



**First quarter
Interim report
2020**

NORDIC FIBREBOARD AS

**Consolidated Interim Report for the First quarter of 2020
(unaudited)**

Beginning of the Interim Report Period:	1.01.2020
End of the Interim Report Period:	31.03.2020
Beginning of the financial year:	1.01.2020
End of the financial year:	31.12.2020
Business name:	Nordic Fibreboard AS
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Auditor:	AS PricewaterhouseCoopers
Main activity:	Production and sales of fibreboards

CONTENTS

COMPANY PROFILE	3
MANAGEMENT REPORT	4
DECLARATION OF THE MANAGEMENT BOARD	9
INTERIM FINANCIAL STATEMENTS	10
CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS	10
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	11
CONSOLIDATED STATEMENT OF CASH FLOWS.....	12
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	13
NOTES TO THE CONSOLIDATED INTERIM REPORT	14
NOTE 1 ACCOUNTING POLICIES AND MEASUREMENT BASES	14
NOTE 2 CASH AND CASH EQUIVALENTS.....	16
NOTE 3 TRADE AND OTHER RECEIVABLES	17
NOTE 4 INVENTORIES.....	17
NOTE 5 INVESTMENT PROPERTY.....	18
NOTE 6 PROPERTY PLANT EQUIPMENT	19
NOTE 7 INTANGIBLE ASSETS	20
NOTE 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS.....	20
NOTE 9 BORROWINGS.....	20
NOTE 10 PAYABLES AND PREPAYMENTS	22
NOTE 11 PROVISIONS.....	22
NOTE 12 EQUITY.....	23
NOTE 13 EARNINGS PER SHARE	24
NOTE 14 SEGMENTS.....	24
NOTE 15 COST OF GOODS SOLD	27
NOTE 16 DISTRIBUTION COSTS	27
NOTE 17 ADMINISTRATIVE AND GENERAL EXPENSES	27
NOTE 18 LABOUR EXPENSES	28
NOTE 19 OTHER OPERATING INCOME AND EXPENSES.....	28
NOTE 20 FINANCIAL INCOME AND EXPENSES	28
NOTE 21 RELATED PARTIES	29
NOTE 22 EVENTS AFTER BALANCE SHEET DATE.....	30

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 (established in 2019) and Skano Furniture OÜ, herewith in turn Nordic Fibreboard Ltd OÜ owns a subsidiary Suomen Tuulileijona OY and Skano Furniture OÜ owns a subsidiary Skano LT UAB.

The Group, as of 31.03.2020, 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
Skano Furniture OÜ	Estonia	Retail
UAB Skano LT	Lithuania	Retail (operations ended)
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). Suomen Tuulileijona OY is the marketing company of Nordic's Fibreboard products in Finland.

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.

Pärnu Riverside Development OÜ 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 Finland, Denmark, the Baltics and Russia.

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

As at 31.03.2020 the Group employed 130 people (31.03.2019: 126 people from continued operations).



MANAGEMENT REPORT

NORDIC FIBREBOARD AS UNAUDITED RESULTS FOR FIRST QUARTER OF 2020

Consolidated net sales for Q1 2020 were € 3.21 million, being a 2% decrease compared to the same period in 2019 from continued operations. Fibreboard sales increased by 7% to € 3.09 million due to new customers in the European Union within the display board and door core segments. Furniture retail sales revenue € of 47 thousand decreased by 88% in the Q1 2020 compared to the same period of the previous year, as Skano Furniture OÜ terminated its active operations and in the Q1 2020 the last sales of the discount campaign took place. Pärnu Riverside Development OÜ sales of real estate management in the Q1 2020 were € 68 thousand.

Nordic Fibreboard AS consolidated EBITDA were negative € 310 thousand for Q1 2020 (vs positive € 12 thousand Q1 2019 from continuing operations), whereby its Fibreboard division recorded negative EBITDA of € 255 thousand and the Furniture division negative EBITDA of € 47 thousand. The main reason for Fibreboard division's large loss is attributed to the temporarily closure of the fibreboard production plant in Püssi, such closure taking place in March due to the sudden loss of orders from this factory's main customer caused by the corona virus pandemic.

Net loss for Q1 2020 was € 534 thousand (Q1 2019: loss of € 202 thousand from continuing operations).

DIVISIONAL REVIEW OF FIRST QUARTER

REVENUE BY BUSINESS SEGMENTS

<i>€ thousand</i>	Q1 2020	Q1 2019
Continued operations		
Fibreboards production and sales	3,091	2,893
Furniture retail	47	392
Real Estate Management	68	0
Group transactions	(0)	(2)
TOTAL from continued operations	3,206	3,284
Discontinued operations	0	545
TOTAL	3,206	3,829

PROFIT BY BUSINESS SEGMENTS

<i>€ thousand</i>	Q1 2020	Q1 2019
Continued operations		
EBITDA by business units:		
Fibreboards production and sales	(255)*	23
Furniture retail	(47)	(22)
Real Estate Management	(2)	0
Group transactions	(6)	12
TOTAL EBITDA	(310)	12
Depreciation	151	150
TOTAL OPERATING PROFIT/ LOSS	(462)	(138)
Net financial costs	72	64
Income tax	0	0
NET PROFIT/ LOSS from continued operations	(534)	(202)
Net profit/loss from discontinued operations	0	(121)
TOTAL	(534)	(323)

* Includes extraordinary expense of Püssi factory closure of 187 thousand euros, shown in the income statement under other operating expenses.



