



**First quarter  
Interim report  
2021**

**NORDIC FIBREBOARD AS**

Consolidated Interim Report for the First quarter of 2021  
(unaudited)

Beginning of the Interim Report Period:	1.01.2021
End of the Interim Report Period:	31.03.2021
Beginning of the financial year:	1.01.2021
End of the financial year:	31.12.2021
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Auditor:	AS PricewaterhouseCoopers
Main activity:	Production and sales of fibreboards

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## COMPANY PROFILE

Nordic Fibreboard AS main activity is production and sale of building materials. Nordic Fibreboard AS is a holding company with subsidiaries Nordic Fibreboard Ltd OÜ, Pärnu Riverside Development OÜ and Skano Furniture OÜ, herewith in turn Nordic Fibreboard Ltd OÜ owns a subsidiary Suomen Tuulileijona OY and Skano Furniture OÜ owned a subsidiary Skano LT UAB, which was liquidated on 17.03.2021.

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 (operations ended)
UAB Skano LT	Lithuania	Retail *
Pärnu Riverside Development OÜ	Estonia	Rental and property development

\* Liquidated on 17.03.2021.

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. Skano LT UAB was liquidated on 17.03.2021.

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

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

As at 31.03.2021 the Group employed 97 people (31.03.2019: 130 employees).



## MANAGEMENT REPORT

### NORDIC FIBREBOARD AS UNAUDITED RESULTS FOR FIRST QUARTER OF 2021

Consolidated net sales for Q1 2021 were € 2.85 million, being an 11% decrease compared to Q1 2020. The main reason for the decrease in sales revenue was the loss of customers in the display board segment as a result of COVID-19 pandemic, due to which the Püssi factory was closed in March 2020. Fibreboard sales for Q1 2021 were 2.76 € million, which is an 11% decrease compared to the same period of the previous year (2020 Q1: 3.09 € million). The sales revenue of real estate management in the Q1 2021 were € 89 thousand, which is a 31% increase compared to the same period of the previous year (2020 Q1: € 68 thousand). There was no sales from furniture retail in the Q1 2021, as Skano Furniture terminated its active operations at the beginning of 2020, when the last sales of the discount campaign took place, which generated sales revenue of € 47 thousand in the Q1 2020.

Nordic Fibreboard AS consolidated EBITDA were positive € 484 thousand for Q1 2021 (vs negative € 310 thousand Q1 2020). Fibreboard EBITDA for the Q1 2021 were positive € 496 thousand (2020 Q1: negative € 255 thousand), EBITDA for real estate management positive € 8 thousand (2020 Q1: negative € 2 thousand), and EBITDA for furniture retail negative € 12 thousand (2020 Q1: negative € 47 thousand). The main reason for such large change in EBITDA are the improved efficiency of fibreboard. The closure of the Püssi fibreboard factory enabled us to switch the Püssi factory construction sector orders to our Pärnu factory, and we started a 4<sup>th</sup> shift in Pärnu in April 2020 as a result thereof. The Pärnu factory is now running continuously, except for a one-shift maintenance stop every month. EBITDA for the last rolling 12 months, ie from 1.4.2020 to 31.3.2021, were € 1 335 thousand.

Group's consolidated net profit for Q1 2021 was € 550 thousand (Q1 2020: loss € 534 thousand). Net profit for the last rolling 12 months were € 2 158 thousand.

### DIVISIONAL REVIEW

#### REVENUE BY BUSINESS SEGMENTS

€ thousand	Q1 2021	Q1 2020
Fibreboards production and sales	2,757	3,091
Real Estate Management	89	68
Furniture retail	0	47
<b>TOTAL</b>	<b>2,846</b>	<b>3,206</b>

#### PROFIT BY BUSINESS SEGMENTS

€ thousand	Q1 2021	Q1 2020
EBITDA by business units:		
Fibreboards production and sales	496	(255)*
Real Estate Management	8	(2)
Furniture retail	(12)	(47)
Group transactions	(8)	(6)
<b>TOTAL EBITDA</b>	<b>484</b>	<b>(310)</b>
Depreciation	(133)	(151)
<b>TOTAL OPERATING PROFIT/ LOSS</b>	<b>351</b>	<b>(462)</b>
Net financial costs	199**	(72)
<b>NET PROFIT/ LOSS</b>	<b>550</b>	<b>(534)</b>

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

\*\* Includes € 225 thousand upward value adjustment from Fibreboard's shareholding in real estate development company Trigon Property Development AS due to its strong share price appreciation during Q1 2021. The company owns a business park development area in Pärnu.



## NORDIC FIBREBOARD LTD: FIBREBOARD PRODUCTIONS AND SALES

Fibreboard sales for Q1 2021 were 2.76 € million, which is an 11% decrease compared to the same period of the previous year (2020 Q1: 3.09 € million). We sold our products to customers in 18 countries during Q1 2021. The main reason for the drop in sales was the loss of many display board customers as a result of the COVID-19 pandemic. Most products sold to display board customers were produced in our Püssi factory, which was closed in March 2020. The strong demand experienced in Q1 2021 has resulted in the Pärnu factory running at full capacity, and us prioritising the orders from our key customers in the Nordic, Baltic, and Russia.

Fibreboard EBITDA for the Q1 2021 were positive € 496 thousand, which is a substantial improvement compared to the same period of the previous year (2020 Q1: negative € 255 thousand). The improvement has been achieved due to increased efficiency by achieving full machine utilisation in the Pärnu factory.

