



NORDIC FIBREBOARD AS

CONSOLIDATED ANNUAL REPORT 2025

Beginning of the financial year:	01.01.2025
End of the financial year:	31.12.2025
Business name:	Nordic Fibreboard AS
Registry code:	11421437
Legal form of entity:	Public limited liability company
Address:	Rääma 31, Pärnu 80044, Estonia
Country of incorporation:	Republic of Estonia
Telephone:	+372 44 78 323
E-mail:	group@nordicfibreboard.com
Homepage:	www.nordicfibreboard.com
Auditor:	AS PricewaterhouseCoopers
Main activity:	Production and sales of fibreboards

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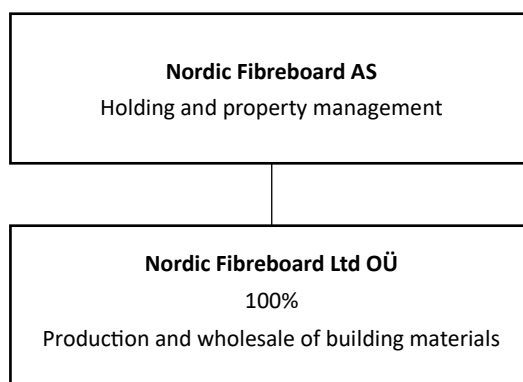
COMPANY PROFILE

THE GROUP IN BRIEF

Nordic Fibreboard AS is a holding company that owns the subsidiary Nordic Fibreboard Ltd OÜ. The main activity of the Nordic Fibreboard AS group includes the production and wholesale of building materials. In addition, the Group owns and manages the Admirali Quarter development project located on the former Suur-Jõe street 48 in Pärnu, for which a detailed plan has been established for the development of residential real estate.

Previously, Nordic Fibreboard AS also owned another subsidiary, Pärnu Riverside Development OÜ, with a 100% stake, whose main activity was the management of the Admirali Quarter development project. On 30.07.2025, Nordic Fibreboard AS and Pärnu Riverside Development OÜ entered into a merger agreement, according to which Nordic Fibreboard AS is the merging company and Pärnu Riverside Development OÜ is the company being merged, the purpose of the merger was to simplify the Group's structure. The balance sheet date of the merger is 01.06.2025, Pärnu Riverside Development OÜ was deleted from the commercial register on 15.10.2025. As a result of the merger, the owner and manager of the Suur-Jõe 48 property is Nordic Fibreboard AS.

As of 31.12.2025, the structure of Nordic Fibreboard AS with participation:



Nordic Fibreboard Ltd OÜ focuses on the production of environmentally friendly and sustainable wood materials, offering natural and durable products that are versatile and suitable for various construction and industrial solutions. The company produces and supplies high-quality natural wood fibreboards, including wind protection, insulation and floor baseboards, as well as ceiling and wall panels.

The Group's main markets are Finland, Sweden and the Baltics, in addition, Nordic Fibreboard also has a market share in other European Union countries and, to a lesser extent, sales are also made to the Asian and African regions.

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

As at 31.12.2025 the Group employed 60 people (31.12.2024: 68 employees).

MANAGEMENT REPORT

OVERVIEW OF OPERATING RESULTS

REVENUE AND OPERATING RESULTS

Consolidated net sales for 2025 were € 7.33 million, which is a decrease of 3.4% compared to 2024 sales of € 7.59 million. The sales revenue from the production of fibreboard was € 7.33 million in 2025 (2024: € 7.57 million). Sales to the EU which makes up 92% of the sales held relatively flat. Sales to other regions dropped compared to 2024, with Africa and Asia seeing the sharpest drops. The sales revenue in 2025 from real estate management was € 3 thousand (2024: € 25 thousand).

The consolidated EBITDA of Nordic Fibreboard AS for 2025 was negative € 0.42 million (2024: € negative 0.03 million). EBITDA margin in 2025 was negative 6% representing a decrease of 6 percentage points compared to 2024 (2024: 0%). The negative EBITDA in both 2025 and 2024 was attributable to the factory shutdown in December — in 2025 this occurred as planned in order to transition to the new gas boiler house, while in 2024 it was unplanned due to a force majeure situation, when production was temporarily suspended due to structural damage caused by weather conditions. During the shutdown, personnel costs, ongoing factory maintenance costs, and repair costs continued to accrue, all of which had a negative impact on EBITDA.

The consolidated net loss of Nordic Fibreboard AS for 2025 was € 1.15 million (2024: net loss € 0.79 million).

GROUP'S REVENUE BY ACTIVITY

Activity	€ thousand		% of net sales	
	2025	2024	2025	2024
Fibreboards production and sales	7,325	7,567	100%	100%
Real Estate Management	3	25	0%	0%
TOTAL	7,328	7,592	100%	100%

GROUPS`S REVENUE BY REGIONS

Region	€ thousand		% of net sales	
	2025	2024	2025	2024
European Union	6,702	6,921	92%	91%
Africa	200	305	3%	4%
Asia	161	212	2%	3%
Middle East	96	139	1%	2%
Other regions	169	14	2%	0%
TOTAL	7,328	7,592	100%	100%

EBITDA BY BUSINESS SEGMENTS

€ thousand	2025	2024
EBITDA by business units:		
Fibreboards production and sales	(296)	26
Real Estate Management	(86)	(48)
Group transactions	(38)	(3)
TOTAL EBITDA	(420)	(25)
Deprecation	(520)	(522)
TOTAL OPERATING LOSS	(940)	(547)
Net financial cost	(214)	(238)
NET LOSS	(1,154)	(786)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 31.12.2025 the total assets of Nordic Fibreboard AS were € 9.3 million (31.12.2024: € 8.3 million). The liabilities of the company as of 31.12.2025 were € 4.9 million (31.12.2024: € 4.6 million), of which the Group has payables of € 1.3 million (31.12.2024: € 0.4 million) and borrowings of € 3.2 million (31.12.2024: € 3.7 million).

