



**3rd Quarter
Interim Report
2021**

NORDIC FIBREBOARD AS

Consolidated Interim Report for the Third Quarter of 2021
(unaudited)

Beginning of the Interim Report Period:	1.07.2021
End of the Interim Report Period:	30.09.2021
Beginning of the financial year:	1.01.2021
End of the financial year:	31.12.2021
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Homepage:	www.nordicfibreboard.com
Auditor:	AS PricewaterhouseCoopers
Main activity:	Production and sales of fibreboards

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COMPANY PROFILE

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

The Group, as of 30.09.2021, therefore consists of the following companies, all 100% owned:

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

Nordic Fibreboard Ltd OÜ produces and distributes softboard products for use in many different applications, the main categories being within construction (insulation, soundproofing, and interior finishing panels for walls and ceilings) and industry (packaging, door cores, expansion joint filler, pin and notice boards, acoustic reduction, cake boards, firelighters). Suomen Tuulileijona OY is the marketing company of Nordic's Fibreboard products in Finland.

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

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

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 30.09.2021 the Group employed 93 people (30.09.2020: 99 employees).



MANAGEMENT REPORT

NORDIC FIBREBOARD AS UNAUDITED THIRD QUARTER 2021 RESULTS

Consolidated net sales for Q3 2021 were € 2.33 million (Q3 2020: € 2.51 million), of which fibreboard sales accounted for € 2.27 million and real estate management for € 0.06 million. Fibreboard sales for Q3 2021 decreased with 8% compared to Q3 2020, the main reason being less production output due to longer maintenance period in Q3 2021. We had 2 week maintenance stop in Q3 2021, which we did not have in Q3 2020. Real estate management sales for Q3 2021 increased with 81% compared to Q3 2020 due to more rental tenants occupation in our property in Suur-Jõe 48, Pärnu. There was no sales revenue from furniture retail in both the Q3 2021 and the Q3 2020, the furniture retail company is in process of being liquidated at the time of publishing this report.

Group EBITDA for Q3 2021 was € 356 thousand (Q3 2020: € 366 thousand), of which the fibreboard division EBITDA was € 344 thousand (Q3 2020: € 370 thousand) and real estate management EBITDA of € 11 thousand (Q3 2020: € 1 thousand).

Group profit for Q3 2021, after depreciation and interest cost from group loans, was € 202 thousand (Q3 2020: € 179 thousand).

Group net profit for Q3 2021, after recording a loss of € 129 thousand from the revaluation of the Group's shareholding in the Nasdaq listed real estate company Trigon Property Development AS ("TPD"), was € 73 thousand (Q3 2020: € 183 thousand, including a revaluation profit from the TPD shares of € 4 thousand). The financial impact for the first 9 months of 2021 from the group's shareholding in TPD shows financial income of € 354 thousand from the revaluation profit of the TPD shares.

DIVISIONAL REVIEW

REVENUE BY BUSINESS SEGMENTS

	€ thousand		€ thousand	
	Q3 2021	Q3 2020	9M 2021	9M 2020
Fibreboards production and sales	2,270	2,477	7,539	7,994
Real Estate Management	65	36	218	148
Furniture retail	0	0	0	55
Group transactions	0	0	0	(0)
TOTAL	2,334	2,512	7,757	8,197

PROFIT BY BUSINESS SEGMENTS

	€ thousand		€ thousand	
	Q3 2021	Q3 2020	9M 2021	9M 2020
EBITDA by business units:				
Fibreboards production and sales	344	370	1,337	458
Real Estate Management	11	1	10	(2)
Furniture retail	0	(0)	474	(39)
Group transactions	1	(5)	(479)	(13)
TOTAL EBITDA	356	366	1,341	403
Depreciation	(123)	(135)	(380)	(422)
TOTAL OPERATING PROFIT/ LOSS	232	231	962	(19)
Net financial income/ costs	(159)*	(49)	267*	(139)
NET PROFIT/ LOSS	73	183	1,229	(158)

* Includes financial cost of € 129 thousand in Q3 of 2021 and financial income € 354 thousand in the first 9 months of 2021, received from the revaluation of the shareholding owned by the group in the real estate development company Trigon Property Development AS.



NORDIC FIBREBOARD LTD: FIBREBOARD SALES

The regional demand for construction materials, including the fibreboards produced in our Pärnu factory, has been very steady during Q3 2021. This resulted in our factory running at full capacity utilisation, and also had the effect of extending the delivery times for our products.

Fibreboard sales in Q3 2021 was € 2.27 million, a decrease of 8% from Q3 2020. The decline was only due to us having longer maintenance period during Q3 2021 than was the case in Q3 2020. Sales in our key north European markets remained steady while sales fell to customers elsewhere, this being due to us having to prioritise the orders from our local markets.

FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

	€ thousand		€ thousand	
	Q3 2021	Q3 2020	9M 2021	9M 2020
European Union	1,980	2,003	6,233	6,693
Russia	269	360	1,083	934
Asia	0	62	124	140
Middle East	13	10	13	55
Africa	0	8	46	96
Other	8	32	40	77
TOTAL	2,270	2,477	7,539	7,994

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 € 65 thousand in Q3 2021, (Q3 2020: € 36 thousand). The reason for the increase in sales revenue was the addition of tenants to the commercial space.

The real estate management EBITDA for Q3 2021 were positive € 11 thousand (Q3 2020: positive € 1 thousand). The real estate management net profit for Q3 2021 was € 11 thousand (Q3 2020: net profit € 1 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 Q3 2021 and in Q3 2020.

Skano Furniture OÜ is in the process of being liquidation at the time of publishing the reports.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 30.09.2021 the total assets of Nordic Fibreboard AS were € 8.3 million (30.09.2020: € 7.8 million). The liabilities of the company as of 30.09.2021 were € 4.4 million (30.09.2020: € 6.3 million), of which the Group has payables of € 0.6 million as at 30.09.2021 (30.09.2020: € 1.2 million) and borrowings of € 3.3 million as at 30.09.2021 (30.09.2020: € 4.5 million).

Receivables and prepayments amounted to € 1.1 million as at 30.09.2021 (30.09.2020: € 1.0 million). Inventories were € 0.4 million as of 30.09.2021 (30.09.2020: € 0.4 million). Fixed assets were € 6.6 million as of 30.09.2021 (€ 6.3 million as of 30.09.2020).

During 2020 9M, the group's cash flows from operating activities totalled cash inflow of € 512 thousand (2020 9M: cash inflow € 115 thousand). Investment activities resulted in cash outflows in amount of € 243 thousand during 2021 9M, compared to outflows in amount € 39 thousand during 9M 2020. Financing activities also resulted in cash outflows of € 91 thousand during 9M 2021 (2020 9M: cash



outflow € 79 thousand). Net cash effect during 2021 9M showed cash inflows of € 178 thousand, (2020 9M: cash outflows € 3 thousand).

OUTLOOK

NORDIC FIBREBOARD LTD

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

Management is working on preparing the Pärnu based factory's boiler house to meet the new emission requirements coming into force in 2024.

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

PÄRNU RIVERSIDE DEVELOPMENT

Management is considering the future of its real estate development subsidiary Pärnu Riverside Development, and has entered into an agreement with a brokerage firm whereby possible disposal of this subsidiary is being considered.

PEOPLE

On the 30th of September 2021, the Group employed 93 people (compared to 99 people as of 30.09.2020). The average number of personnel in Q3 2021 was 90 (Q3 2020: the average number of personnel was 94).

For nine months of 2021, wages and salaries with taxes amounted to € 1.5 million (nine months 2020: € 1.6 million). Payments made to management board members of all group companies including all subsidiaries with relevant taxes were € 166 thousand during 9M 2021 and € 158 thousand during 9M 2020.



FINANCIAL HIGHLIGHTS

€ thousand

Income statement	Q3 2021	Q3 2020	9M 2021	9M 2020
Revenue	2,334	2,512	7,757	8,197
EBITDA	356	366	1,341	403
EBITDA margin	15%	15%	17%	5%
Operating profit	232	231	962	(19)
Operating margin	10%	9%	12%	(0%)
Net profit	73	183	1,229	(158)
Net margin	3%	7%	16%	(2%)
Statement of financial position	30.09.2021	31.12.2020	30.09.2020	31.12.2019
Total assets	8,301	7,650	7,753	9,045
Return on assets	15%	14%	(2%)	(12%)
Equity	3,878	2,648	1,414	1,542
Return on equity	32%	41%	(11%)	(73%)
Debt-to-equity ratio	53%	65%	82%	83%
Share	30.09.2021	31.12.2020	30.09.2020	31.12.2019
Last Price*	2.20	0.45	0.40	0.41
Earnings per share	0.55	0.24	(0.05)	(0.31)
Price-earnings ratio	4.02	1.89	(7.79)	(1.32)
Book value of a share	0.86	0.59	0.31	0.34
Market to book ratio	2.55	0.76	1.28	1.20
Market capitalization, € thousand	9,898	2,025	1,809	1,845
Number of shares, piece	4,499,061	4,499,061	4,499,061	4,499,061