Fibreboard net profit for Q1 2021 was € 563 thousand (Q1 2020: net loss € 476 thousand). The result includes the € 225 thousand upward value adjustment to Fibreboard's shareholding in Trigon Property Development.

### FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

<i>€ thousand</i>	<b>Q1 2021</b>	<b>Q1 2020</b>
European Union	2,159	2,741
Russia	433	211
Asia	102	38
Africa	47	35
Middle East	0	38
Other	16	29
<b>TOTAL</b>	<b>2,757</b>	<b>3,091</b>

## PÄRNU RIVERSIDE DEVELOPMENT: REAL ESTATE MANAGEMENT

Pärnu Riverside Development owns the property located at Suur-Jõe 48 in Pärnu. The property has some rental tenants and rental income from real estate management, including the resale of utilities, was € 89 thousand in Q1 2021, (Q1 2020: € 68 thousand).

The real estate management EBITDA for Q1 2021 were positive € 8 thousand (Q1 2020: negative € 2 thousand). The real estate management net profit for Q1 2021 was € 7 thousand, which has improved compared to the same period last year due to the addition of some tenants, (Q1 2020: net loss € 2 thousand).

## SKANO FURNITURE: RETAIL SALES

Skano Furniture finished its activities on 31.01.2020, when it closed the last two furniture showrooms, thus the retail sale of furniture did not have any sales revenue in the Q1 2021 (Q1 2020 sales revenue was € 47 thousand). EBITDA for furniture retail for Q1 2021 were negative € 12 thousand (Q1 2020 EBITDA was negative € 47 thousand), we have rental obligations for one of the closed showrooms until 30.04.2021. The furniture retail net loss for Q1 2021 was € 12 thousand (Q1 2020 net loss was € 47 thousand).

## STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 31.03.2021 the total assets of Nordic Fibreboard AS were € 7.8 million (31.03.2020: € 8.5 million). The liabilities of the company as of 31.03.2021 were € 4.6 million (31.03.2020: € 7.5 million), of which Group has borrowings of € 3.2 million as at 31.03.2021 (31.03.2020: € 4.4 million).



Receivables and prepayments amounted to € 1.0 million as at 31.03.2021 (31.03.2020: € 1.4 million). Inventories were € 0.3 million as of 31.03.2021 (31.03.2020: € 0.5 million). Fixed assets were € 6.4 million as of 31.03.2021 (€ 6.6 million as of 31.03.2020).

In 2021 Q1, the Group's cash flows from operating activities totalled cash inflow of € 196 thousand (2020 Q1: cash inflow € 209 thousand). Investment activities resulted in cash outflows in amount of € 38 thousand in 2021 Q1, compared to outflows in amount € 78 thousand in Q1 2020. Financing activities also resulted in cash outflows of € 53 thousand in Q1 2021 (2020 Q1: cash outflow € 131 thousand). The result of the net cash flow in 2021 Q1 was a cash inflow € 105 thousand, which is an improvement compared to the cash outflow in the amount of € 1 thousand in 2020 Q1.

## OUTLOOK

### NORDIC FIBREBOARD LTD

The order book from our traditional customers in our largest markets in northern Europe remains strong, with increased demand from many of these markets. This has had the effect of us having to postpone orders from customers from further afield. As a result of this improved demand picture, management is now considering measures for a possible reopening of Püssi factory in the not so distant future.

On the other hand, we are much aware of the continuing uncertainty surrounding the COVID-19 pandemic. We expect to have a clearer picture of the demand situation and the pandemic within the next few months.

### PÄRNU RIVERSIDE DEVELOPMENT

We will continue to manage and develop the property on Suur-Jõe Street 48, Pärnu. We expect the current detail planning application for residential development of the Suur-Jõe 48 landplot to be nearing its successful conclusion later this year.

## PEOPLE

On the 31.03.2021, the Group employed 97 people (compared to 130 people as of 31.03.2020). The average number of personnel in Q1 2021 was 95 (Q1 2020: 127).

For three months of 2021, wages and salaries with taxes amounted to € 460 thousand (three months 2020: € 587 thousand). Payments made to management board members of all group companies including all subsidiaries with relevant taxes were € 55 thousand in Q1 2021 and € 50 thousand in Q1 2020.



## FINANCIAL HIGHLIGHTS

€ thousand

<b>Income statement</b>	<b>Q1 2021</b>	<b>Q1 2020</b>
Revenue	2,846	3,206
EBITDA	484	(310)
EBITDA margin	17%	(10%)
Operating profit	351	(462)
Operating margin	12%	(14%)
Net profit	550	(534)
Net margin	19%	(17%)
<b>Statement of financial position</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Total assets	7,839	8,475
Return on assets	7%	(6%)
Equity	3,199	1,017
Return on equity	17%	(52%)
Debt-to-equity ratio	59%	88%
<b>Share</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Last Price*	0.71	0.33
Earnings per share	0.12	(0.12)
Price-earnings ratio	5.81	(2.78)
Book value of a share	0.71	0.23
Market to book ratio	1.00	1.46
Market capitalization, € thousand	3,194	1,485
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 31.03.2021 six months' EURIBOR rate was (0.509)% and at 31.03.2020 (0.287)%. As EURIBOR is negative and the negative interest in the loan agreement is equal to zero, the continued negative rate of EURIBOR does not have interest expense reducing effect.