Receivables and prepayments amounted to € 0.8 million as at 31.12.2025 (31.12.2024: € 0.6 million). Inventories were € 1.0 million as of 31.12.2025 (31.12.2024: € 0.6 million). Fixed assets were € 7.5 million as of 31.12.2025 (€ 7.0 million as of 31.12.2024).

The Group's operating result in 2025 was negative cash flow of € 503 thousand (negative cash flow of € 174 thousand in 2024). Cash outflows due to investment activities was € 989 thousand in 2025, mainly consisting of investments into production assets of € 1 367 thousand and real estate related investments of € 161 thousand and sale of TPD shares in amount of € 539 thousand (2024: cash outflow € 289 thousand). Financing activities also resulted in cash inflows of € 1,444 thousand in 2025 (2024: cash inflow € 509 thousand). In addition to changes loan and lease liabilities, cash flow from financing activities also includes share issue in amount of € 2,000 thousand which was completed in October 2025. Net cash effect in 2025 was cash outflow of € 48 thousand, (2024: cash inflow € 46 thousand).

PERFORMANCE OF BUSINESS UNITS

FIBREBOARD PRODUCTION AND SALES

Nordic Fibreboard manufactures and supplies high-quality wood fibreboards, including wind barrier, insulation, and flooring underlayment boards, as well as ceiling and wall panels. The company focuses on producing environmentally friendly and sustainable materials, offering natural and durable products that are versatile and suitable for various construction and industrial solutions.

Nordic Fibreboard Ltd OÜ sales for 2025 were € 7.33 million, which remained practically at the same level compared to the previous year (2024: € 7.57 million), decreasing by only 3%.

The EBITDA of Nordic Fibreboard Ltd OÜ was negative € 0.3 million in 2025 (2024: positive € 0.03 million). The negative EBITDA was a result of underutilized capacity which makes the own production of goods more expensive. Additionally, in both 2025 and 2024, EBITDA was negatively impacted by the factory shutdown in December — in 2025 this occurred as planned in order to transition to the new gas boiler house, while in 2024 it was unplanned due to a force majeure situation due to structural damage caused by weather conditions. During the shutdown, personnel costs, ongoing factory maintenance costs, and repair costs continued to accrue, all of which had a roughly € 0.2 million negative impact on EBITDA.

FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

Region	€ thousand		% of net sales	
	2025	2024	2025	2024
European Union	6,699	6,896	92%	91%
Africa	200	305	3%	4%
Asia	161	212	2%	3%
Middle East	96	139	1%	2%
Other regions	169	14	2%	0%
TOTAL	7,325	7,567	100%	100%

REAL ESTATE MANAGEMENT

Rental income was € 3 thousand in 2025 (2024: € 27 thousand). All sales revenue for 2025 and 2024 are within Estonia. The sales revenue decreased due to the termination of rental agreements in August 2024. The decision to terminate the rental agreements was due to the specific characteristics of the production building complex, which caused high communal costs, and which could not be covered by rental income. The main goal of real estate management is not to earn rental income from the investment property, but to develop the investment property.

The former furniture factory property at Suur-Jõe 48 was divided into ten smaller properties in April 2025 in accordance with the established detailed plan: Suur-Jõe street 48, Admirali street T1, Admirali street 11a, Admirali street 13 // 15, Admirali street T3, Admirali street 1 // 3, Admirali street 2 // 4 // 6, Admirali street 9 // 11, Admirali street 5 // 7 and Admirali street T2 (hereinafter: Admirali quarter development project). The design work of the Admirali quarter development project has been completed. Building permits have been issued for intra-quarter roads and utility networks and apartment buildings at Admirali 1/3, Admirali 5/7 and Admirali 9/11 and for the reconstruction of the existing office building at Suur-Jõe 48.

Previously the Admirali Quarter development project property was owned and managed by Pärnu Riverside Development OÜ, a wholly owned subsidiary of Nordic Fibreboard AS, however on 30.07.2025 Nordic Fibreboard AS and Pärnu Riverside Development OÜ entered into a merger agreement, under which Nordic Fibreboard AS was the merging entity and Pärnu Riverside Development OÜ was the entity being merged. The merger date was 01.06.2025 and as a result of the merger, Nordic Fibreboard AS is the owner and manager of the properties in the Admirali Quarter development project.

FORECAST AND DEVELOPMENT

BUSINESS ENVIRONMENT 2025

In 2025, the Estonian economy was characterized by a gradual ongoing recovery following the prolonged downturn of previous years, although growth remained modest and the economic environment continued to be challenging. According to Eesti Pank's forecast, Estonia's economic growth reached 0.6% in 2025, significantly below initial expectations. Growth was driven primarily by export-oriented sectors such as manufacturing, IT, and business services, while value added in domestic market-oriented industries such as construction and public services declined. We felt this as a company as well — domestic demand remained weak and both households and businesses showed little willingness to invest.

The industrial sector performed considerably better in 2025 compared to the previous year. According to Statistics Estonia, industrial output grew by 1.7% in real terms, with manufacturing output increasing by 3.1%. The wood industry, which had suffered a sharp decline in 2024, showed signs of recovery — output in the sector rose by 8.3% in January of 2025 compared to the same period a year earlier, marking the first significant growth since 2022. Nevertheless, conditions remained difficult towards the end of the year, with a modest 0.8% decline recorded in wood processing in October. Industrial

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companies continued to adapt to the regulatory requirements and rising production costs associated with the EU's Green Deal.