EBITDA = Earnings before interest, taxes, depreciation and amortization

EBITDA margin = EBITDA / Revenue

Operating margin = Operating profit / Revenue

Net margin = Net profit / Revenue

Return on assets = Net profit / Total assets

Return on equity = Net profit / Equity

Debt-to-equity ratio = Liabilities / Total assets

Earnings per share = Trailing twelve months (TTM) net profit / Total shares

Price-earnings ratio = Last price / Earnings per share

Book value of a share = Equity / Total shares

Market to book ratio = Last price / Book value of a share

Market capitalization = Last price * Total shares

*<http://www.nasdaqbaltic.com/>



FINANCIAL RISKS

INTEREST RATE RISK

Nordic Fibreboard AS's interest rate risk relates to changes in EURIBOR (Euro Interbank Offered Rate) since our loans are linked to EURIBOR. At 30.09.2021 six months' EURIBOR rate was (0.528)% and at 30.09.2020 six months' EURIBOR rate was (0.480)%. 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 eurozone. Nordic Fibreboard AS has a cash flow risk arising from the interest rate risk because its loans have a floating interest rate. Management believes that the cash flow risk is not significant, therefore no hedging instruments are used.

CURRENCY RISK

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

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 third quarter 2021.

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

The management board confirms that according to their best knowledge the consolidated financial interim report on pages 10-25 presents a fair view of the assets, liabilities, financial position and profit or loss of the issuer and the entities involved in the consolidation as a whole according to the International Financial Reporting Standards as they are adopted by the European Union and contains a description of the main risks.

Torfinn Losvik

Chairman of the Management Board

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Pärnu, November 22, 2021



INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

<i>€ thousand</i>	30.09.2021	31.12.2020	30.09.2020
Cash and cash equivalents	204	26	4
Receivables and prepayments (Note 2)	1,118	794	1,008
Inventories (Note 3)	390	544	410
Total current assets	1,712	1,364	1,423
Investment property (Note 4)	1,139	1,134	1,126
Available-for-sale financial assets (Note 7)	805	451	418
Property, plant and equipment (Note 5)	4,642	4,695	4,777
Intangible assets (Note 6)	3	6	10
Total non-current assets	6,589	6,286	6,331
TOTAL ASSETS	8,301	7,650	7,753
Borrowings (Notes 8)	36	756	4,436
Payables and prepayments (Notes 9)	1,002	1,574	1,674
Short-term provisions (Note 10)	4	18	4
Total current liabilities	1,042	2,348	6,114
Long-term borrowings (Notes 8)	3,220	2,493	47
Long-term provisions (Note 10)	161	161	179
Total non-current liabilities	3,381	2,654	226
Total liabilities	4,424	5,002	6,340
Share capital (at nominal value) (Note 11)	450	450	450
Other reserves	0	0	114
Retained earnings (loss)	3,428	2,198	850
Total equity	3,878	2,648	1,414
TOTAL LIABILITIES AND EQUITY	8,301	7,650	7,753

*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>€ thousand</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Revenue (Note 13)	2,334	2,512	7,757	8,197
Cost of goods sold (Note 14)	1,721	1,892	5,451	6,508
Gross profit	613	620	2,306	1,689
Distribution costs (Note 15)	251	282	891	1,015
Administrative expenses (Note 16)	131	126	445	430
Other operating income (Note 18)	2	22	5	24
Other operating expenses (Note 18)	1	3	13	287
Operating profit (loss)	232	231	962	(19)
Finance income (Note 19)	0	4	354	21
Finance costs (Note 19)	159	52	87	160
Profit (loss) before income tax	73	183	1,229	(158)
Net profit (loss) for the period	73	183	1,229	(158)
Basic earnings per share (Note 12)	0.02	0.04	0.27	(0.04)
Diluted earnings per share (Note 12)	0.02	0.04	0.27	(0.04)

*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

€ thousand	9M 2021	9M 2020
Cash flows from operating activities		
Operating profit (loss)	962	(19)
Adjustments:		
Depreciation charge (Notes 5;6)	380	424
Profit/loss from disposal of fixed assets (Note 18)	(2)	(21)
Currency translation differences	0	(1)
Profit/loss from revaluation of financial assets (Notes 7)	0	(21)
Non-monetary transactions: reserve for share option (Note 11)	0	29
Change in trade and other receivables (Note 2)	(324)	387
Change in inventories (Note 3)	154	484
Change in trade and other payables (Note 9)	(572)	(991)
Cash generated from operations	598	271
Interest payments (Note 19)	(82)	(155)
Net other financial income and expense	(4)	(1)
Net cash generated from operating activities	512	115
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 5;6)	(240)	(58)
Disposal of property, plant and equipment and intangible assets (Note 5;6)	2	24
Purchase of investment property (Note 4)	(5)	(5)
Net cash used in investing activities	(243)	(39)
Cash flows from financing activities		
Loans received (Note 8)	1,200	0
Repayment of loans received (Note 8)	(1,242)	(4)
Loans received from related parties (Note 8)	503	475
Repayment of loans received from related parties (Note 8)	(503)	(495)
Finance lease payments (Note 8)	(49)	(50)
Change in overdraft (Note 8)	0	(5)
Net cash (used in)/from financing activities	(91)	(79)
NET CHANGE IN CASH	178	(3)
OPENING BALANCE OF CASH	26	7
CLOSING BALANCE OF CASH	204	4