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

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

### CURRENCY RISK

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

### RISK OF THE ECONOMIC ENVIRONMENT

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

### FAIR VALUE

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

### LIQUIDITY RISK

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





## DECLARATION OF THE MANAGEMENT BOARD

The management board has prepared the management report and the consolidated financial interim statements of Nordic Fibreboard AS for the first quarter 2021.

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

The management board confirms that according to their best knowledge the consolidated financial interim report on pages 10-27 presents a fair view of the assets, liabilities, financial position and profit or loss of the issuer and the entities involved in the consolidation as a whole according to the International Financial Reporting Standards as they are adopted by the European Union and contains a description of the main risks.

Torfinn Losvik

Chairman of the Management Board

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Pärnu, May 31, 2021



## INTERIM FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

<i>€ thousand</i>	31.03.2021	31.12.2020	31.03.2020	31.12.2019
Cash and cash equivalents (Note 2)	131	26	6	7
Receivables and prepayments (Note 3)	975	794	1,441	1,394
Inventories (Note 4)	329	544	464	894
<b>Total current assets</b>	<b>1,435</b>	<b>1,364</b>	<b>1,911</b>	<b>2,296</b>
Investment property (Note 5)	1,134	1,134	1,125	1,121
Financial assets at fair value through profit or loss (Note 8)	676	451	378	397
Property, plant and equipment (Note 6)	4,591	4,695	5,046	5,212
Intangible assets (Note 7)	3	6	15	19
<b>Total non-current assets</b>	<b>6,404</b>	<b>6,286</b>	<b>6,564</b>	<b>6,749</b>
<b>TOTAL ASSETS</b>	<b>7,839</b>	<b>7,650</b>	<b>8,475</b>	<b>9,045</b>
Borrowings (Notes 9)	691	756	4,367	4,547
Payables and prepayments (Notes 10)	1,282	1,574	2,850	2,665
Short-term provisions (Note 11)	13	18	15	20
<b>Total current liabilities</b>	<b>1,986</b>	<b>2,348</b>	<b>7,231</b>	<b>7,232</b>
Long-term borrowings (Notes 9)	2,493	2,493	48	92
Long-term provisions (Note 11)	161	161	179	179
<b>Total non-current liabilities</b>	<b>2,654</b>	<b>2,654</b>	<b>227</b>	<b>271</b>
<b>Total liabilities</b>	<b>4,640</b>	<b>5,002</b>	<b>7,458</b>	<b>7,503</b>
Share capital (at nominal value) (Note 12)	450	450	2,699	2,699
Share premium	0	0	364	364
Statutory reserve capital	0	0	288	288
Other reserves	0	0	94	84
Retained earnings (loss)	2,749	2,198	(2,428)	(1,894)
<b>Total equity</b>	<b>3,199</b>	<b>2,648</b>	<b>1,017</b>	<b>1,542</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,839</b>	<b>7,650</b>	<b>8,475</b>	<b>9,045</b>

\*The notes to the financial statements presented on pages 14 to 27 are an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>€ thousand</i>	Q1 2021	Q1 2020
<b>Revenue (Note 14)</b>	<b>2,846</b>	<b>3,206</b>
Cost of goods sold (Note 15)	1,979	2,818
<b>Gross profit</b>	<b>867</b>	<b>388</b>
Distribution costs (Note 16)	342	427
Administrative expenses (Note 17)	172	174
Other operating income (Note 19)	2	0
Other operating expenses (Note 19)	4	248
<b>Operating profit (loss)</b>	<b>351</b>	<b>(462)</b>
Finance income (Note 20)	225	1
Finance costs (Note 20)	26	73
PROFIT (LOSS) BEFORE INCOME TAX	550	(534)
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>550</b>	<b>(534)</b>
Basic earnings per share (Note 13)	0,12	(0,12)
Diluted earnings per share (Note 13)	0,12	(0,12)

\*The notes to the financial statements presented on pages 14 to 27 are an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>€ thousand</i>	3M 2021	3M 2020
<b>Cash flows from operating activities</b>		
<b>Operating profit (loss)</b>	<b>351</b>	<b>(462)</b>
Adjustments:		
Depreciation charge (Notes 6;7)	133	151
Non-monetary transactions: reserve for share option (Note 12)	0	10
Change in trade and other receivables (Note 3)	(180)	(47)
Change in inventories (Note 4)	215	430
Change in trade and other payables (Note 10)	(292)	185
Change in provisions (Note 11)	(5)	(6)
<b>Cash generated from operations</b>	<b>222</b>	<b>261</b>
Interest payments (Note 20)	(25)	(50)
Received interest	0	1
Net other financial income and expense	(2)	(3)
<b>Net cash generated from operating activities</b>	<b>196</b>	<b>209</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (Notes 6;7)	(27)	(49)
Purchase of real estate investment (Note 5)	0	(3)
Repayment of principal element of lease liability (Note 9)	(11)	(26)
<b>Net cash used in investing activities</b>	<b>(38)</b>	<b>(78)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans received (Note 9)	(53)	(4)
Loans received from related parties (Note 9)	263	161
Repayment of loans received from related parties (Note 9)	(263)	(179)
Change in overdraft (Note 9)	0	(109)
<b>Net cash (used in)/from financing activities</b>	<b>(53)</b>	<b>(131)</b>
<b>NET CHANGE IN CASH</b>	<b>105</b>	<b>(1)</b>
<b>OPENING BALANCE OF CASH (Note 2)</b>	<b>26</b>	<b>7</b>
<b>CLOSING BALANCE OF CASH (Note 2)</b>	<b>131</b>	<b>6</b>