The economic environment in 2025 was heavily influenced by accelerating inflation. Price growth was driven primarily by higher taxes — the vehicle tax, increases in VAT and excise duties — which together accounted for approximately one third of inflation, which reached around 6% for the year as a whole. The rise in income tax at the start of the year further reduced purchasing power for households, constraining consumption and limiting the pace of economic recovery. Although the European Central Bank continued cutting interest rates, the impact on economic activity was slow to materialise and will only become clearly felt over a longer horizon. In addition, uncertainty stemming from US trade policy weighed on the recovery, even though Estonia's direct exposure to the US market remains limited.

FIBREBOARD PRODUCTION AND SALES

Nordic Fibreboard Ltd OÜ expects demand for fibreboard to remain stable in the coming months and anticipates that sales volumes will hold at their current level. The company continues to focus on developing existing clients and markets, as well as creating new sales opportunities, with the aim of supporting sales volume growth. Greater emphasis is being placed on growing the Nordic market, including through the recruitment of additional personnel.

In recent months, increased focus has also been placed on product development for interior finishing panels and on expanding sales opportunities for this product group across various markets.

The Group has carried out an investment in modern energy solutions, aimed at improving the reliability and energy efficiency of production processes. As part of the project, the boiler system used for steam production is being upgraded, which was finally completed in January 2026.

REAL ESTATE MANAGEMENT

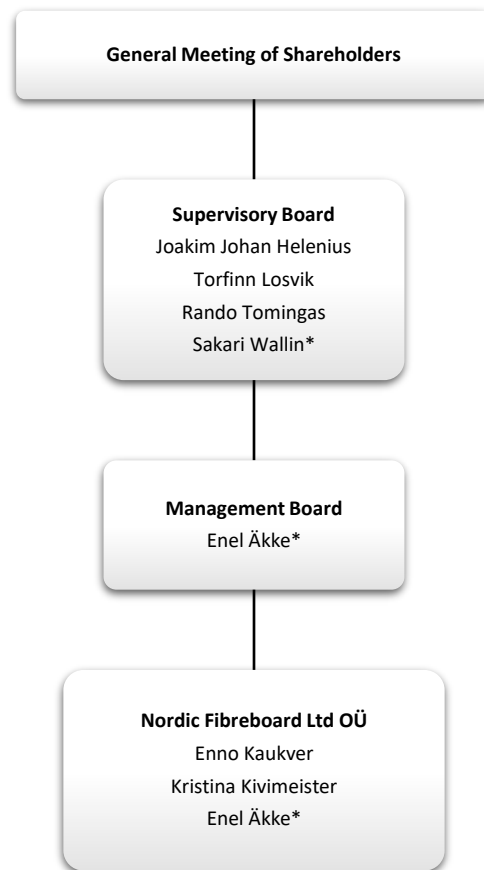
The property management segment covers the management of the property located at Suur-Jõe 48 in Pärnu, as well as the planning and implementation of development activities.

The design works for the Admirali Quarter development project have been completed. Building permits have been issued for the internal roads and utility networks within the quarter, for apartment buildings at Admirali 1/3, Admirali 5/7, and Admirali 9/11, as well as for the reconstruction of the existing office building at Suur-Jõe 48.

After the balance sheet date, on 08.01.2026 Nordic Fibreboard AS entered into a preliminary sale-purchase agreement for the sale of ten properties located on Suur-Jõe Street and Admirali Street in Pärnu. The properties belong to Nordic Fibreboard AS at the time of preparation of the report, and the final sale-purchase agreement (notarial real rights agreement) will be concluded with the potential Buyer upon fulfilment of the conditions set out in the preliminary agreement, but no later than 30.06.2026.

ELECTION AND POWERS OF MANAGEMENT BODIES AND PERSONNEL

The management bodies of Nordic Fibreboard AS as of 31.12.2025:



* After balance sheet date, on 04.03.2026, Sakari Wallin was recalled from the Supervisory Board of Nordic Fibreboard AS and Tage Henrik Johansson was elected as a new Member of the Supervisory Board.

* After balance sheet date, on 29.01.2026, Enel Äkke was recalled from the Management Boards of Nordic Fibreboard AS and Nordic Fibreboard Ltd OÜ. At the time of preparation of the report, the Management Board of Nordic Fibreboard AS has one member, Danel Hirbaum, and the Management Board of Nordic Fibreboard Ltd OÜ has 4 members, Andrus Allikoja, Danel Hirbaum, Enno Kaukver and Kristina Kivimeister.

THE GENERAL MEETING OF SHAREHOLDERS

The General Meeting is the highest directing body of the Company. Annual General Meeting shall be called within six months after the end of the financial year at the latest at the Company's registered place of business. An extraordinary General Meeting shall be called if it is required by law.

The General Meeting of Nordic Fibreboard AS for 2026 will be held on 27 May 2026 in the Company's head office in Pärnu.

SUPERVISORY BOARD

The Supervisory Board plans the Company's (i.e. Nordic Fibreboard group) activities, organises its management, supervises the activities of the Management Board and adopts resolutions in matters provided by law or the Articles of Association. According to the Articles of Association, the Supervisory

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Board consists of up to seven members. Members of the Supervisory Board are elected by the General Meeting for a term of five years. The Supervisory Board of Nordic Fibreboard AS has four members. As at the balance sheet date on 31.12.2025, the Supervisory Board was comprised of the chairman of the Supervisory Board Joakim Johan Helenius and members of the Supervisory Board Torfinn Losvik, Rando Tomingas and Sakari Wallin.

INFORMATION ABOUT MEMBERS OF THE SUPERVISORY BOARD

Joakim Johan Helenius (re-elected into office until 09.10.2028), member of the Supervisory Board since 1999. Joakim Johan Helenius was born in 27.11.1957 in Finland and he obtained a degree from Cambridge University in England. Joakim Helenius is the owner and chairman of the board of AS Trigon Capital, and the owner and chairman of the council of companies such as AS Trigon Property Development and AS Väätša Agro. Joakim Johan Helenius owns 89,288 Nordic Fibreboard shares (or 1.05% of Nordic Fibreboard AS). In addition, he has a 100% indirect stake in OÜ Rosamil, NFB Pärnu Holdings OÜ and NFB Ventures OÜ, through which Joakim Johan Helenius indirectly owns an additional 6,825,996 Nordic Fibreboard AS shares (or 80.32% of Nordic Fibreboard AS).