*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>€ thousand</i>	Share capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings	Total
Balance at 31.12.2019	2,699	364	288	84	(1,894)	1,542
Share options 9M 2020	0	0	0	29	0	29
Other changes	0	(364)	(288)	0	652	0
Change in share capital	(2,250)	0	0	0	2,250	0
<i>Net profit/loss for 9M 2020</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(158)</i>	<i>(158)</i>
<i>Other comprehensive income for 9M 2020</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total comprehensive profit/loss for 9M 2020	0	0	0	0	(158)	(158)
Balance at 30.09.2020	450	0	0	114	850	1,414
Balance at 31.12.2020	450	0	0	0	2,198	2,648
<i>Net profit/loss for 9M 2021</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,229</i>	<i>1,229</i>
<i>Other comprehensive income for 9M 2021</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total comprehensive profit/loss for 9M 2021	0	0	0	0	1,229	1,229
Balance at 30.09.2021	450	0	0	0	3,428	3,878

*The notes to the financial statements presented on pages 14 to 25 are an integral part of these consolidated financial statements.



NOTES TO THE CONSOLIDATED INTERIM REPORT

NOTE 1 ACCOUNTING POLICIES AND MEASUREMENT BASES

GENERAL INFORMATION

Nordic Fibreboard AS (the Company) (registration number: 11421437; address: Suur-Jõe 48, Pärnu), is an entity registered in the Republic of Estonia. It operates in Estonia and through a subsidiary in Finland.

The Group's main activities are production and sale of softboard, and to a minor extent, the Group also handles real estate management.

Nordic Fibreboard AS was established on 19 September 2007 in the demerger of the former Skano Group AS, currently AS Trigon Property Development, as a result of which the manufacturing units, i.e. the building materials division and furniture division were spun off and transferred to the new entity.

The Group's shares were listed in the Main List of the Tallinn Stock Exchange until 2nd of April 2018, when the shares were moved from the Main List to the Secondary List. The Group's largest shareholder is Pärnu Holdings OÜ (owning 57.63%), and its largest owners as of 30 September 2021 are OÜ Stetind (49.75%) and Joakim Johan Helenius (49.75%).

BASIS FOR PREPARATION

The Condensed Consolidated Interim Accounts of Nordic Fibreboard AS has been prepared in accordance with the International Financial Reporting Standard (IFRS) Interim Financial Reporting as adopted by the European Union. The same accounting policies were applied for both the Interim Report and the Consolidated Annual Report for the financial year that ended on 31.12.2020. The consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting. The Condensed Interim Financial Statements do not contain all the information presented in the annual financial statements and should be read in conjunction with the Group's latest published annual financial statements as at and for the year ended 31 December 2020.

The functional and presentation currency of Nordic Fibreboard AS is euro. All amounts disclosed in the financial statements have been rounded to the nearest thousand unless referred to otherwise.

According to the assessment of the Management Board Nordic Fibreboard AS is a going concern and the Interim Report for the 3rd quarter of 2021 gives a true and fair view of the financial position of Nordic Fibreboard AS and the results of its operations. This Condensed Consolidated Interim Report has not been audited or otherwise reviewed by auditors.

NOTE 2 TRADE AND OTHER RECEIVABLES

<i>€ thousand</i>	30.09.2021	31.12.2020	30.09.2020
Customer receivables	973	677	921
Prepaid taxes	133	92	72
Prepaid services	12	17	8
Other receivables	(0)	9	6
TOTAL	1,118	795	1,008



ANALYSIS OF TRADE RECEIVABLES BY AGING:

<i>thousand €</i>	30.09.2021	31.12.2020	30.09.2020
Not past due	952	650	848
incl receivables from customers who also have receivables past due	404	75	393
incl receivables from customers who have no receivables past due	548	575	455
Past due but not impaired	21	27	73
Overdue up to 90 days	21	20	55
Overdue more than 90 days	0	7	19
TOTAL	973	677	921

NOTE 3 INVENTORIES

<i>€ thousand</i>	30.09.2021	31.12.2020	30.09.2020
Raw materials and other materials	175	181	135
Work-in-progress	116	91	80
Finished goods	44	264	220
Prepayments to suppliers	95	48	18
Write-off reserve for inventories	(40)	(41)	(42)
TOTAL	390	544	410