NORDIC FIBREBOARD LTD: FIBREBOARD SALES

Fibreboard sales in Q1 2020 were € 3.09 million, which is 7% more than same period in 2019 (2019: € 2.89 million). We sold our products to customers in 21 countries during Q1 2020. We recorded sales of € 2.74 million to customers in the European Union, the increase from last year's Q1 sales of € 2.09 million mainly coming from new customers in the European Union within the door core and display board segments. The corona virus pandemic led to substantial reduction in sales to customers in all other regions where we sell our fibreboards, these being Asia, Africa, Middle East, and Russia.

FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

	€ thousand	
	Q1 2020	Q1 2019
European Union	2,741	2,093
Russia	211	328
Asia	38	164
Africa	35	143
Middle East	38	86
Other	29	80
TOTAL	3,091	2,893

SKANO FURNITURE: RETAIL SALES

Furniture retail sales in Q1 2020 were € 47 thousand, decrease 88% (2019 Q1 € 392 thousand) from same period last year. The decrease in sales revenue is due to the exit from the retail business. In 2019, Skano Furniture OÜ closed 4 stores and in the first quarter of 2020 the last two remaining stores. EBITDA for furniture retail for Q1 2020 were negative € 47 thousand (Q1 2019 EBITDA was negative € 22 thousand).

RETAIL SALES BY COUNTRIES

	€ thousand		Number of stores	
	Q1 2020	Q1 2019	31.03.2020	31.03.2019
Estonia	47	256	0	4
Latvia	0	40	0	1
Lithuania	0	96	0	1
TOTAL	47	392	0	6

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 which resulted in rental income, ie sales, of € 68 thousand in Q1 2020. The company was established in Q2 2019. EBITDA for Q1 2020 were negative € 2 thousand.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 31.03.2020 the total assets of Nordic Fibreboard AS were € 8.5 million (31.03.2019: € 10.1 million). The liabilities of the company as of 31.03.2020 were € 7.5 million (31.03.2019: € 7.6 million), of which Group has borrowings of € 4.4 million as at 31.03.2020 (31.03.2019: € 4.7 million).

Receivables and prepayments amounted to € 1.4 million as at 31.03.2020 (31.03.2019: € 1.4 million). Inventories were € 0.5 million as of 31.03.2020 (31.03.2019: € 1.9 million). Fixed assets were € 6.6



million as of 31.03.2020 (€ 6.7 million as of 31.03.2019). The decrease in balance sheet volume in 2019 is due to the sale in September 2019 of the Group's furniture production and wholesale subsidiary.

In 2020 Q1, the Group's cash flows from operating activities totalled cash inflow of € 209 thousand (2019 Q1: cash inflow € 84 thousand). Investment activities resulted in cash outflows in amount of € 78 thousand in 2020 Q1, compared to outflows in amount € 28 thousand in Q1 2019. Financing activities also resulted in cash outflows of € 131 thousand in Q1 2020 (2019 Q1: cash outflow € 33 thousand). Net cash effect in 2020 Q1 shows cash outflow € 1 thousand (2019Q1: cash inflow € 24 thousand).

OUTLOOK

NORDIC FIBREBOARD LTD

The corona virus pandemic is still affecting the economy of the countries where the company is selling its fibreboards, and due to the extraordinary and unpredictable effect of this pandemic, we find it most difficult to foresee the future demand situation. However, we take some comfort that our customers in the Nordic and Baltic countries have so far not shown any signs of reducing their demand for our fibreboards.

PÄRNU RIVERSIDE DEVELOPMENT

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

PEOPLE

On the 31st of March 2020, the Group employed 130 people (compared to 126 people as of 31.03.2019 from continuing operations). The average number of personnel in Q1 2020 was 127 (Q1 2019: 126 from continuing operations).

For three months of 2020, wages and salaries with taxes amounted to € 587 thousand (three months 2019: € 592 thousand from continuing operations). Payments made to management board members of all group companies including all subsidiaries with relevant taxes were € 45 thousand in Q1 2020 and € 51 thousand in Q1 2019.



FINANCIAL HIGHLIGHTS

€ thousand

Income statement	Q1 2020	Q1 2019
Revenue	3,206	3,284
EBITDA	(310)	12
EBITDA margin	(10%)	0%
Operating profit	(462)	(138)
Operating margin	(14%)	(4%)
Net profit	(534)	(202)
Net margin	(17%)	(6%)
Net profit/loss from discontinued operations	0	(121)
TOTAL NET PROFIT	(534)	(323)
Statement of financial position	31.03.2020	31.03.2019
Total assets	8,475	10,147
Return on assets	(6%)	(2%)
Equity	1,017	2,587
Return on equity	(52%)	(8%)
Debt-to-equity ratio	88%	75%
Share	31.03.2020	31.03.2019
Last Price*	0.33	0.41
Earnings per share	(0.12)	(0.07)
Price-earnings ratio	(2.78)	(5.74)
Book value of a share	0.23	0.58
Market to book ratio	1.46	0.72
Market capitalization, € thousand	1,485	1,854
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 = 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 31.03.2020 six months' EURIBOR rate was (0.287) and at 31.03.2019 (0.228). As EURIBOR is negative and in the loan agreements it is set to 0%, the continued negative rate of EURIBOR does not have interest expense reducing effect. As the borrowing have a maturity of less than 1 year, management is in 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. Raw materials for production and goods purchased for resale in our retail operations are mainly 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.