As of 31.12.2025, the Group was controlled by Joakim Johan Helenius, the owner of OÜ Rosamil, NFB Pärnu Holdings OÜ and NFB Ventures OÜ and owner of Trigon Capital AS (indirect and direct shareholding in the company totalling 81.37%).

Sakari Wallin (until 04.03.2026), member of the Supervisory Board since 2018. Sakari Wallin was born in 03.05.1954 in Finland and he obtained Bachelor's Degree in Engineering from Polytechnik Turku. Sakari Wallin holds Managing Director's position in Finnish Fibreboard LTD. Sakari Wallin is Chairman of the Board of Finnish Fibreboard (UK) Ltd and Managing director of Finnish Fibreboard Filial Sverige. Sakari Wallin does not own shares in Nordic Fibreboard AS.

Rando Tomingas (elected into office until 27.06.2028), member of the Supervisory Board since 2023. Rando Tomingas has obtained his Bachelor's and Master's degree (cum laude) in finance from Tallinn University of Technology and has worked in the Trigon Capital group since 2014. Rando Tomingas does not own any shares of Nordic Fibreboard AS but Triangel Kapital OÜ, a company 100% owned by Rando Tomingas, owns 1,000 Nordic Fibreboard AS shares.

Torfinn Losvik (elected into office until 22.11.2028), member of the Supervisory Board since 2023. Before being elected to the member of the Supervisory Board, Torfinn Losvik was a Chairman of the Board of Nordic Fibreboard AS in 2017-2023. Torfinn Losvik is a Norwegian citizen, active in the Estonian business scene since 1998. Torfinn has extensive management experience in production-related companies, having been operations manager at Marat AS (2003-2014) and Finnwear OY (1998-2002) and Chairman of the Board at Particia Group OY (since 2002). In addition, he has approximately ten years of experience in investment banking. Torfinn Losvik does not own shares in Nordic Fibreboard AS.

MANAGEMENT BOARD

The powers of the Management Board of the Company are provided in the Commercial Code and are limited as established in the Company's Articles of Association. The members of the Management Board have no powers to issue shares. Members of the Management Board are appointed by the Company's Supervisory Board for three years. Members of the Management Board are appointed and recalled by simple majority voting of the Supervisory Board.

There are no agreements between Nordic Fibreboard AS and members of the Management Board as provided in Chapter 19 of the Securities Market Act. In accordance with the Articles of Association, the Management Board consists of up to seven members. As at the balance sheet date on 31.12.2025, the Management Board of Nordic Fibreboard AS has one member, Enel Äkke.

PERSONNEL

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In 2025, the average number of employees in the Group was 60 (2024: the average number of employees was 65). At the end of the financial year, the Group employed 60 employees of whom 42 were workers and 18 were specialists and executives (2024: number of employees was 68, of which 47 workers and 21 specialists and executives). The average age of the Group's employees in both 2025 and 2024 was 53 years.

In 2025, employee wages and salaries with all applicable taxes totalled € 1.9 million (2024: € 1.6 million). In 2025, payments made to management and supervisory board members of all group companies including all subsidiaries with relevant taxes were € 283 thousand (€ 203 thousand in 2024).

The Group's definition of labour costs includes payroll expenses (incl. holiday pay) with additional remuneration fees, payroll taxes, special benefits and taxes calculated on special benefits.

AUDIT COMMITTEE

The Audit Committee is a body advising the Supervisory Board in the area of accounting, auditing control, risk management, internal control and internal auditing, performance of supervision and budgeting and the legality of the activities of the Supervisory Board. Audit Committee has two members and as at balance sheet date includes Kristi Aarmaa and Kairi Ratas.

ELECTION OF AUDITOR

The company prioritized a balance between the price and quality of audit services, as well as professionalism, when selecting an auditor. In 2025, a competition was held to choose the auditor, and as a result, AS PricewaterhouseCoopers was selected. This decision was confirmed at the company's regular shareholders' meeting on June 16, 2025, where AS PricewaterhouseCoopers was appointed as the company's auditor, and an annual contract was signed with them for auditing the financial year 2025.

OTHER INFORMATION

The Group's Management Board publishes the annual report once a year and interim reports during the financial year. The information provided in reports is based on the reporting of financial indicators of intra-Group units that are monitored regularly. Reports are supplemented on a continuous basis in a process during which indicators influencing the achievement of agreed objectives are analysed. Shareholders are presented an annual report signed by the members of the Management Board and the Supervisory Board for consideration.

FINANCIAL RATIOS

<i>€ thousand</i>		
Income statement	2025	2024
Revenue	7,328	7,592
EBITDA	(420)	(25)
EBITDA margin	(6%)	0%
Operating loss	(940)	(547)
Operating margin	(13%)	(7%)
Net loss	(1,154)	(786)
Net margin	(16%)	(10%)

<i>€ thousand</i>		
Statement of financial position	31.12.2025	31.12.2024
Total assets	9,323	8,252
Return on assets	(12%)	(10%)
Equity	4,462	3,616
Return on equity	(26%)	(22%)
Debt-to-equity-ratio	52%	56%

Share	31.12.2025	31.12.2024
Last price (€)*	0.77	0.90
Earnings per share (€)	(0.14)	(0.17)
Price-earnings ratio	(5.67)	(5.15)
Book value of a share (€)	0.53	0.80
Market to book ratio	1.47	1.12
Market capitalization, (th €)	6,544	4,049
Number of shares (piece)	8,499,061	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/>

SHARE

SHARE

Nordic Fibreboard AS has one type of shares and the Company's Statute have no provisions on restriction of sales of the Company's shares. The Company does not have shares that grant specific control rights, and the Company has no information about agreements on restricting the voting rights of shareholders. The Company and shareholders have not entered into agreements between themselves that would restrict sale of shares.

