	100
Current portion of long-term loan (RDF)	Until 30.12.2022 2%, later 4%	111	83	0
Current portion of long-term lease liabilities	2.49%	23	31	46
Short term loan from related parties	8%	200	0	0
Bank overdrafts (Coop Bank)	6 month EURIBOR+2.9%	324	70	0
Total		756	290	146
Non-current borrowings				
Non-current portion of long-term loan (Coop Bank)	6 month EURIBOR+3.5%	836	926	1 034
Non-current portion of long-term loan (RDF)	Until 30.12.2022 2%, later 4%	1,578	1,917	2,000
Non-current portion of long-term lease liabilities	2.49%	45	32	40
Total		2,459	2,875	3,074
Total borrowings		3,215	3,165	3,220

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES 12M 2023

thousand €	31.12.2022	Cash flows	Non-monetary settlements	Interest accrued	Interest paid	Reclassified	31.12.2023
Current portion of long-term loan (Coop Bank)	106	(97)	0	99	(99)	90	98
Current portion of long-term loan (RDF)	83	(111)	0	76	(76)	139	111
Current portion of long-term lease liabilities	31	(50)	19	3	(3)	23	23
Short term loan from related parties	0	200	0	0	0	0	200
Bank overdrafts (Coop Bank)	70	254	0	3	(3)	0	324
Non-current portion of long-term loan (Coop Bank)	926	0	0	0	0	(90)	836
Non-current portion of long-term loan (RDF)	1,917	(200)	0	0	0	(139)	1,578
Non-current portion of long-term lease liabilities	32	0	35	0	0	(23)	45
Total liabilities from financing activities	3,165	(4)	54	181	(181)	0	3,215



CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES 12M 2022

thousand €	31.12.2021	Cash flows	Non-monetary settlements	Interest accrued	Interest paid	Reclassified	31.12.2022
Current portion of long-term loan (Coop Bank)	100	(102)	0	81	(81)	108	106
Current portion of long-term loan (RDF)	0	0	0	0	0	83	83
Current portion of long-term lease liabilities	46	(46)	0	1	(1)	31	31
Bank overdrafts (Coop Bank)	0	70	0	2	(2)	0	70
Non-current portion of long-term loan (Coop Bank)	1,034	0	0	0	0	(108)	926
Non-current portion of long-term loan (RDF)	2,000	0	0	37	(37)	(83)	1,917
Non-current portion of long-term lease liabilities	40	0	23	0	0	(31)	32
Total liabilities from financing activities	3,220	(78)	23	120	(120)	0	3,165

NOTE 9 PAYABLES AND PREPAYMENTS

thousand €	31.12.2023	31.12.2022	31.12.2021
Trade payables	500	471	367
Payables to employees	99	145	149
<i>incl. accrued holiday pay reserve</i>	27	50	46
Tax liabilities	97	133	137
<i>incl. social security and unemployment insurance</i>	64	83	87
<i>personal income tax</i>	27	40	40
<i>contribution to mandatory funded pension</i>	1	2	2
<i>value added tax</i>	0	0	0
<i>other taxes</i>	5	8	8
Prepayments received	37	246	152
Other payables	23	19	24
TOTAL	756	1,014	829

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.



<i>thousand €</i>	
Balance at 31.12.2021	164
incl. current portion of provision	19
incl. non-current portion of provision	145
Movements 2022 12M:	
Use of provision	(25)
Interest cost (Note 19)	6
Balance at 31.12.2022	145
incl. current portion of provision	18
incl. non-current portion of provision	127
Movements 2023 12M:	
Use of provision	(24)
Interest cost (Note 19)	7
Increase of reserve	4
Balance at 31.12.2023	132
incl. current portion of provision	21
incl. non-current portion of provision	111

NOTE 11 EQUITY

	Nominal value	Number of shares	Share capital
	€	pcs	thousand €
Balance at 31.12.2023	0.10	4,499,061	450
Balance at 31.12.2022	0.10	4,499,061	450
Balance at 31.12.2021	0.10	4,499,061	450

As of 31.12.2023 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 31.12.2023 the Group had 1,103 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	646,399	14.37

As at 31.12.2022 the Group had 1,130 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



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 (31.12.2022: 20,000 shares)
- Rando Tomingas 0 shares (31.12.2022: 0 shares)
- Sakari Wallin 0 shares (31.12.2022: 0 shares)
- Torfinn Losvik 0 shares (31.12.2022: 0 shares)
- Enel Äkke 0 shares (31.12.2022: 0 shares)
- Kevin Gustasson 0 shares (31.12.2022: 0 shares)

Joakim Johan Helenius have indirect ownership through companies NFB Pärnu Holdings OÜ and Pärnu Holdings OÜ. Torfinn Losvik have indirect ownership through Pärnu Holdings OÜ, in addition, he owns shares through Stetind OÜ in the amount of 44,206 shares (31.12.2022: 44,206 shares). Rando Tomingas owns shares through Triangel Kapital OÜ in the amount of 36,762 shares (31.12.2022: 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.

	31.12.2023	31.12.2022	31.12.2021
Net profit (-loss) (in thousands of euros)	(682)	1,234	1,202
Weighted average number of shares (th pc)	4,499	4,499	4,499
Basic earnings per share (in euros)	(0.15)	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)	(0.15)	0.27	0.27
Last price of the share of Nordic Fibreboard AS on Tallinn Stock Exchange (in euros)	0.90	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.