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.



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 2020.

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 10-30 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 29, 2020



INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

<i>€ thousand</i>	31.03.2020	31.12.2019	31.03.2019	31.12.2018
Cash and cash equivalents (Note 2)	6	7	78	54
Receivables and prepayments (Note 3)	1,441	1,394	1,403	1,142
Inventories (Note 4)	464	894	1,939	2,255
Total current assets	1,911	2,296	3,420	3,452
Investment property (Note 5)	1,125	1,121	180	175
Available-for-sale financial assets (Note 8)	378	397	410	422
Property, plant and equipment (Note 6)	5,046	5,212	6,106	6,223
Intangible assets (Note 7)	16	19	30	34
Total non-current assets	6,564	6,749	6,727	6,855
TOTAL ASSETS	8,475	9,045	10,147	10,307
Borrowings (Notes 9)	4,367	4,547	654	652
Payables and prepayments (Notes 10)	2,850	2,665	2,551	2,418
Short-term provisions (Note 11)	14	20	16	15
Total current liabilities	7,231	7,232	3,221	3,085
Long-term borrowings (Notes 9)	48	92	4,129	4,112
Long-term provisions (Note 11)	179	179	210	210
Total non-current liabilities	227	271	4,339	4,321
Total liabilities	7,458	7,503	7,560	7,406
Share capital (at nominal value) (Note 12)	2,699	2,699	2,699	2,699
Share premium	364	364	364	364
Statutory reserve capital	288	288	288	288
Other reserves	94	84	55	45
Retained earnings (loss)	(2,428)	(1,894)	(819)	(496)
Total equity	1,017	1,542	2,587	2,901
TOTAL LIABILITIES AND EQUITY	8,475	9,045	10,147	10,307

*The notes to the financial statements presented on pages 14 to 30 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

€ thousand	Q1 2020	Q1 2019
Revenue (Note 14)	3,206	3,284
Cost of goods sold (Note 15)	2,818	2,883
Gross profit	388	400
Distribution costs (Note 16)	427	402
Administrative expenses (Note 17)	174	123
Other operating income (Note 19)	0	22
Other operating expenses (Note 19)	248	34
Operating profit (loss)	(462)	(138)
Finance income (Note 20)	1	0
Finance costs (Note 20)	73	64
LOSS BEFORE INCOME TAX	(534)	(202)
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(534)	(202)
Net profit/loss for the period from discontinuing operations	0	(121)
NET PROFIT (LOSS) FOR THE PERIOD	(534)	(323)
Other comprehensive income (loss)	0	0
<i>Other comprehensive income (loss) that can in certain cases be reclassified to the income statement</i>	0	0
Currency translation differences		
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(534)	(323)
Basic earnings per share (Note 13)	(0.12)	(0.07)
Diluted earnings per share (Note 13)	(0.12)	(0.07)

*The notes to the financial statements presented on pages 14 to 30 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

€ thousand	Q1 2020	Q1 2019
Cash flows from operating activities		
Operating profit (loss)	(462)	(138)
Adjustments:		
Depreciation charge (Notes 6;7)	151	150
Non-monetary transactions: reserve for share option (Note 12)	10	10
Change in trade and other receivables (Note 3)	(47)	(187)
Change in inventories (Note 4)	430	206
Change in trade and other payables (Note 10)	185	89
Change in provisions (Note 11)	(6)	(1)
Discontinued operations	0	12
Cash generated from operations	261	141
Interest payments (Note 20)	(50)	(55)
Interest received	1	0
Net other financial income and expense	(3)	(2)
Net cash generated from operating activities	209	84
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 6;7)	(49)	(2)
Purchase of real estate investment (Note 5)	(3)	(5)
Finance lease payments (Note 9)	(26)	(20)
Net cash used in investing activities	(78)	(28)
Cash flows from financing activities		
Repayment of loans received (Note 9)	(4)	(73)
Loans received from related parties (Note 9)	161	0
Repayment of loans received from related parties (Note 9)	(179)	0
Change in overdraft (Note 9)	(109)	40
Change in factoring (Note 9)	0	
Net cash (used in)/from financing activities	(131)	(33)
NET CHANGE IN CASH	(1)	24
OPENING BALANCE OF CASH (Note 2)	7	54
CLOSING BALANCE OF CASH (Note 2)	6	78

*The notes to the financial statements presented on pages 14 to 30 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 31.12.2018	2,699	364	288	45	(496)	2,901
Share options 3M 2019	0	0	0	10	0	10
<i>Net loss for 3M 2019</i>	0	0	0	0	(323)	(323)
Total comprehensive loss for 3M 2019	0	0	0	0	(323)	(323)
Balance at 31.03.2019	2,699	364	288	55	(819)	2,587
Balance at 31.12.2019	2,699	364	288	84	(1,894)	1,542
Share options 3M 2020	0	0	0	10	0	10
<i>Net loss for 3M 2020</i>	0	0	0	0	(534)	(534)
Total comprehensive loss for 3M 2020	0	0	0	0	(534)	(534)
Balance at 31.03.2020	2,699	364	288	94	(2,428)	1,017

*The notes to the financial statements presented on pages 14 to 30 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: Suur-Jõe 48, Pärnu), is an entity registered in the Republic of Estonia. It operates in Estonia and through its subsidiaries in Lithuania and Finland.