VALUE OF SHARE

€	2025	2024	2023	2022	2021
Opening price €	0.88	0.94	1.61	1.98	0.45
Highest price €	1.06	1.05	1.65	2.24	2.42
Lowest price €	0.53	0.75	0.80	1.45	0.43
Last price €	0.77	0.90	0.90	1.60	1.95
Turnover, thousand shares	81	169	231	470	1,477
Turnover, thousand €	67	154	289	870	2,042
Market cap, million €	6.54	4.05	4.05	7.2	8.77

The following graph shows the movements of Nordic Fibreboard AS share price and turnovers for the years 2021 to 2025.



SHAREHOLDERS

SHARE CAPITAL BY THE NUMBER OF SHARES AS OF 31.12.2025:

Number of shares	Number of shareholders	% from shareholders	Number of shares	% from share capital
1 - 99	507	54.29%	11,733	0.14%
100 - 999	281	30.09%	80,056	0.94%
1,000 – 9,999	122	13.06%	314,778	3.70%
10,000 – 99,999	19	2.03%	463,394	5.45%
100,000 – 999,999	3	0.32%	1,640,923	19.31%
1,000,000 – 9,999,999	2	0.21%	5,988,177	70.46%
TOTAL	934	100.00%	8,499,061	100.00%

SHARE CAPITAL GEOGRAPHICALLY AS OF 31.12.2025:

	Number of shareholders	% from shareholders	Number of shares	% from share capital
Estonia	901	96.47%	8,360,692	98.37%
Finland	9	0.96%	7,210	0.08%
Latvia	5	0.54%	30,141	0.36%
Lithuania	5	0.54%	47,218	0.56%
Germany	4	0.42%	46,878	0.55%
Other	10	1.07%	6,922	0.08%
TOTAL	934	100.00%	8,499,061	100.00%

SHARE CAPITAL BY THE TYPE OF THE OWNERS AS OF 31.12.2025:

The type of the owners	Number of shareholders	% from shareholders	Number of shares	% from share capital
Private individuals	875	93.68%	803,122	9.45%
Institutional investors	59	6.32%	7,695,939	90.55%
TOTAL	934	100.00%	8,499,061	100.00%

LIST OF THE SHAREHOLDERS WITH THE OWNERSHIP MORE THAN 1% AS OF 31.12.2025:

Shareholder	Number of shareholders	Shareholding %
OÜ ROSAMIL	4,107,240	48.33%
NFB VENTURES OÜ	1,880,937	22.13%
NFB PÄRNU HOLDINGS OÜ	837,819	9.86%
OÜ KÕIK VÕI MITTEMIDAGI	674,012	7.93%
REGO PURIN	129,092	1.52%
JOAKIM JOHAN HELENIUS	89,288	1.05%

Direct ownership of the members of the Management and Supervisory Boards as at 31.12.2025:

- Joakim Johan Helenius – 89,288 shares, i.e. 1.05%
- Rando Tomingas – does not hold any shares
- Sakari Wallin – does not hold any shares
- Torfinn Losvik – does not hold any shares
- Enel Äkke – does not hold any shares

AS of 31.12.2025 Joakim Johan Helenius has indirect ownership through companies Rosamil OÜ, NFB Pärnu Holdings OÜ and NFB Ventures OÜ (as of 31.12.2024 has indirect ownership through companies NFB Pärnu Holdings OÜ and NFB Ventures OÜ). As of 31.12.2025 Rando Tomingas owns shares through Triangel Kapital OÜ in the amount of 1,000 shares (31.12.2024: 1,000 shares).

Translation of the company's consolidated financial statements in pdf-format without European Single Electronic Format (ESEF) markups. The original document is submitted in machine-readable .xhtml format to the Tallinn Stock Exchange and digitally signed (Link: <https://nasdaqbaltic.com/statistics/en/instrument/EE3100092503/reports>)

DIVIDEND POLICY

As a rule, payment of dividends is decided annually and depends on the Group's performance and possible investment needs. The method of payment of the dividend shall be determined by a resolution of the general meeting. Dividends or advances are distributed proportionally among the shareholders, according to the list of shareholders, which is fixed on the 10th trading day after the general meeting where the decision was made to distribute the profit or make advances.

RISKS

INTEREST RATE RISK

Interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of changes in market interest rates. The interest rate risk of Nordic Fibreboard AS depends on a possible change in EURIBOR (Euro Interbank Offered Rate), since some of the Group's loans are linked to EURIBOR, the Group's financial cost also increases when the EURIBOR increases. At 31.12.2025 six months' EURIBOR rate was 2.107% and at 31.12.2024 2.568%. The loan from the Rural Development Foundation is concluded with a fixed interest rate, thus bearing no interest rate risk. The Company's loan agreement with Coop Pank AS has a floating interest rate, but according to the management's assessment, the floating interest rate does not have a significant impact on the Company's cash flows.

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

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

CURRENCY RISK

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

RISK OF THE ECONOMIC ENVIRONMENT

The Group's main economic risks are related to developments in the construction and industrial sectors and broader global economic trends. Slower-than-expected economic growth is exerting strong pressure on the company's revenues and profitability, requiring rapid adaptation and effective cost management. In addition to slow economic growth, geopolitical tensions and continued consumer uncertainty continue to be important risk factors. Instability in international markets also affects the stability of raw material prices and supply chains, which creates additional pressures on companies. Fluctuating energy prices and regulatory changes add further uncertainty, forcing companies to adjust their strategies and diversify risks.