NOTE 4 INVESTMENT PROPERTY

	<i>thousand €</i>
Carrying amount 31.12.2019	1,121
Capitalized cost	5
Carrying amount 30.09.2020	1,126
Carrying amount 31.12.2020	1,134
Capitalized cost	5
Carrying amount 30.09.2021	1,139

INVESTMENT PROPERTY BY LOCATION:

	<i>thousand €</i>
31.12.2019	
Share of registered immovable property at Suur-Jõe Street 48, Pärnu	951
Share of registered immovable property at Rääma Street 31, Pärnu	170
30.09.2020	
Share of registered immovable property at Suur-Jõe Street 48, Pärnu	956
Share of registered immovable property at Rääma Street 31, Pärnu	170
31.12.2020	
Share of registered immovable property at Suur-Jõe Street 48, Pärnu	959
Share of registered immovable property at Rääma Street 31, Pärnu	175
30.09.2021	
Share of registered immovable property at Suur-Jõe Street 48, Pärnu	964
Share of registered immovable property at Rääma Street 31, Pärnu	175



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

Costs of maintenance for 9M 2021 were € 187 thousand and € 150 thousand in 9M 2020. Rental income from investment properties, including utilities, for 9M 2021 was € 218 thousand and € 148 thousand in 9M 2020. Acquisitions of investment property during 2020 and 2021 are related to expenses of Suur-Jõe 48, Pärnu detail plan.

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

<i>thousand €</i>	Land	Buildings and facilities	Machinery and equipment	Other fixtures	Construction-in-progress	Right-of-use asset	TOTAL
Cost at 31.12.2019	191	2,573	10,773	95	70	267	13,969
Accumulated depreciation at 31.12.2019	0	(1,649)	(6,938)	(91)	0	(79)	(8,757)
Carrying amount at 31.12.2019	191	924	3,835	4	70	188	5,212
Additions	0	0	25	0	32	0	58
Reclassification	0	0	80	0	(80)	0	0
Disposals and write-offs (Note 18)	0	(15)	(9)	(2)	0	(137)	(162)
Accumulated depreciation of fixed assets written off	0	14	8	2	0	60	84
Depreciation (Notes 14;15;16)	0	(62)	(300)	(1)	0	(51)	(414)
Cost at 30.09.2020	191	2,559	10,870	93	23	130	13,864
Accumulated depreciation at 30.09.2020	0	(1,698)	(7,230)	(90)	0	(69)	(9,087)
Carrying amount at 30.09.2020	191	861	3,639	3	23	60	4,777
Cost at 31.12.2020	191	2,541	10,747	89	31	130	13,728
Accumulated depreciation at 31.12.2020	0	(1,701)	(7,165)	(87)	0	(81)	(9,034)
Carrying amount at 31.12.2020	191	840	3,582	3	31	49	4,694
Additions	0	0	37	0	200	104	341
Disposals and write-offs (Note 18)	0	0	(29)	0	0	(120)	(148)
Accumulated depreciation of fixed assets written off	0	0	29	0	0	100	129
Depreciation (Notes 14;15;16)	0	(59)	(279)	(1)	0	(36)	(374)
Cost at 30.09.2021	191	2,541	10,755	89	231	114	13,921
Accumulated depreciation at 30.09.2021	0	(1,760)	(7,415)	(88)	0	(16)	(9,279)
Carrying amount at 30.09.2021	191	781	3,340	1	231	98	4,642



NOTE 6 INTANGIBLE ASSETS

<i>thousand €</i>	Computer software
Cost at 31.12.2019	88
Accumulated amortisation at 31.12.2019	(69)
Carrying amount 31.12.2019	19
Amortisation charge (Notes 14;15;16)	(9)
Cost at 30.09.2020	88
Accumulated amortisation at 30.09.2020	(78)
Carrying amount 30.09.2020	10
Cost at 31.12.2020	77
Accumulated amortisation at 31.12.2020	(71)
Carrying amount 31.12.2021	6
Additions 9M 2021	3
Amortisation charge (Notes 15;16;17)	(6)
Cost at 30.09.2021	80
Accumulated amortisation at 30.09.2021	(77)
Carrying amount 30.09.2021	3

NOTE 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>thousand €</i>	30.09.2020	Change 9M 2020	31.12.2019	31.12.2018
Non-current assets				
Listed securities - Equity securities - cost as at	410	0	410	410
Revaluation	395	354	41	(13)
Fair value as at	805	354	451	397

**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 30.09.2021 as shown on Nasdaq Tallinn Stock Exchange.*

NOTE 8 BORROWINGS

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

The loan agreements set special conditions according to which the total debt/EBITDA ratio of Nordic Fibreboard Ltd OÜ may be a maximum of 4.0 during term of the loan agreement and the debt-service coverage ratio DSCR would be at least 1.3 in each measurement period and the capital expenditures are capped at € 500 thousand for year 2021. Nordic Fibreboard Ltd OÜ must also ensure that the share of net assets in the total amount of assets is at least 30% during the term of the agreement.