\*The notes to the financial statements presented on pages 14 to 27 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
<b>Balance at 31.12.2019</b>	<b>2,699</b>	<b>364</b>	<b>288</b>	<b>84</b>	<b>(1,894)</b>	<b>1,541</b>
Share options 3M 2020	0	0	0	10	0	10
Net loss for 3M 2020	0	0	0	0	(534)	(534)
Other comprehensive income for 3M 2020	0	0	0	0	0	0
Total comprehensive loss for 3M 2020	0	0	0	0	(534)	(534)
<b>Balance at 31.03.2020</b>	<b>2,699</b>	<b>364</b>	<b>288</b>	<b>94</b>	<b>(2,428)</b>	<b>1,017</b>
<b>Balance at 31.12.2020</b>	<b>450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,198</b>	<b>2,648</b>
Net profit for 3M 2021	0	0	0	0	550	550
Other comprehensive income for 3M 2021	0	0	0	0	0	0
Total comprehensive profit for 3M 2021	0	0	0	0	550	550
<b>Balance at 31.03.2021</b>	<b>450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,749</b>	<b>3,199</b>

\*The notes to the financial statements presented on pages 14 to 27 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. The Group's largest shareholder is Pärnu Holdings OÜ (owning 59.62%), and its largest owners as of 31 December 2020 are OÜ Stetind (46.99%) and Joakim Johan Helenius (46.44%), as of 31 December 2019 the largest owners were OÜ Stetind (46.99%) and AS Trigon Capital (45.18%)

#### 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 31.12.2020. 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 2021 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.

#### CHANGES IN ACCOUNTING POLICIES

##### a) Adoption of New or Revised Standards and Interpretations

The following new or revised standards and interpretations became effective for the Group from 1 January 2020:

##### **International Financial Reporting Standards (IFRS) Interpretation Committee Agenda decision regarding deferred tax related to investments in subsidiaries**

According to the paragraphs 52A and 57A of IAS 12 (International Accounting Standard 12), no current or deferred tax liability shall be recognised until a liability to pay dividends is recognised. In Estonia, such accounting principle has been applied consistently to all undistributed profits regardless of whether such profits arose in the parent or in a subsidiary. In June 2020, IFRS Interpretation Committee made an agenda decision where it concluded that the principle set out in the paragraphs 52A and 57A of the Standard IAS 12 only applies to undistributed profits accumulated in a parent company and does not apply to undistributed profits accumulated in the subsidiaries. Instead, the principles described in the paragraphs 39-40 of the Standard IAS 12 should be followed in respect of undistributed profits in



subsidiaries, explaining that the deferred tax shall be recognized for all taxable differences associated with investments in subsidiaries unless it is probable that the profits will not be distributed in the foreseeable future.

Nordic Fibreboard has assessed the potential impact of the IFRS Interpretation Committee agenda decision on its financial statements and has found that there is no impact because the following exception is used:

- Profits will not be redistributed in the foreseeable future.

The exception can be used due to the fact that the Group's subsidiaries have incurred losses in previous years, as a result of which the parent company does not have sufficient funds to pay dividends. In addition, as a result of the refinancing of the loans this year, the conditions for the payment of dividends have been set by the lender in the new loan agreement.

There are no other new or revised standards or interpretations that are effective for the first time for the financial year beginning on or after 1 January 2020 that would be expected to have a material impact to the Group.

b) New accounting pronouncements

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 1 January 2021, and which the Group has not early adopted.

**Classification of liabilities as current or non-current – Amendments to IAS 1** (effective for annual periods beginning on or after 1 January 2023; not yet adopted by the EU).

These narrow scope amendments clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. The right to defer only exists if the entity complies with any relevant conditions as of the end of the reporting period. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

The Company expects that there will not be a material impact on the Group's financial position, performance nor cash flows.

**Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41** (Effective for annual periods beginning on or after 1 January 2022; not yet adopted by the EU).

The amendment to **IAS 16** prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are now recognised in profit or loss. An entity will use IAS 2 to measure the cost of those items. Cost will not



include depreciation of the asset being tested because it is not ready for its intended use. The amendment to IAS 16 also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. An asset might therefore be capable of operating as intended by management and subject to depreciation before it has achieved the level of operating performance expected by management.

The amendment to **IAS 37** clarifies the meaning of 'costs to fulfil a contract'. The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract; and an allocation of other costs that relate directly to fulfilling. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

**IFRS 3** was amended to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. Prior to the amendment, IFRS 3 referred to the 2001 Conceptual Framework for Financial Reporting. In addition, a new exception in IFRS 3 was added for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 or IFRIC 21, rather than the 2018 Conceptual Framework. Without this new exception, an entity would have recognised some liabilities in a business combination that it would not recognise under IAS 37. Therefore, immediately after the acquisition, the entity would have had to derecognise such liabilities and recognise a gain that did not depict an economic gain. It was also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

The amendment to **IFRS 9** addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

Illustrative Example 13 that accompanies **IFRS 16** was amended to remove the illustration of payments from the lessor relating to leasehold improvements. The reason for the amendment is to remove any potential confusion about the treatment of lease incentives.

**IFRS 1** allows an exemption if a subsidiary adopts IFRS at a later date than its parent. The subsidiary can measure its assets and liabilities at the carrying amounts that would be included in its parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. IFRS 1 was amended to allow entities that have taken this IFRS 1 exemption to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. The amendment to IFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

The requirement for entities to exclude cash flows for taxation when measuring fair value under **IAS 41** was removed. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The Group does not expect the amendments to have a material impact on its financial statements when initially applied.