The management is aware of the risks in the economic environment and is implementing strategic measures to mitigate them. The focus is on flexibility, ensuring liquidity and expanding into new markets to strengthen the company's resilience and ensure sustainable growth in changing economic conditions.

FAIR VALUE

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

the interest rate risks prevailing on the market. The fair values of investment property do not materially differ from their carrying amounts.

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.

CORPORATE GOVERNANCE RECOMMENDATIONS REPORT

The Corporate Governance Recommendations is a set of guidelines and recommended rules to be carried out primarily by entities whose shares have been admitted to trading on a regulated market in Estonia. From 1 January 2006, the listed entities are required to follow the principle “Comply or Explain”.

The Corporate Governance Recommendations lay down the principles of calling and conducting general meetings of shareholders, composition, activities and responsibilities of Supervisory and Management Boards, disclosures and financial reporting.

As the principles outlined in the Corporate Governance Recommendations are recommended, the Company does not have to comply with all of them but needs to explain in the Corporate Governance Recommendations Report why these requirements are not complied with.

In its business, Nordic Fibreboard AS adheres to prevailing laws and legislative provisions. As a public entity, Nordic Fibreboard AS also follows the requirements of the Tallinn Stock Exchange and the principles of equal treatment of shareholders and investors. Pursuant to this, the Company follows most of the guidelines set out in the Recommendations. Below are arguments for noncompliance of the Recommendations that the Company does not comply with.

Clause 1.3.2 Members of the Management Board, the Chairman of the Supervisory Board and if possible, all members of the Supervisory Board and at least one of the auditors shall participate in the General Meeting. Supervisory Board member candidates who have not formerly been a Supervisory Board member and candidates for auditor shall participate in the General Meeting.

The attendance of the above persons depends on the matters to be decided at the meeting. At the General Meeting of Shareholders held on 16th of June 2025, Enel Äkke, a Member of the Management Board of Nordic Fibreboard AS, participated. The auditor was not present at the meeting, because the Management Board did not consider the auditor’s participation necessary, as there were not any issues on the agenda that might have needed the auditor’s comments. The auditor has expressed his opinion in the auditor’s report, stating that the consolidated financial statements of the Group give a true and fair view, in all material respects of the financial position of the Group as at 31.12.2024 and the financial results and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union. In accordance with good practice, shareholders had the opportunity to ask questions to the members of the Management Board during the meeting.

Clause 1.3.3 The Issuer shall make participation in the General Meeting possible by means of communication equipment (Internet) if the technical equipment is available and where doing so is not too cost prohibitive to the Issuer.

The Issuer does not make it possible to follow a general meeting by means of communication equipment, as all shareholders can vote electronically on items on the agenda.

Clause 2.2.7 Basic wages, performance pay, termination benefits, other payable benefits and bonus schemes of a member of the Management Board as well as their essential features (incl. features based on comparison, incentives and risk) shall be published in a clear and unambiguous form on the website of the Issuer and in the Corporate Governance Recommendations Report. Information published shall be deemed clear and unambiguous if it directly expresses the amount of expense to the Issuer or the amount of foreseeable expense as at the day of disclosure.

The Issuer has disclosed the remuneration policy and remuneration of a member of the Management Board in the Remuneration Report, which is a part of the 2025 annual report of Nordic Fibreboard AS.

Clause 3.2.5 The amount of remuneration of a member of the Supervisory Board appointed at the meeting and the procedure for his payment shall be published in the Corporate Governance

Recommendations Report, outlining separately basic and additional remuneration (incl. termination and other payable benefits).

The Issuer does not pay any remuneration to the members of the Supervisory Board.

Clause 6.2.1 Together with Notice Calling the General Meeting the Supervisory Board shall make available to shareholders information on a candidate for auditor, including information on their business connections specified below. If it is desired to appoint an auditor who has audited the Issuer's reports for the previous financial year, the Supervisory Board shall pass judgement on his work.

At the annual regular general meeting of shareholders, the auditor for the next financial year is confirmed. When selecting the auditor, the company considers the significant balance between the price and quality of audit services, as well as professionalism. The auditor is remunerated according to the contract signed. If the council wishes to continue cooperation with the auditor, it expresses satisfaction with the current auditor's work, without separately assessing the auditor's performance.

The activities of the Issuer comply with the requirements of the Corporate Governance Recommendations in all other aspects.

REMUNERATION REPORT

This remuneration report has been prepared in accordance with the Estonian Securities Market Act and provides an overview of the remuneration paid to the members of the board of AS Nordic Fibreboard according to the remuneration principles for the 2025 financial year.

In the context of the Estonian Securities Market Act, as of 31.12.2025, the Management Board member of AS Nordic Fibreboard was Enel Äkke. Her responsibilities and remuneration principles are specified in her respective employment agreements. Management board member Enel Äkke does not receive remuneration under the Management Board member agreement – she has not been assigned a basic or performance-based remuneration. Her remuneration is provided under an employment contract with the subsidiary Nordic Fibreboard Ltd OÜ, where the company's main operations take place. In 2025, Management board member Kristjan Erm also received remuneration based on an employment contract with Nordic Fibreboard Ltd OÜ.