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 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. Until November 2009, the ultimate controlling party of Nordic Fibreboard AS was TDI Investments KY. The Group has since November 2009 not had any ultimate controlling party. Its largest shareholder today is Pärnu Holdings OÜ (owning 59.62%), of which the main investors with the largest holdings in Pärnu Holdings OÜ have significant influence over the Group as at 31 December 2018 and 31 December 2019, these being AS Trigon Capital (45.18%) and Stetind OÜ (46.99%).

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 31.12.2019. The consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting. 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 2020 gives a true and fair view of the financial position of Nordic Fibreboard AS and the results of its operations. The present Interim Report has not been audited.

IMPORTANT CHANGES IN ACCOUNTING POLICIES

The following new or revised standards and interpretations became effective for the Group on or after 1 January 2019 and which the Group has not earlier adopted.

IFRS 16, LEASES

IFRS 16 „Leases“ (effective for annual periods beginning on or after 1 January 2019). The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and



liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. As at 31 December 2018, the Group had long-term commitments from operating lease contracts.

The impact of new standard:

- The new standard will affect virtually all commonly used financial ratios and performance metrics such as gearing, current ratio, asset turnover, interest cover, EBITDA, EBIT, operating profit, net income, EPS, ROCE, ROE and operating cash flows.
- Balance sheets will grow, gearing ratios will increase, and capital ratios will decrease.

From 2019 the company changed the accounting policy for investment properties retroactively. Investment properties are now recognized at the fair value. Valuation of investment property in Suur-Jõe street 48 at fair value was based on an expert valuation by an independent valuer in 2019 and valuation of investment property in Rääma street 31 at fair value was based on a decision of the Management and an expert evaluation prepared by an independent valuer in 2016.

The following new or revised standards and interpretations became effective for the Group from January 1, 2018:

IFRS 15 „REVENUE FROM CONTRACTS WITH CUSTOMERS“

IFRS 15 „Revenue from Contracts with Customers“ (effective for annual periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers must be capitalised and amortised over the period when the benefits of the contract are consumed. The new standard did not have material impact on the Group's financial statements.

Revenue from Contracts with Customers – Amendments to IFRS 15 (effective for annual periods beginning on or after 1 January 2018). The amendments do not change the underlying principles of the standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new standard. The new standard did not have material impact on the Group's financial statements.

IFRS 9, FINANCIAL INSTRUMENTS

IFRS 9, Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after 1 January 2018). Key features of the new standard are:



- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
- Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.
- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stages' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

The new standard did impact on the Group's financial statements with the reclassification from financial assets available for sale (Trigon Property Development shares) into financial assets at fair value through profit or loss (€ 182 thousand as at 1 January 2018, see also Note 8). There were no fair value gains/losses to be transferred from AFS reserve to retained earnings on 1 January 2018.

The other new and revised standards are interpretations that are not yet effective are not expected to have a material impact on the Group.

NOTE 2 CASH AND CASH EQUIVALENTS

<i>€ thousand</i>	31.03.2020	31.12.2019	31.03.2019	31.12.2018
Cash on hand	0	1	2	2
Bank Accounts	6	6	75	52
TOTAL	6	7	78	54



NOTE 3 TRADE AND OTHER RECEIVABLES

<i>€ thousand</i>	31.03.2020	31.12.2019	31.03.2019	31.12.2018
Customer receivables	1,320	1,186	1,142	911
Prepaid taxes	103	185	200	150
Other receivables	1	7	32	65
Prepaid services	18	16	29	16
TOTAL	1,441	1,394	1,403	1,142

Impairment losses of receivables and their reversal are included in the income statement lines *Other operating income* and *Other operating expenses*, see also Note 19.

ANALYSIS OF TRADE RECEIVABLES BY AGING:

<i>thousand €</i>	31.03.2020	31.12.2019	31.03.2019	31.12.2018
Not past due	1,293	1,033	1,060	777
incl receivables from customers who also have receivables past due	48	551	44	207
incl receivables from customers who have no receivables past due	1,246	483	1,016	570
Past due but not impaired	26	152	82	134
Overdue up to 90 days	14	140	82	132
Overdue more than 90 days	12	12	0	2
TOTAL	1,320	1,186	1,142	911

NOTE 4 INVENTORIES

<i>€ thousand</i>	31.03.2020	31.12.2019	31.03.2019	31.12.2018
Raw materials and other materials	214	218	449	439
Work-in-progress	43	130	324	358
Finished goods	212	568	1,004	1,264
Goods purchased for resale	3	59	173	163
Goods in transit	46	0	81	133
Prepayments to suppliers	12	18	18	7
Write-off reserve for inventories	(66)	(100)	(109)	(109)
TOTAL	464	894	1,939	2,255