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

€ thousand	31.03.2021	31.12.2020	31.03.2020	31.12.2019
Cash on hand	0	0	0	1
Bank Accounts	131	26	6	6
<b>TOTAL</b>	<b>131</b>	<b>26</b>	<b>6</b>	<b>7</b>

## NOTE 3 TRADE AND OTHER RECEIVABLES

€ thousand	31.03.2021	31.12.2020	31.03.2020	31.12.2019
Trade receivables	851	677	1,320	1,186
Prepaid taxes	99	92	103	185
Prepaid services	18	17	18	16
Other receivables	6	9	1	7
<b>TOTAL</b>	<b>975</b>	<b>795</b>	<b>1,441</b>	<b>1,394</b>

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

### ANALYSIS OF TRADE RECEIVABLES BY AGING:

thousand €	31.03.2021	31.12.2020	31.03.2020	31.12.2019
<b>Not past due</b>	<b>836</b>	<b>650</b>	<b>1,293</b>	<b>1,033</b>
incl receivables from customers who also have receivables past due	8	75	48	388
incl receivables from customers who have no receivables past due	828	575	1,246	646
<b>Past due but not impaired</b>	<b>15</b>	<b>27</b>	<b>26</b>	<b>152</b>
Overdue up to 90 days	8	20	14	140
Overdue more than 90 days	7	7	12	12
<b>TOTAL</b>	<b>851</b>	<b>677</b>	<b>1,320</b>	<b>1,186</b>

## NOTE 4 INVENTORIES

€ thousand	31.03.2021	31.12.2020	31.03.2020	31.12.2019
Raw materials and other materials	171	181	214	218
Work-in-progress	48	91	43	130
Finished goods	140	264	212	568
Goods purchased for resale	0	0	3	59
Goods in transit	0	0	46	0
Prepayments to suppliers	9	48	12	18
Write-off reserve for inventories	(40)	(41)	(66)	(100)
<b>TOTAL</b>	<b>329</b>	<b>544</b>	<b>464</b>	<b>894</b>

## NOTE 5 INVESTMENT PROPERTY

	thousand €
<b>Carrying amount 31.12.2019</b>	<b>1,121</b>
Capitalized costs	4
<b>Carrying amount 31.03.2020</b>	<b>1,125</b>
<b>Carrying amount 31.12.2020</b>	<b>1,134</b>
Capitalized costs	0
<b>Carrying amount 31.03.2021</b>	<b>1,134</b>



The amount of expenses related to the management of investments properties with resold expenses for Q1 2021 were € 82 thousand and € 70 thousand in Q1 2020. Rental income from investment properties, including utilities, for Q1 2021 was € 90 thousand and € 68 thousand in Q1 2020.

FAIR VALUE OF INVESTMENT PROPERTY BY OBJECT:

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

#### 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
<b>Cost at 31.12.2019</b>	191	2,573	10,773	95	70	266	13,969
<b>Accumulated depreciation at 31.12.2019</b>	0	(1,649)	(6,938)	(91)	0	(79)	(8,757)
<b>Carrying amount at 31.12.2019</b>	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)	(122)
<b>Cost at 31.03.2020</b>	191	2,573	10,785	95	101	174	13,919
<b>Accumulated depreciation at 31.03.2020</b>	0	(1,670)	(7,033)	(91)	0	(80)	(8,874)
<b>Carrying amount at 31.03.2020</b>	191	903	3,753	4	101	94	5,046
<b>Cost at 31.12.2020</b>	191	2,541	10,747	89	31	130	13,728
<b>Accumulated depreciation at 31.12.2020</b>	0	(1,701)	(7,165)	(87)	0	(81)	(9,034)
<b>Carrying amount at 31.12.2020</b>	191	840	3,582	3	31	49	4,694
Additions	0	0	6	0	21	0	27
Depreciation (Notes 15;16;17)	0	(20)	(98)	(0)	0	(11)	(130)
<b>Cost at 31.03.2020</b>	191	2,541	10,752	89	52	129	13,754
<b>Accumulated depreciation at 31.03.2020</b>	0	(1,721)	(7,263)	(87)	0	(92)	(9,163)
<b>Carrying amount at 31.03.2020</b>	191	820	3,489	2	52	37	4,591



## NOTE 7 INTANGIBLE ASSETS

<i>thousand €</i>	Computer software
<b>Cost at 31.12.2019</b>	<b>87</b>
<b>Accumulated amortisation at 31.12.2019</b>	<b>(69)</b>
<b>Carrying amount 31.12.2019</b>	<b>19</b>
Amortisation charge (Notes 15;16;17)	(3)
<b>Cost at 31.03.2020</b>	<b>87</b>
<b>Accumulated amortisation at 31.03.2020</b>	<b>(72)</b>
<b>Carrying amount 31.03.2020</b>	<b>15</b>
<b>Cost at 31.12.2020</b>	<b>77</b>
<b>Accumulated amortisation at 31.12.2020</b>	<b>(71)</b>
<b>Carrying amount 31.12.2020</b>	<b>6</b>
Amortisation charge (Notes 15;16;17)	(3)
<b>Cost at 31.03.2021</b>	<b>77</b>
<b>Accumulated amortisation at 31.03.2021</b>	<b>(74)</b>
<b>Carrying amount 31.03.2021</b>	<b>3</b>

## NOTE 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>thousand €</i>	31.03.2021	Change Q1 2021	31.12.2020	31.03.2020	31.12.2019
Non-current assets					
Listed securities - Equity securities - cost as at	410	0	410	410	410
Revaluation*	266	225	41	(31)	(13)
<b>Fair value as at</b>	<b>676</b>	<b>225</b>	<b>451</b>	<b>378</b>	<b>397</b>

\*Financial assets at fair value through profit or loss (i.e. Trigon Property Development shares) have been revaluated to reflect fair value based on last price as at 31.03.2021 as shown on Nasdaq Tallinn Stock Exchange.