Remuneration of members of the Executive Board:

€ thousand	2021	2022	2023	2024	2025
Enel Äkke (from October 2023)					
Total remuneration	-	-	11	48	56
<i>Incl. basic remuneration</i>	-	-	11	48	54
<i>Incl. performance pay</i>	-	-	-	-	-
<i>Incl. compensation for the use of a personal car</i>	-	-	-	-	2
Kristjan Erm (from January 2025 until July 2025)					
Total remuneration	-	-	-	-	56
<i>Incl. basic remuneration</i>	-	-	-	-	41
<i>Incl. performance pay</i>	-	-	-	-	-
<i>Incl. termination benefit</i>	-	-	-	-	12
<i>Incl. compensation for the use of a personal car</i>	-	-	-	-	3
Kevin Gustasson (from June 2023 until July 2024)					
Total remuneration	-	-	31	34	-
<i>Incl. basic remuneration</i>	-	-	28	27	-
<i>Incl. performance pay</i>	-	-	3	7	-
Torfinn Losvik (until November 2023)					
Total remuneration	72	72	61	-	-
<i>Incl. basic remuneration</i>	72	72	61	-	-
<i>Incl. performance pay</i>	-	-	-	-	-

In 2025, the member of the management board Enel Äkke was paid a monthly basic salary of 4 thousand euros from January to July and 5 thousand euros from August to December under an employment contract, which amounted to a total annual salary of 54 thousand euros. In addition, compensation for the use of a personal car in the amount of 2 thousand euros was paid during 2025. Kristjan Erm was paid a monthly basic salary of 6 thousand euros during the period of the employment contract, the total amount of which in 2025 was 41 thousand euros. In addition, he was paid a severance pay of 12 thousand euros and compensation for the use of a personal car in the amount of 3 thousand euros was paid during 2025.

Annual change in the remuneration of members of the Executive Board, performance of the Group, and average remuneration of full-time employees of the Group:

<i>€ thousand</i>	2021	2022	2023	2024	2025
Net profit grow	11.9%	2.7%	(155.3%)	(15.1%)	(46.9%)
Increase in managers remuneration	0.0%	0.0%	42.7%	(20.1%)	37.2%
Increase in the average remuneration of full-time employees	9.0%	10.1%	(0.1%)	(7.2%)	24.8%

COMPATIBILITY OF REMUNERATION WITH THE REMUNERATION PRINCIPLES

The basic remuneration of a managers is determined on the basic remuneration would be sufficiently motivating for the managers to act in the best interests of Nordic Fibreboard, fairly and in accordance with the law, and to refrain from acting in the personal or other interests.

ENVIRONMENTAL POLICY

According to the Environmental Pollution Prevention and Control Act, both the Pärnu and Püssi factories have environmental permits of indefinite duration for special water use and air pollution. Adherence to the requirements of the permits ensures that production activity has a minimal impact on the environment, the requirements set out in the environmental permit ensure the protection of water and air in an environmentally generated waste in an environmentally sound manner. As of 01.01.2020, the amended Waste Act is in force, on basis of which § 73 (2) a waste permit is required for the generation of waste only upon extraction or enrichment of mineral resources. Consequently, Nordic Fibreboard is not obliged to have a waste permit for waste generation.

To meet the requirements of the Packaging Act, in 2005 the Company entered into a contract with the Estonian Recovery Organisation (ERO). Under the contract, all responsibilities of Nordic Fibreboard AS related to packaging collection, recovery and related reporting were transferred to ERO. The contract ensures that all end consumers may return the packaging free of charge to containers bearing the Green Point sign.

The Forest Stewardship Council (FSC) is an international non-profit independent organisation the goal of which is foster environmentally friendly forest management. By possessing the FSC certificate we support such forest management goals that will preserve biodiversity, productivity and natural processes of forests. Upon implementation of the FSC policy, Nordic Fibreboard AS precludes the use of such timber that has been felled illegally; that comes from genetically modified trees, that comes from regions where traditional or civil rights are violated and timber which is not certified in old growth forests with high conservation value. The soft fibre factories hold the FSC certificate since 14 January 2011. The FSC Certificate is valid to 13th of January 2031.

From 3rd of December 2024 Nordic Fibreboard Ltd OÜ has once again assessed and certified as meet the requirements of PEFC standard. The PEFC Certificate is valid to 2nd of December 2029.

WATER USAGE AND WASTEWATER DISCHARGE

<i>thousands of m³</i>	2025	2024	Change %
Water usage	58.5	54.5	7%
incl. groundwater (own bore wells)	15.8	21.0	(25%)
incl. surface water	42.7	33.5	28%
Water discharge	41.5	34.4	20%
incl. conditionally clean wastewater	8.8	8.6	2%
incl. Wastewater	32.7	25.8	27%
Water loss	10.3	10.3	0%

<i>€ thousand</i>	2025	2024	Change %
Water usage	2.6	3.1	(17%)
incl. groundwater (own bore wells)	1.3	2.1	(37%)
incl. surface water	1.3	1.0	28%
Water discharge	60.4	47.7	27%
incl. Wastewater	60.4	47.7	27%
Total expenses	63.0	50.8	24%

MAIN POLLUTANTS

<i>tons</i>	2025	2024	Change %
Volatile organic components	5.2	4.4	16%
Organic dust	43.4	29.4	47%
Total	48.6	33.9	43%

WASTE HANDLING

<i>€ thousand</i>	2025	2024	Change %
Handling of hazardous waste	0.1	0.1	0%
Handling of non-hazardous waste	7.4	6.5	15%
Total expenses	7.5	6.6	15%

<i>€ thousand</i>	2025	2024	Change %
Sales of metal waste	1.2	2.6	(53%)
Total conditional income	1.2	2.6	(53%)

DECLARATION OF THE MANAGEMENT BOARD

The Management Board has prepared the management report and the consolidated financial statements of Nordic Fibreboard AS for the financial year ended 31 December 2025.

The Management Board confirms that the management report, Corporate Governance Recommendations Report 2025 and remuneration report on pages 4-21 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 as a whole and confirms their correctness and completeness.

The Management Board confirms that according to their best knowledge the consolidated financial report on pages 23-58 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 and doubts.