NOTE 5 INVESTMENT PROPERTY

	<i>thousand €</i>
Carrying amount 31.12.2018	175
Capitalized costs	5
Carrying amount 31.03.2019	180
Carrying amount 31.12.2019	1 121
Capitalized costs	3
Carrying amount 31.03.2020	1 125

Costs of maintenance for 3M 2020 were € 70 thousand and € 0 thousand in 3M 2019. Rental income from investment properties for 3M 2020 was € 68 thousand and € 1 thousand in 3M 2019. Acquisitions of investment property during 2020 are related to expenses of Suur-Jõe 48, Pärnu detail plan.

From 2019 the company changed the accounting policy for investment properties retroactively. Investment properties are now recognized at the fair value.

	<i>thousand €</i>
31.12.2018	
Share of registered immovable property at Suur-Jõe 48, Pärnu	5
Share of registered immovable property at Rääma Street 31, Pärnu	170
31.03.2019	
Share of registered immovable property at Suur-Jõe 48, Pärnu	10
Share of registered immovable property at Rääma Street 31, Pärnu	170
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
31.03.2020	
Share of registered immovable property at Suur-Jõe 48, Pärnu	955
Share of registered immovable property at Rääma Street 31, Pärnu	170



NOTE 6 PROPERTY PLANT EQUIPMENT

<i>thousand €</i>	Land	Buildings and facilities	Machinery and equipment	Other fixtures	Construction-in-progress	Right-of-use asset	TOTAL
Cost at 31.12.2018	223	4,950	14,259	117	0	0	19,548
Accumulated depreciation at 31.12.2018	0	(3,287)	(9,928)	(109)	0	0	(13,325)
Carrying amount at 31.12.2018	223	1,662	4,331	7	0	0	6,223
Additions	0	0	2	0	0	0	2
Change in accounting policies	0	0	0	0	0	73	73
Disposals and write-offs (Note 19)	0	0	(2)	0	0	(7)	(9)
Accumulated depreciation of fixed assets written off	0	0	2	0	0	7	9
Depreciation (Notes 15;16;17)	0	(43)	(126)	(1)	0	(20)	(170)
Cost at 31.03.2019	223	4,950	14,259	117	0	66	19,614
Accumulated depreciation at 31.03.2019	0	(3,331)	(10,054)	(110)	0	(13)	(13,508)
Carrying amount at 31.03.2019	223	1,619	4,205	7	0	53	6,106
Cost at 31.12.2019	191	2,553	10,532	48	70	266	13,660
Accumulated depreciation at 31.12.2019	0	(1,629)	(6,697)	(43)	0	(79)	(8,448)
Carrying amount at 31.12.2019	191	924	3,835	4	70	188	5,212
Additions	0	0	18	0	30	0	49
Disposals and write-offs (Note 19)	0	0	(6)	0	0	(92)	(98)
Accumulated depreciation of fixed assets written off	0	0	6	0	0	25	32
Depreciation (Notes 15;16;17)	0	(21)	(101)	(0)	0	(26)	(148)
Cost at 31.03.2020	191	2,553	10,544	48	101	174	13,611
Accumulated depreciation at 31.03.2020	0	(1,649)	(6,792)	(44)	0	(80)	(8,565)
Carrying amount at 31.03.2020	191	903	3,753	4	101	95	5,046



NOTE 7 INTANGIBLE ASSETS

<i>thousand €</i>	Computer software
Cost at 31.12.2018	226
Accumulated amortisation at 31.12.2018	(192)
Carrying amount 31.12.2018	34
Amortisation charge (Notes 15;16;17)	(4)
Cost at 31.03.2019	226
Accumulated amortisation at 31.03.2019	(196)
Carrying amount 31.03.2019	30
Cost at 31.12.2019	82
Accumulated amortisation at 31.12.2019	(64)
Carrying amount 31.12.2019	19
Amortisation charge (Notes 15;16;17)	(3)
Cost at 31.03.2020	82
Accumulated amortisation at 31.03.2020	(67)
Carrying amount 31.03.2020	16

NOTE 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS

<i>thousand €</i>	31.03.2020	Change 3M 2020	31.12.2019	31.03.2019	31.12.2018
Non-current assets					
Listed securities - Equity securities - cost as at	410	0	410	410	410
Revaluation*	(31)	(19)	(12)	1	13
Fair value as at	378	(19)	397	410	422

*Available-for-sale financial assets (i.e. Trigon Property Development shares) have been revaluated to reflect fair value based on last price as at 31.03.2020 as shown on Nasdaq Tallinn Stock Exchange.

NOTE 9 BORROWINGS

Until June 2020 the loan agreements contain covenants whereby the debt to EBITDA ratio of the group on a 12-month basis may be up to 5, the DSCR must be maintained at least 1.4 at all times and the annual capital expenditures are capped at 300 thousand €. Waiver was obtained from lender in respect of breaching the financial covenants as at 31 December 2019 and the loan repayment term extended until 30.06.2020, provided that the lender assesses the borrower's solvency every three months.