## NOTE 9 BORROWINGS

At the end of 2020, Nordic Fibreboard AS and Nordic Fibreboard Ltd entered into a new loan agreement with their current lender Swedbank AS and new lender, the Rural Development Foundation, to refinance Group's loans and overdrafts. The refinancing enabled the Group to restructure its loan liabilities from € 4.4 million to € 3.2 million. The Rural Development Foundation granted € 2.0 million loans with a term 6 years, the loan interest rate is 2% per annum for the first 2 years, later 4% per annum. There is a grace period of 2 years before loan principal repayment will commence. Swedbank AS granted a loan of € 1.2 million with a term of 5 years, the interest rate of 5% per annum. As of 31.03.2021, the short-term part of Swedbank AS loan liability is € 663 thousand and the long-term part of the loan liability is € 483 thousand. In Q1 2021, loan repayments in the amount of € 53 thousand and loan interest in the amount of € 15 thousand was paid to Swedbank AS. In Q1 2021, loan interest in the amount of € 11 thousand was paid to The Rural Development Foundation.

In Q1 2020, repayments of lease obligations in the amount of € 11 thousand were made.



<i>thousand €</i>	Interest rate	31.03.2021	31.12.2020	31.03.2020	31.12.2019
<b>Current borrowings</b>					
Current portion of long-term loan (Swedbank)	6 month EURIBOR+5%	663	717	4,086	4,090
Current portion of short-term lease liability	6 month EURIBOR+ margin (2,19-2,49%)	28	39	48	97
Short term loan from related parties*	5%	0	0	2	20
Bank overdrafts	5%	0	0	231	340
<b>Total</b>		<b>691</b>	<b>756</b>	<b>4,367</b>	<b>4,547</b>
<b>Non-current borrowings</b>					
Current portion of long-term loan (Swedbank)	6 month EURIBOR+5%	483	483	0	0
Current portion of long-term loan (MES)	Until 30.12.2022 2%, later 4%	2,000	2,000	0	0
Non-current lease liability	6 month EURIBOR+ margin (2,19-2,49%)	10	10	48	92
<b>Total</b>		<b>2,493</b>	<b>2,493</b>	<b>48</b>	<b>92</b>
<b>Total borrowings</b>		<b>3,184</b>	<b>3,249</b>	<b>4,415</b>	<b>4,639</b>

\* As at 31.05.2021 the short-term loan balance with related parties is € 0 thousand.

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

<b>Changes in liabilities arising from financing activities</b> <i>thousand €</i>	31.12.2020	Cash flows	Non-monetary settlements	Interest accrued	Interest paid	31.03.2021
Current portion of long-term loan (Swedbank)	717	(53)	0	15	(15)	663
Current portion of long-term lease liability	39	(11)	0	0	(0)	28
Non-current loans (Swedbank)	483	0	0	0	0	483
Non-current loans (MES)	2,000	0	0	10	(10)	2,000
Non-current lease liability	10	0	0	0	0	10
<b>Total liabilities from financing activities</b>	<b>3,249</b>	<b>(65)</b>	<b>0</b>	<b>25</b>	<b>(25)</b>	<b>3,185</b>

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



## NOTE 10 PAYABLES AND PREPAYMENTS

<i>thousand €</i>	<b>31.03.2021</b>	<b>31.12.2020</b>	<b>31.03.2020</b>	<b>31.12.2019</b>
Trade payables (Note 3)	904	1,110	2,207	2,226
Payables to employees	139	138	160	163
incl. accrued holiday pay reserve	33	33	36	36
Tax liabilities	126	128	145	162
<i>incl. social security and unemployment insurance</i>	<i>79</i>	<i>82</i>	<i>94</i>	<i>101</i>
<i>personal income tax</i>	<i>33</i>	<i>35</i>	<i>36</i>	<i>42</i>
<i>contribution to mandatory funded pension</i>	<i>3</i>	<i>3</i>	<i>3</i>	<i>4</i>
<i>value added tax</i>	<i>1</i>	<i>0</i>	<i>2</i>	<i>5</i>
<i>other taxes</i>	<i>10</i>	<i>8</i>	<i>10</i>	<i>10</i>
Prepayments received	62	162	134	82
Other payables (Note 3)	51	36	204	32
<b>TOTAL</b>	<b>1,282</b>	<b>1,574</b>	<b>2,850</b>	<b>2,665</b>

## NOTE 11 PROVISIONS

thousand €

### Balance at 31.12.2019

	<b>199</b>
incl. current portion of provision	20
incl. non-current portion of provision	179

### Movements 2020 Q1:

Use of provision	(6)
Interest cost (Note 20)	1

### Balance at 31.03.2020

	<b>194</b>
incl. current portion of provision	15
incl. non-current portion of provision	179