INFORMATION REGARDING BORROWINGS AS AT:

<i>thousand €</i>	Interest rate	30.09.2021	31.12.2020	30.09.2020
Current borrowings				
Current portion of long-term loan (Swedbank)	6 month EURIBOR+5%	0	717	4,086
Current portion of long-term loan (Coop Bank)	6 month EURIBOR+4.5%	24	0	0
Current portion of long-term lease liability	6 month EURIBOR+margin 2,49%	12	39	14
Bank overdrafts (Swedbank)	5%	0	0	335
Total		37	756	4,436
Non-current borrowings				
Non-current loans (Swedbank)	6 month EURIBOR+5%	0	483	0
Non-current loans (Coop Bank)	6 month EURIBOR+4.5%	1,134	0	0
Non-current loans (MES)	Until 30.12.2022 2%, later 4%	2,000	2,000	0
Non-current lease liability	6 month EURIBOR+margin 2,49%	86	10	47
Total		3,220	2,493	47
Total borrowings		3,256	3,249	4,483

INFORMATION REGARDING MOVEMENT OF BORROWINGS (TABLE SHOWING CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES) AS OF 30.09.2021:

Changes in liabilities arising from financing activities <i>thousand €</i>	31.12.2020	Cash flows	Non-monetary settlements	Interest accrued	Interest paid	Reclassification	30.09.2021
Current portion of long-term loan (Swedbank)	717	(717)	0	23	(23)	0	0
Current portion of long-term loan (Coop Bank)	0	1,158	0	29	(29)	(1,134)	24
Current portion of long-term lease liability	39	(49)	22	(1)	1	0	12
Bank overdrafts (Coop Bank)	0	0	0	1	(1)	0	0
Non-current loans (Swedbank)	483	(483)	0	0	0	0	0
Non-current loans (Coop Bank)	0	0	0	0	0	1,134	1,134
Non-current loans (MES)	2,000	0	0	30	(30)	0	2,000
Non-current lease liability	10	0	76	0	0	0	86
Total liabilities from financing activities	3,249	(91)	98	82	(82)	0	3,256



INFORMATION REGARDING MOVEMENT OF BORROWINGS (TABLE SHOWING CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES) AS OF 30.09.2020:

Changes in liabilities arising from financing activities <i>thousand €</i>	31.12.2019	Cash flows	Non-monetary settlements	Interest accrued	Interest paid	Reclassification	30.09.2020
Current portion of long-term loan (Swedbank)	4,090	(4)	0	142	(142)	0	4,086
Current portion of long-term lease liability	97	(50)	(32)	1	(1)	0	14
Short term loan from related parties	20	(20)	0	0	0	0	0
Bank overdrafts (Swedbank)	340	(5)	0	12	(12)	0	335
Non-current loans (Swedbank)	0	0	0	0	0	0	0
Non-current lease liability	92	0	(45)	0	0	0	47
Total liabilities from financing activities	4,639	(79)	(78)	155	(155)	0	4,483

NOTE 9 TRADE AND OTHER PAYABLES

<i>thousand €</i>	30.09.2021	31.12.2020	30.09.2020
Trade payables	610	1,110	1,225
Payables to employees	135	138	149
incl. accrued holiday pay reserve	33	33	36
Tax liabilities	122	128	186
incl. social security and unemployment insurance	78	82	133
personal income tax	34	35	40
contribution to mandatory funded pension	2	3	3
value added tax	1	0	0
other taxes	7	8	9
Prepayments received	71	162	43
Other payables	64	36	72
TOTAL	1,002	1,574	1,674

NOTE 10 PROVISIONS

<i>thousand €</i>	
Balance at 31.12.2019	199
incl. current portion of provision	20
incl. non-current portion of provision	179
Movements 2020 9M:	
Use of provision	(18)
Interest cost (Note 19)	2
Balance at 30.09.2020	183
incl. current portion of provision	4
incl. non-current portion of provision	179



Balance at 31.12.2020	179
incl. current portion of provision	18
incl. non-current portion of provision	161
Movements 2021 9M:	
Use of provision	(18)
Interest cost (Note 19)	5
Balance at 30.09.2021	165
incl. current portion of provision	4
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 11 EQUITY