<i>thousand €</i>	Interest rate	31.03.2020	31.12.2019	31.03.2019	31.12.2018
Current borrowings					
Current portion of long-term bank loan (Note 3)	6 month euribor+4.55%	4,086	4,090	221	284
Current portion of short-term financial lease	6 month EURIBOR+2,49%	48	97	25	0
Short term loan from related parties*	5%	2	20	0	0
Bank overdrafts (Note 3)	5%	231	340	408	368
Total		4,367	4,547	654	652
Non-current borrowings					
Current portion of long-term bank loan (Note 3)	6 month euribor+4.55%	0	0	4,102	4,112
Non-current financial lease	6 month EURIBOR+2,49%	48	92	28	0
Total		48	92	4,129	4,112
Total borrowings		4,415	4,639	4,783	4,763

* As at 28.05.2020 the short-term loan balance with related parties is € 5 thousand.

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities <i>thousand €</i>	31.12.2019	Cash flows	Non-monetary settlements	Interest accrued	Interest paid	Other	31.03.2020
Current portion of long-term bank loan	4,090	(4)	0	(46)	46	0	4,086
Current portion of short-term financial lease	97	(26)	(23)	(0)	0	0	48
Short term loan from related parties	20	(18)	0	0	0	0	2
Bank overdrafts	340	(109)	0	(4)	4	0	231
Non-current bank loans	0	0	0	0	0	0	0
Non-current financial lease	92	0	(44)	0	0	0	48
Total liabilities from financing activities	4,639	(157)	(67)	(50)	50	0	4,415

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities <i>thousand €</i>	31.12.2018	Cash flows	Non-monetary settlements	Interest accrued	Interest paid	Other	31.03.2019
Current portion of long-term bank loan	284	(73)	0	(50)	50	10	221
Current portion of short-term financial lease	0	(20)	46	(1)	1	0	25
Short term loan from related parties	0	0	0	0	0	0	0
Bank overdrafts	368	40	0	(5)	5	0	408
Non-current bank loans	4,112	0	0	0	0	(10)	4,102
Non-current financial lease	0	0	28	0	0	0	28
Total liabilities from financing activities	4,763	(53)	73	(55)	55	0	4,783



NOTE 10 PAYABLES AND PREPAYMENTS

<i>thousand €</i>	31.03.2020	31.12.2019	31.03.2019	31.12.2018
Trade payables (Note 3)	2,207	2,226	1,875	1,768
Payables to employees	160	163	235	223
incl. accrued holiday pay reserve	36	36	47	53
Tax liabilities	145	162	224	257
incl. social security and unemployment insurance	94	147	151	145
personal income tax	36	61	56	51
contribution to mandatory funded pension	3	6	6	6
value added tax	2	51	7	45
other taxes	10	16	4	9
Prepayments received	134	82	183	147
Other payables (Note 3)	204	32	33	23
TOTAL	2,850	2,665	2,551	2,418

NOTE 11 PROVISIONS

thousand €

Balance at 31.12.2018

	225
incl. current portion of provision	15
incl. non-current portion of provision	210

Movements 2019 3M:

Use of provision	(1)
Interest cost (Note 20)	2

Balance at 31.03.2019

	225
incl. current portion of provision	16
incl. non-current portion of provision	210

Balance at 31.12.2019

	199
incl. current portion of provision	20
incl. non-current portion of provision	179

Movements 2020 3M:

Use of provision	6
Interest cost (Note 20)	1

Balance at 31.03.2020

	194
incl. current portion of provision	15
incl. non-current portion of provision	179

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. In 2019 the provision reserve decreased by € 10 thousand due to the death of one such former employee.



NOTE 12 EQUITY

	Nominal value	Number of shares	Share capital
	€	pcs	thousand €
Balance at 31.03.2020	0.60	4,499,061	2,699
Balance at 31.12.2019	0.60	4,499,061	2,699
Balance at 31.03.2019	0.60	4,499,061	2,699
Balance at 31.12.2018	0.60	4,499,061	2,699

The share capital of Nordic Fibreboard AS totalled 2,699,436.60 euros that were made up of 4,499,061 shares with the nominal value of 0.60 euros each. The maximum share capital outlined in the Articles of Association is 10,797,744 euros. Each ordinary share grants its owner one vote in the General Meeting of Shareholders and the right to receive dividends.

As at 31.03.2020, the Group had 458 shareholders (31.03.2019: 445 shareholders) of which with more than 5% ownership interest were:

- Pärnu Holdings OÜ with 2,682,192 shares or 59.62% (31.03.2019: 59.62%)
- Gamma Holding Investment OÜ with 362,581 shares or 8.06% (31.03.2019: 7.69%)

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 (31.03.2019: 20,000 shares)
- Jan Peter Ingman 0 shares (31.03.2019: 0 shares)
- Trond Brekke 0 shares (31.03.2019: 0 shares)
- Sakari Wallin 0 shares (31.03.2019: 0 shares)
- Torfinn Losvik 0 shares (31.03.2019: 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 (31.03.2019 38,206 shares).