### Balance at 31.12.2020

	<b>179</b>
incl. current portion of provision	18
incl. non-current portion of provision	161

### Movements 2021 Q1:

Use of provision	(7)
Interest cost (Note 20)	2

### Balance at 31.03.2021

	<b>174</b>
incl. current portion of provision	13
incl. non-current portion of provision	161

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



## NOTE 12 EQUITY

	Nominal value	Number of shares	Share capital
	€	pcs	thousand €
Balance at 31.03.2021	0.10	4,499,061	450
Balance at 31.12.2020	0.10	4,499,061	450
Balance at 31.03.2020	0.60	4,499,061	2,699
Balance at 31.12.2019	0.60	4,499,061	2,699

As of 31.03.2021 the share capital of Nordic Fibreboard AS totalled 449,906.10 euros which consisted of 4,449,061 no par value registered shares with a book value of 0.10 euros per share. Each ordinary share grants its owner one vote in the General Meeting of Shareholders and the right to receive dividends. The minimum share capital outlined in the Articles of Association is 250,000 euros and the maximum share capital is 1,000,000 euros.

As at 31.03.2021 the Group had 571 shareholders (31.03.2020: 458 shareholders) of which with more than 5% ownership interest were:

- Pärnu Holdings OÜ with 2,682,192 shares or 59.62% (31.03.2020: 59.62%)
- Gamma Holding Investment OÜ with 456,026 shares or 10.14% (31.03.2020: 8.06%)

The number of Nordic Fibreboard AS shares owned by the members of the Management Board and Supervisory Board of Nordic Fibreboard AS was as follows:

- Joakim Johan Helenius 20,000 shares (31.03.2020: 20.000 shares)
- Trond Brekke 0 shares (31.03.2020: 0 shares)
- Sakari Wallin 0 shares (31.03.2020: 0 shares)
- Torfinn Losvik 0 shares (31.03.2020: 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 (31.03.2020 44.206 shares).

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

## NOTE 13 EARNINGS PER SHARE

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 2017. Nordic Fibreboard AS share price on average has been lower than the exercise price of options granted to Torfinn Losvik. The share options were valid until 31.12.2020 with strike price of € 0.506. Since the Strike price was higher compared to the market price the option agreement was not used, thus the option reserve was released and accounted in retained earnings.

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



	31.03.2021	31.12.2020	31.03.2020	31.12.2019
Net profit (-loss) (in thousands of euros)	550	1 074	(534)	(1,398)
Weighted average number of shares (units)	4,499,061	4,499,061	4,499,061	4,499,061
Basic earnings per share	0.12	0.24	(0.12)	(0.31)
Weighted average number of shares used for calculating the diluted earnings per shares (units)	4,499,061	4,499,061	4,629,641	4,629,641
Diluted earnings per share	0.12	0.24	(0.12)	(0.30)
Book value of share	0.71	0.59	0.23	0.34
Price/earnings ratio (P/E)	5.81	1.72	(2.78)	(1.32)
Last price of the share of Nordic Fibreboard AS on Tallinn Stock Exchange as at	0.71	0.41	0.33	0.41
Weighted average number of shares used as the denominator (units)				
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	4,499,061	4,499,061	4,499,061	4,499,061
Adjustments for calculation of diluted earnings per share:				
Share options (2017 program)	0	0	131	131
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	4,499,061	4,499,061	4,629,641	4,629,641

#### 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 and wholesale of those boards.
- Real Estate Management (Pärnu Riverside Development OÜ) – real estate management and development on Suur-Jõe Street 48, Pärnu.
- Furniture retail sale (Skano Furniture OÜ) - retail sales of furniture in Estonia, ceased active operations in the first quarter of 2020.

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:

Q1 2021 thousand €	Fibreboard manu- facturing and wholesale	Real Estate Manage- ment	Furniture retail sale	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	2,757	89	0	0	2,846
Inter-segment revenue	0	0	0	0	0
Operating profit/-loss	363	8	(12)	(8)	351
Amortisation/ depreciation (Notes 6; 7)	133	0	0	0	133
Segment assets	6,959	1,011	11	(142)	7,839
Non-current assets of the segment (Note 5; 6; 7; 8)	5,445	959	0	1	6,405
Segment liabilities	4,440	39	495	(333)	4,641
Additions to non-current assets (Note 6;7)	27	0	0	0	27
Interest expenses (Note 20)	25	0	0	1	26

Q1 2020 thousand €	Fibreboard manu- facturing and wholesale	Real Estate Manage- ment	Furniture retail sale	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	3,091	68	47	0	3,206
Inter-segment revenue	0	0	0	(0)	0
Operating profit/-loss	(406)	(2)	(47)	(6)	(462)
Amortisation/ depreciation (Notes 6; 7)	151	0	0	0	151
Segment assets	7,603	1,015	1	(144)	8,475
Non-current assets of the segment (Note 5;6;7;8)	5,677	955	0	(67)	6,564
Segment liabilities	6,911	52	481	15	7,458
Additions to non-current assets (Note 6;7)	49	3	0	0	52
Interest expenses (Note 20)	48	0	0	3	51