12 months 2023 thousand €	Fibreboard manufacturing and wholesale	Real Estate Management	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	7,657	47	0	7,704
EBITDA	510	113	(44)	579
Amortisation/ depreciation (Note 8)	489	0	0	489
Operating profit/-loss	(384)	113	(45)	(316)
Extraordinary other operating expenses	406	0	0	406
Finance income (Note 21)	30	0	(30)	0
Finance costs (Note 21)	361	3	2	366
Net profit/-loss	(715)	110	(77)	(682)
Segment assets	6,665	1,836	4	8,505
Non-current assets of the segment (Notes 7; 8; 9)*	5,404	1,832	0	7,236
Segment liabilities	3,981	73	49	4,103
Additions to non-current assets (Note 8)*	279	6	0	285

12 months 2022 thousand €	Fibreboard manufacturing and sale	Real Estate Management	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	11,035	39	0	11,074
EBITDA	1,092	672	(32)	1,732
Amortisation/ depreciation (Note 8)*	497	0	0	497
Operating profit/-loss	595	672	(32)	1,235
Finance income (Note 21)	129	0	0	129
Finance costs (Note 21)	129	0	1	130
Net profit/-loss	595	672	(33)	1,234
Segment assets	7,934	1,688	(214)	9,408
Non-current assets of the segment (Notes 7; 8; 9)*	5,491	1,684	0	7,175
Segment liabilities	4,175	36	113	4,324
Additions to non-current assets (Note 8)*	279	10	0	289



SALES REVENUE OF BUSINESS BY THE GEOGRAPHICAL LOCATION OF CUSTOMERS:

<i>thousand €</i>	2023			2022		
	Fibreboard manufacturing and wholesale	Real Estate Management	SEGMENTS TOTAL	Fibreboard manufacturing and wholesale	Real Estate Management	SEGMENTS TOTAL
European Union	6,974	47	7,021	10,297	39	10,336
Africa	197	0	197	0	0	0
Middle East	137	0	137	154	0	154
Asia	114	0	114	69	0	69
Russia	0	0	0	427	0	427
Other	236	0	236	88	0	88
TOTAL	7,657	47	7,704	11,035	39	11,074

NOTE 14 COST OF GOODS SOLD

<i>thousand €</i>	Q4 2023	Q4 2022	12M 2023	12M 2022
Raw materials and main materials	279	1,132	1,749	4,056
Electricity, heat and water	404	1,049	2,367	3,870
Labour expenses (Note 17)	255	414	1,189	1,621
Depreciation (Note 5; 6)	122	125	489	497
Purchased goods	29	0	155	0
Change in balances of finished goods and work in progress	177	(877)	690	(1,225)
Other expenses	47	47	171	205
TOTAL	1,313	1,890	6,810	9,024

NOTE 15 DISTRIBUTION COSTS

<i>thousand €</i>	Q4 2023	Q4 2022	12M 2023	12M 2022
Transportation expenses	61	122	400	831
Labour expenses (Note 17)	54	48	192	186
Marketing expense	0	1	2	1
Commission fees	17	19	66	77
Other expenses	5	3	13	17
TOTAL	137	193	673	1,112

NOTE 16 ADMINISTRATIVE AND GENERAL EXPENSE

<i>thousand €</i>	Q4 2023	Q4 2022	12M 2023	12M 2022
Labour expenses (Note 17)	57	53	224	226
Purchased services	40	21	141	80
Office supplies	19	16	63	51
Other expenses	25	19	86	67
TOTAL	141	109	514	424

NOTE 17 LABOUR EXPENSES

<i>thousand €</i>	Q4 2023	Q4 2022	12M 2023	12M 2022
Wages and salaries	272	389	1,206	1,536
Social security and unemployment insurance	94	126	399	496
Fringe benefits paid to employees	10	4	15	12
TOTAL	376	519	1,620	2,045



NOTE 18 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME

<i>thousand €</i>	Q4 2023	Q4 2022	12M 2023	12M 2022
Compensation from insurance	0	0	0	33
Profit from revaluation of real estate investments	404	697	404	697
TOTAL	404	697	404	730

OTHER OPERATING EXPENSES

<i>thousand €</i>	Q4 2023	Q4 2022	12M 2023	12M 2022
Reclamations	0	0	2	3
Contract fees	2	0	3	1
Membership fees	0	0	5	1
Penalties paid	1	0	4	3
Loss from sales of fixed assets	0	0	0	1
Other costs	0	0	413	0
TOTAL	3	0	427	9

NOTE 19 FINANCIAL INCOME AND EXPENSES

FINANCIAL INCOME

<i>thousand €</i>	Q4 2023	Q4 2022	12M 2023	12M 2022
Received dividends	0	24	0	129
Total financial income	0	24	0	129

FINANCIAL EXPENSES

<i>thousand €</i>	Q4 2023	Q4 2022	12M 2023	12M 2022
Interest expenses	54	31	209	126
<i>including interest expenses related to provisions (Note 10)</i>	3	2	7	6
Revaluation of TPD shares	183	143	153	0
Other finance cost	0	0	4	4
Total financial cost	237	174	366	130

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 31 December 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 31 December 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>	Q4 2023	Q4 2022	12M 2023	12M 2022
Membership fees	51	53	204	200
Compensation for use of personal automobile	1	0	1	0
Social tax	17	17	69	67
Total	69	70	274	267

Benefits (incl. tax expenses) include payments of parent and subsidiary company Management Board and Supervisory Board fees paid within the period. 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>	Q4 2023	Q4 2022	12M 2023	12M 2022
Purchased services	5	5	21	17
Total	5	5	21	17

BALANCES WITH RELATED PARTIES AS OF:

<i>thousand €</i>	31.12.2023	31.12.2022
Purchased services	7	1
Short-term loan	200	0
Total	207	1