	Nominal value	Number of shares	Share capital
	€	pcs	<i>thousand €</i>
Balance at 30.09.2021	0.10	4,499,061	450
Balance at 31.12.2020	0.10	4,499,061	450
Balance at 30.09.2020	0.10	4,499,061	450
Balance at 31.12.2019	0.60	4,499,061	2,699

As of 30.09.2021 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 30.09.2021 the Group had 991 shareholders (30.09.2020: 463 shareholders) of which with more than 5% ownership interest were:

- Pärnu Holdings OÜ with 2,592,775 shares or 57.63% (30.09.2020: 2,682,192 shares or 59.62%)
- Gamma Holding Investment OÜ with 606,784 shares or 13.49% (30.09.2020: 358,300 shares or 7.96%)

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 (30.09.2020: 20.000 shares)
- Trond Brekke 0 shares (30.09.2020: 0 shares)
- Sakari Wallin 0 shares (30.09.2020: 0 shares)
- Torfinn Losvik 0 shares (30.09.2020: 0 shares)

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



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

NOTE 12 EARNINGS PER SHARE

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's 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.

	30.09.2021	31.12.2020	31.12.2019
Net profit (-loss) (in thousands of euros)	1,229	1,074	(1,398)
Weighted average number of shares (th pc)	4,499	4,499	4,499
Basic earnings per share	0.27	0.24	(0.31)
Weighted average number of shares used for calculating the diluted earnings per shares (units)	4,499	4,499	4,630
Diluted earnings per share	0.27	0.24	(0.30)
Last price of the share of Nordic Fibreboard AS on Tallinn Stock Exchange	2.20	0.45	0.41
Weighted average number of shares used as the denominator (units)			
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (th pc)	4,499	4,499	4,499
Adjustments for calculation of diluted earnings per share:			
Share options (2017 program)	0	0	131
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (th pc)	4,499	4,499	4,630

NOTE 13 SEGMENTS

Operating segments have been determined based on the reports reviewed by the Management Board that are used to make strategic decision. The Management Board considers the current business based on the types of products and services as follows:

- Fibreboard manufacturing and sale (Nordic Fibreboard Ltd OÜ and Suomen Tuulileijona Oy) - manufacture general construction boards based on soft wood fibre boards and interior finishing boards in the Pärnu factory and wholesale of those boards.
- Real Estate Management (Pärnu Riverside Development OÜ) – real estate management and development on Suur-Jõe 48, Pärnu.
- Furniture retail sale (Skano Furniture OÜ) - retail sales of furniture in Estonia, ceased active operations in the first quarter of 2020.



The Management Board assesses the performance of operating segments based on operating profit and EBITDA as a primary measure. As a secondary measure, the Management Board also reviews net revenue.

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

SEGMENT INFORMATION FOR OPERATING SEGMENTS:

9 months 2021 <i>thousand €</i>	Fibreboard manufacturing and wholesale	Real Estate Management	Furniture retail sale	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	7,539	218	0	0	7,757
Inter-segment revenue	0	0	0	0	0
Operating profit/-loss	958	10	474	(480)	962
Amortisation/ depreciation* (Notes 5; 6)	379	0	0	1	380
Segment assets	7,435	998	1	(133)	8,301
Non-current assets of the segment* (Note 4; 5; 6; 7)	5,624	964	0	1	6,589
Segment liabilities	4,251	23	0	149	4,423
Additions to non-current assets* (Note 4; 5; 6)	344	5	0	0	349
Interest expenses (Note 19)	83	0	0	7	87

9 months 2020 <i>thousand €</i>	Fibreboard manufacturing and wholesale	Real Estate Management	Furniture retail sale	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	7,994	148	55	0	8,197
Inter-segment revenue	0	0	0	(0)	0
Operating profit/-loss	36	(2)	(39)	(14)	(19)
Amortisation/ depreciation* (Notes 5; 6)	422	0	0	0	422
Segment assets	6,862	995	8	(112)	7,753
Non-current assets of the segment* (Note 4; 5; 6; 7)	5,373	956	0	1	6,331
Segment liabilities	5,833	32	480	(5)	6,340
Additions to non-current assets* (Note 4; 5; 6)	58	5	0	0	63
Interest expenses (Note 19)	143	0	0	13	156

* Property, plant and equipment of the segment



BUSINESS SEGMENT BY THE GEOGRAPHICAL LOCATION OF CUSTOMERS:

<i>thousand €</i>	9M 2021				9M 2020			
	Fibreboard manufacturing and wholesale	Real Estate Management	Furniture retail sale	SEGMENTS TOTAL	Fibreboard manufacturing and wholesale	Real Estate Management	Furniture retail sale	SEGMENTS TOTAL
European Union	6,233	218	0	6,451	6,693	148	55	6,897
Russia	1,083	0	0	1,083	934	0	0	934
Asia	124	0	0	124	140	0	0	140
Africa	46	0	0	46	96	0	0	96
Middle East	13	0	0	13	55	0	0	55
Other	40	0	0	40	77	0	0	77
Grand Total	7,539	218	0	7,757	7,994	148	55	8,197