BUSINESS SEGMENT BY THE GEOGRAPHICAL REGION OF CUSTOMERS:

thousand €	Q1 2021				Q1 2020			
	Fibreboard manufacturing and wholesale	Real Estate Man- agement	Retail	SEGMENTS TOTAL	Fibreboard manufacturing and wholesale	Real Estate Man- agement	Retail	SEGMENTS TOTAL
European Union	2,159	89	0	2,249	2,741	68	47	2,856
Russia	433	0	0	433	211	0	0	211
Asia	102	0	0	102	38	0	0	38
Africa	47	0	0	47	35	0	0	35
Middle East	0	0	0	0	38	0	0	38
Other	16	0	0	16	29	0	0	29
<b>Grand Total</b>	<b>2,757</b>	<b>89</b>	<b>0</b>	<b>2,846</b>	<b>3,091</b>	<b>68</b>	<b>47</b>	<b>3,206</b>





#### NOTE 15 COST OF GOODS SOLD

<i>thousand €</i>	<b>Q1 2021</b>	<b>Q1 2020</b>
Raw materials and main materials	649	754
Electricity and heat	633	966
Labour expenses (Note 18)	359	458
Depreciation (Note 6;7)	133	150
Purchased goods	0	69
Change in balances of finished goods, goods in transit and work in progress	166	333
Other expenses	39	88
<b>TOTAL</b>	<b>1,979</b>	<b>2,818</b>

#### NOTE 16 DISTRIBUTION COSTS

<i>thousand €</i>	<b>Q1 2021</b>	<b>Q1 2020</b>
Transportation expenses	252	328
Labour expenses (Note 18)	43	57
Operating Lease	8	0
Marketing expense	0	2
Commission fees	34	27
Other expenses	4	14
<b>TOTAL</b>	<b>342</b>	<b>427</b>

#### NOTE 17 ADMINISTRATIVE AND GENERAL EXPENSES

<i>thousand €</i>	<b>Q1 2021</b>	<b>Q1 2020</b>
Labour expenses (Note 18)	52	67
Purchased services	102	91
Office supplies	4	4
Depreciation (Note 6;7)	0	1
Other expenses	13	11
<b>TOTAL</b>	<b>172</b>	<b>174</b>

#### NOTE 18 LABOUR EXPENSES

<i>thousand €</i>	<b>Q1 2021</b>	<b>Q1 2020</b>
Wages and salaries	344	443
Social security and unemployment insurance	111	139
Fringe benefits paid to employees	5	5
<b>TOTAL</b>	<b>460</b>	<b>587</b>

#### NOTE 19 OTHER OPERATING INCOME AND EXPENSES

##### OTHER OPERATING INCOME

<i>thousand €</i>	<b>Q1 2021</b>	<b>Q1 2020</b>
Wage subsidy	2	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>



#### OTHER OPERATING EXPENSES

<i>thousand €</i>	Q1 2021	Q1 2020
Reclamations	1	17
Commission, factoring fees	0	1
Membership fees	0	1
Penalties paid	3	42
Other costs	0	187*
<b>TOTAL</b>	<b>4</b>	<b>248</b>

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

#### NOTE 20 FINANCIAL INCOME AND EXPENSES

##### FINANCIAL INCOME

<i>thousand €</i>	Q1 2021	Q1 2020
Interest income	0	1
Revaluation of TPD shares	225	0
<b>Total financial income</b>	<b>225</b>	<b>1</b>

##### FINANCIAL COST

<i>thousand €</i>	Q1 2021	Q1 2020
Interest expenses	26	51
<i>including interest expenses related to provisions (Note 13)</i>	2	1
Revaluation of TPD shares	0	19
Other finance cost	0	3
<b>Total financial cost</b>	<b>26</b>	<b>73</b>

#### 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 2021, the largest shareholder of OÜ Pärnu Holdings and the entities with significant influence over the Group are: Stetind OÜ (47%) and Joakim Johan Helenius (46%), as of 31 March 2020 Stetind OÜ (47%) and AS Trigon Capital (45%). 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 2021	Q1 2020
Membership fees	42	38
Resignation compensation	0	0
Social tax	14	13
<b>Total</b>	<b>55</b>	<b>50</b>



Benefits (incl. Tax expenses) include remuneration paid to the members of the Management Board and Supervisory Board of the parent companies and subsidiaries during the period and resignation fees of previous members of the Management Board and Supervisory Board. The member of the Management Board of Nordic Fibreboard AS will receive severance pay to three months' remuneration according to the contract. No payments were made to members of Supervisory Board.

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

TRANSACTIONS WITH RELATED PARTIES:

<i>thousand €</i>	Q1 2021	Q1 2020
Purchased services	4	4
<b>Total</b>	<b>4</b>	<b>4</b>

BALANCES WITH RELATED PARTIES AS OF:

<i>thousand €</i>	31.03.2021	31.12.2020	31.03.2020	31.12.2019
Purchased services	4	17	3	0
Short-term loan	0	0	2	20
Short-term loan interest	1	1	0	0
<b>Total</b>	<b>5</b>	<b>17</b>	<b>5</b>	<b>20</b>

NOTE 22 EVENTS AFTER BALANCE SHEET DATE

Nordic Fibreboard AS, and its subsidiary Nordic Fibreboard Ltd have signed loan agreements with Coop Bank AS after the balance sheet date 31.03.2021 to refinance in full the Group's Swedbank AS loan. The loan provided by Coop Bank AS has a duration of 5 years with 10 year amortisation schedule, and carry an interest rate of 4.5% per annum. The refinancing of the Swedbank AS loan by Coop Bank AS will envisage annual interest cost saving of € 6,000 and annual reduction of principal loan repayment of € 60,000 due to the longer amortisation schedule provided by the loan from Coop Bank AS.