As of 31.03.2020 Torfinn Losvik has a share option agreement with up to maximum 300,000 share options, such share option agreement was signed 11 October 2017. The agreement stipulates as follow:

- Torfinn Losvik shall be entitled to use the issued option starting from the 37th (thirty-seventh) calendar month after issue of the option. He shall lose the right to use the share option if he leaves from the management board of Nordic Fibreboard AS upon own initiative prior to the thirty-seventh calendar month after the issue of the option or if his board member contract is terminated upon the initiative of the supervisory board within 12 months after the issue of the option. He shall have the right to use the share option to the extent of 1/3 if his board member contract is terminated within 13-24 months after the issue of the option and to the extent of 2/3 if his or her board member contract is terminated within 25-36 months after the issue of the option.
- Torfinn Losvik shall not have the right to transfer the share options issued thereto.
- Up to 300 000 (three hundred thousand) shares of Nordic Fibreboard AS shall be emitted to fulfil the conditions of the share option.
- The price of one share option is 0.506 EUR (calculated as the average closing price of the Nordic Fibreboard shares for the last 60 trading days before the announcement of given AGM on 12.04.2017).



- The final term of the share programme is 31.12.2020. The specific schedule of the share programme and the procedure for sale shall be determined by the supervisory board.
- The pre-emptive right of shareholders to subscribe to new shares emitted to fulfil the conditions of the share option shall be precluded.

Based on Nordic Fibreboard AS share historical volatility of 85% over past 4 years (2014-2017), the management has evaluated value of the call option of the option agreement to be of 77% compared to agreed strike price. As a result, a monthly reserve of € 3 thousand is accounted for the next 36 months starting from November 2017.

NOTE 13 EARNINGS PER SHARE

	31.03.2020	31.12.2019	31.03.2019	31.12.2018
Net loss (in thousands of euros)	(534)	(1,398)	(323)	(891)
Weighted average number of shares (units)	4,499,061	4,499,061	4,499,061	4,499,061
Basic earnings per share	(0.12)	(0.31)	(0.07)	(0.20)
Weighted average number of shares used for calculating the diluted earnings per shares (units)	4,629,641	4,629,641	4,629,641	4,629,641
Diluted earnings per share	(0.12)	(0.30)	(0.07)	(0.19)
Book value of share	0.23	0.34	0.58	0.64
Price/earnings ratio (P/E)	(2.78)	(1.32)	(5.74)	(1.81)
Last price of the share of Nordic Fibreboard AS on Tallinn Stock Exchange as at	0.33	0.41	0.41	0.36
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	4,499,061	4,499,061	4,499,061	4,499,061
Adjustments for calculation of diluted earnings per share:				
Share options (2017 program)	131	131	131	131
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	4,629,641	4,629,641	4,629,641	4,629,641

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 program started from 2015. Nordic Fibreboard AS share price on average has been lower than the exercise price of options granted to Gregory Devine Grace. The share options were valid until 31.12.2018 with strike price of € 1.10. 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 14 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 Pärnu and Püssi factories 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 this year.

2019 has been treated as a discontinued operations furniture manufacturing and sale, Skano Furniture Factory OÜ sold on 05.09.2019.

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:

3 months 2020 thousand €	Fibreboard manu- facturing and sale	Real Estate Manage- ment	Furniture retail sale	Group's general expenses and eliminations	Discontinued operations	SEGMENTS TOTAL
Revenue from external customers	3,091	68	47	0	0	3,206
Inter-segment revenue	0	0	0	(0)	0	0
Operating profit/-loss	(406)	(2)	(47)	(6)	0	(462)
Amortisation/ depreciation (Notes 6; 7)	151	0	0	0	0	151
Segment assets	7,603	1,015	1	(144)	0	8,475
Non-current assets of the segment (Note 5; 6; 7; 8)	5,677	955	0	(67)	0	6,564
Segment liabilities	6,911	52	481	15	0	7,458
Additions to non-current assets (Note 6;7)	49	3	0	0	0	52
Interest expenses (Note 20)	48	0	0	3	0	51



3 months 2019 thousand €	Fibreboard manu- facturing and sale	Real Estate Manage- ment	Furniture retail sale	Group's general expenses and eliminations	Discontinued operations	SEGMENTS TOTAL
Revenue from external customers	2,893	0	391	0	545	3,829
Inter-segment revenue	0	0	1	(175)	174	(0)
Operating profit/-loss	(127)	0	(23)	12	(114)	(252)
Amortisation/ depreciation (Notes 6; 7)	150	0	1	0	47	197
Segment assets	8,160	0	487	(442)	1,942	10,147
Non-current assets of the segment (Note 5;6;7;8)	5,995	0	3	(68)	798	6,727
Segment liabilities	6,442	0	740	(621)	998	7,560
Additions to non-current assets (Note 6;7)	2	0	0	0	5	7
Interest expenses (Note 20)	51	0	0	0	6	57