NOTE 14 COST OF GOODS SOLD

<i>thousand €</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Raw materials and main materials	553	677	1,875	2,123
Electricity and heat, water	532	584	1,739	2,150
Labour expenses (Note 17)	389	405	1,145	1,244
Depreciation (Note 5;6)	123	135	379	421
Purchased goods	0	0	0	69
Change in balances of finished goods and work in progress	91	35	194	313
Other expenses	34	56	119	189
TOTAL	1,722	1,892	5,451	6,508

NOTE 15 DISTRIBUTION COSTS

<i>thousand €</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Transportation expenses	186	189	656	739
Labour expenses (Note 17)	44	43	131	145
Commission fees	19	47	83	110
Marketing expense	0	0	0	2
Other expenses	2	3	21	19
TOTAL	251	282	891	1,015

NOTE 16 ADMINISTRATIVE AND GENERAL EXPENSES

<i>thousand €</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Labour expenses (Note 17)	54	63	160	193
Purchased services	66	53	246	200
Office supplies	2	1	8	7
Depreciation (Note 5; 6)	0	0	1	1
Other expenses	9	9	30	29
TOTAL	131	126	445	430



NOTE 17 LABOUR EXPENSES

<i>thousand €</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Wages and salaries	368	388	1 086	1 203
Social security and unemployment insurance	119	123	350	379
Fringe benefits paid to employees	3	3	11	11
TOTAL	490	513	1 447	1 593

NOTE 18 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME

<i>thousand €</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Compensation from insurance	0	(1)	0	0
Profit from sale of fixed assets	2	21	2	21
Other operating income	0	2	3	3
TOTAL	2	22	5	24

OTHER OPERATING EXPENSES

<i>thousand €</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Reclamations	0	0	1	19
Commission and contract fees	0	0	7	2
Membership fees	1	0	1	3
Penalties paid	0	(1)	4	71
Loss from sales of fixed assets	0	1	0	1
Other costs	0	3	0	192*
TOTAL	1	3	13	287

* Other costs for 9M 2020 include extraordinary costs of Püssi factory closure € 187 thousand.

NOTE 19 FINANCIAL INCOME AND EXPENSES

<i>thousand €</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Financial income:				
Revaluation of TPD shares	0	4	354	21
Total financial income	0	4	354	21
Financial cost:				
Interest expenses	31	52	87	156
including interest expenses related to provisions (Note 10)	2	1	5	2
Revaluation of TPD shares	128	0	0	0
Other finance cost	0	0	0	4
Total financial cost	159	52	87	160

NOTE 20 RELATED PARTIES

The following parties are considered to be related parties:

- Parent company Pärnu Holdings OÜ and owners of the parent company;
- Other entities in the same consolidation group;
- Members of the Management, the Management Board and the Supervisory Board of Nordic Fibreboard AS and their close relatives;
- Entities under the control of the members of the Management Board and Supervisory Board;



- Individuals with significant ownership unless these individuals lack the opportunity to exert significant influence over the business decisions of the Group.

As of 30 September 2021, the largest shareholder of Pärnu Holdings OÜ and the entities with significant influence over the Group are: Stetind OÜ (49.75%) and Joakim Johan Helenius (49.75%). The owner of Stetind OÜ is Torfinn Losvik.

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

<i>thousand €</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Membership fees	41	41	124	118
Social tax	14	14	42	40
Total	55	54	166	158

Benefits (incl. tax expenses) include payments of parent and subsidiary company Management Board and Supervisory Board fees paid within the period. The member of the Management Board of Nordic Fibreboard AS will receive severance pay to three months' remuneration according to the contract. No payments were made to members of Supervisory Board.

SALES AND PURCHASES FROM RELATED PARTIES:

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

<i>thousand €</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
Sales	0	9	0	9
Purchased services	4	4	12	13
Total	4	13	12	22

BALANCES WITH RELATED PARTIES AS OF:

<i>thousand €</i>	30.09.2020	31.12.2020	30.09.2020	31.12.2019
Purchased services	1	17	11	0
Short-term loan	0	0	0	20
Short-term loan interest	0	1	0	0
Total	1	18	11	20

NOTE 21 EVENTS AFTER BALANCE SHEET DATE

Management is considering the future of its real estate subsidiary Pärnu Riverside Development, and has accordingly entered into an agreement with a brokerage whereby possible disposal of this subsidiary is being considered.