BUSINESS SEGMENT BY THE GEOGRAPHICAL REGION OF CUSTOMERS:

thousand €	3M 2020					
	Fibreboard	Real Estate Management	Retail	CONTINUING OPERATIONS TOTAL	Discontinued operations	SEGMENTS TOTAL
European Union	2,741	68	47	2,856	0	2,856
Russia	211	0	0	211	0	211
Middle East	38	0	0	38	0	38
Asia	38	0	0	38	0	38
Africa	35	0	0	35	0	35
Other	29	0	0	29	0	29
Grand Total	3,091	68	47	3,206	0	3,206

thousand €	3M 2019					
	Fibreboard	Real Estate Management	Retail	CONTINUING OPERATIONS TOTAL	Discontinued operations	SEGMENTS TOTAL
European Union	2,093	0	390	2,483	545	3,028
Russia	328	0	0	328	0	328
Middle East	86	0	0	86	0	86
Asia	164	0	0	164	0	164
Africa	143	0	0	143	0	143
Other	80	0	0	80	0	80
Grand Total	2,893	0	390	3,283	545	3,828



NOTE 15 COST OF GOODS SOLD

<i>thousand €</i>	Q1 2020	Q1 2019
Raw materials and main materials	754	1,064
Electricity and heat	966	776
Labour expenses (Note 18)	458	416
Depreciation (Note 6;7)	150	150
Purchased goods	69	170
Change in balances of finished goods, goods in transit and work in progress	333	257
Other expenses	88	51
Continued operations TOTAL	2,818	2,883
Discontinued operations	0	598
TOTAL	2,818	3,481

NOTE 16 DISTRIBUTION COSTS

<i>thousand €</i>	Q1 2020	Q1 2019
Transportation expenses	328	222
Labour expenses (Note 18)	57	83
Operating Lease	0	37
Marketing expense	2	21
Commission fees	27	8
Other expenses	14	30
Continued operations TOTAL	427	402
Discontinued operations	0	26
TOTAL	427	428

NOTE 17 ADMINISTRATIVE AND GENERAL EXPENSES

<i>thousand €</i>	Q1 2020	Q1 2019
Labour expenses (Note 18)	67	86
Purchased services	91	18
Office supplies	4	0
Operating Lease	0	4
Depreciation (Note 6;7)	1	0
Other expenses	11	15
Continued operations TOTAL	174	123
Discontinued operations	0	35
TOTAL	174	159



NOTE 18 LABOUR EXPENSES

<i>thousand €</i>	Q1 2020	Q1 2019
Wages and salaries	443	447
Social security and unemployment insurance	139	137
Accrued holiday pay provision	0	0
Fringe benefits paid to employees	5	8
Continued operations TOTAL	587	592
Discontinued operations	0	316
TOTAL	587	908

NOTE 19 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME

<i>thousand €</i>	Q1 2020	Q1 2019
Compensation from insurance	0	22
Continued operations TOTAL	0	22
Discontinued operations	0	0
TOTAL	0	22

OTHER OPERATING EXPENSES

<i>thousand €</i>	Q1 2020	Q1 2019
Sales bonuses	0	8
Reclamations	17	1
Commission, factoring fees	1	1
Membership fees	1	2
Insurance	0	5
Penalties paid	42	18
Other costs	187*	0
Continued operations TOTAL	248	34
Discontinued operations	0	1
TOTAL	248	35

* Other costs for Q1 2020 include extraordinary costs of Püssi factory closure € 187 thousand.

NOTE 20 FINANCIAL INCOME AND EXPENSES

<i>thousand €</i>	Q1 2020	Q1 2019
Financial income:		
Interest income	1	0
Continued operations total	1	0
Discontinued operations	0	
Total financial income	1	0



Financial cost		
Interest expenses	51	50
including interest expenses related to provisions (Note 13)	1	2
Other finance cost	22*	14*
Continued operations total	73	64
Discontinued operations	0	7
Total financial cost	73	71

* Other financial expenses include revaluation of TPD shares for 2020 Q1 € 19 thousand and for 2019 Q1 € 12 thousand.

NOTE 21 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 March 2020, the largest shareholder of OÜ Pärnu Holdings and the entities with significant influence over the Group are: AS Trigon Capital (46%) and Stetind OÜ (47%). The owner of Stetind OÜ is Torfinn Losvik and the owner of AS Trigon Capital is Joakim Helenius.

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

<i>thousand €</i>	Q1 2020	Q1 2019
Membership fees	34	39
Social tax	11	13
Total	45	51

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 RENTAL, CONSULTATION AND OTHER SERVICES FROM RELATED PARTIES:

<i>thousand €</i>	Q1 2020	Q1 2019
Purchased services	4	5
Total	4	5

BALANCES WITH RELATED PARTIES AS OF:

<i>thousand €</i>	31.03.2020	31.12.2019	31.03.2019	31.12.2018
Purchased services	3	0	7	4
Short-term loan	2	20	0	0
Total	5	20	7	4



NOTE 22 EVENTS AFTER BALANCE SHEET DATE

Due to the negative results in Q1 2020, the Company's equity does not meet the commercial code minimum requirements as of 31 March 2020. The management will convene an extraordinary general meeting of shareholders next week, where it is proposed to decrease the nominal share value from EUR 0.6 to EUR 0.06, in which case the equity will be in compliance with the minimum requirements in the commercial code.

Nordic Fibreboard Ltd OÜ added one extra work shift in April 2020 to its fibreboard factory located in Pärnu. This will enable the factory to run non-stop during every month, apart from 1 day maintenance stoppage every month.