/signed digitally/

Danel Hirbaum

Member of the Management Board

Pärnu, April 30, 2026

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>€ thousand</i>	31.12.2025	31.12.2024
Cash and cash equivalents	5	53
Receivables and prepayments (Note 5)	790	571
Inventories (Note 6)	1,034	624
Total current assets	1,829	1,248
Investment property (Note 7)	2,541	2,380
Financial assets at fair value through profit or loss (Note 9)	0	499
Property, plant, equipment and right-of use assets (Note 8)	4,952	4,122
Intangible assets (Note 8)	1	3
Total non-current assets	7,494	7,004
TOTAL ASSETS	9,323	8,252
Borrowings (Note 10)	2,963	1,111
Payables and prepayments (Note 11)	1,553	788
Short-term provisions (Note 12)	24	21
Total current liabilities	4,540	1,920
Long-term borrowings (Note 10)	205	2,613
Long-term provisions (Note 12)	72	94
Other long-term liabilities	44	9
Total non-current liabilities	321	2,716
Total liabilities	4,861	4,636
Share capital (at nominal value) (Note 13)	850	450
Share premium	1,600	0
Statutory reserve capital	45	45
Retained earnings	1,967	3,121
Total equity	4,462	3,616
TOTAL LIABILITIES AND EQUITY	9,323	8,252

*The notes to the financial statements presented on pages 27 to 58 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>€ thousand</i>	2025	2024
Revenue (Note 15)	7,328	7,592
Cost of goods sold (Note 16)	(6,725)	(6,820)
Gross profit (loss)	603	771
Distribution costs (Note 17)	(982)	(935)
Administrative expenses (Note 18)	(502)	(381)
Other operating income (Note 20)	19	8
Other operating expenses (Note 20)	(78)	(11)
Operating profit (loss)	(940)	(547)
Finance income (Note 21)	41	8
Finance costs (Note 21)	(255)	(247)
PROFIT (LOSS) BEFORE INCOME TAX	(1,154)	(786)
NET PROFIT (LOSS) FOR THE PERIOD	(1,154)	(786)
Basic loss per share (Note 14)	(0.14)	(0.17)
Diluted loss per share (Note 14)	(0.14)	(0.17)

*The notes to the financial statements presented on pages 27 to 58 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

€ thousand	2025	2024
Cash flow from operating activities		
Operating profit (-loss)	(940)	(547)
Adjustments:		
Depreciation charge (Note 8)	520	522
Loss from write-off of non-current assets (None 20)	18	0
Change in trade and other receivables (Note 5)	(219)	(37)
Change in inventories (Note 6)	(410)	103
Change in trade and other payables (Note 11)	765	32
Cash generated from operations	(266)	73
Interest payments (Note 10)	(231)	(202)
Net other financial income and expenses	(6)	(45)
Net cash generated from operating activities	(503)	(174)
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (Note 8)	(1,367)	(178)
Purchase of real estate investment (Note 7)	(161)	(111)
Sales of financial assets (Note 9)	539	0
Net cash used in investing activities	(989)	(289)
Cash flow from financing activities		
Share capital increase (Note 13)	2,000	0
Repayment of loans received (Note 10)	(223)	(210)
Loans received from related parties (Note 10)	930	400
Repayment of loans from related parties (Note 10)	(1,230)	0
Finance lease payments (Note 10)	(24)	(23)
Change in overdraft (Note 10)	(9)	342
Net cash (used in)/from financing activities	1,444	509
NET CHANGE IN CASH	(48)	46
OPENING BALANCE OF CASH	53	7
CLOSING BALANCE OF CASH	5	53

*The notes to the financial statements presented on pages 27 to 58 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	Retained earnings	Total
Balance at 31.12.2023	450	0	45	3,907	4,402
<i>Net loss for 2024</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(786)</i>	<i>(786)</i>
Total comprehensive loss for 2024	0	0	0	(786)	(786)
Balance at 31.12.2024	450	0	45	3,121	3,616
Increase in share capital	400	1,600	0	0	2,000
<i>Net loss for 2025</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(1,154)</i>	<i>(1,154)</i>
Total comprehensive loss for 2025	0	0	0	(1,154)	(1,154)
Balance at 31.12.2025	850	1,600	45	1,967	4,462

*The notes to the financial statements presented on pages 27 to 58 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

Nordic Fibreboard AS (hereinafter the Company), (registration number: 11421437; address: Rääma 31, Pärnu), is an entity registered in the Republic of Estonia, whose activities take place in Estonia. The consolidated financial statements prepared for the financial year ended 31 December 2025 include the financial information of the Company and its 100% subsidiary Nordic Fibreboard Ltd OÜ, located in Estonia (together referred to as the Group).

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 Nasdaq Tallinn until 2nd of April 2018, when the shares were moved from the Main List to the Secondary List. The Group's largest shareholder is Rosamil OÜ (owning 48.33%), whose sole indirect owner as of 31 December 2025 is Joakim Johan Helenius. As of 31 December 2024, the largest shareholder of the Group was also NFB Pärnu Holdings OÜ (owning 49.24%).

In addition to the production and sale of soft fibreboards, the Group also handles real estate management to a small extent.

In 2025, Nordic Fibreboard AS merged with its 100% subsidiary Pärnu Riverside Development OÜ, which owned the plots at Suur-Jõe Street 48 and Admirali Street in Pärnu. On 30.07.2025, Nordic Fibreboard AS and Pärnu Riverside Development OÜ entered into a merger agreement, according to which Nordic Fibreboard AS is the merging company and Pärnu Riverside Development OÜ is the company being merged, the purpose of the merger was to simplify the Group's structure. The balance sheet date of the merger was 01.06.2025.

The Management Board of Nordic Fibreboard AS authorised these consolidated financial statements for issue on 30 April 2026. Pursuant to the Commercial Code of the Republic of Estonia, the financial statements are subject to approval by the Supervisory Board of Nordic Fibreboard AS and the General Meeting of Shareholders. Shareholders have the right not to approve the annual report prepared and approved by the Management Board, and request preparation of a new annual report.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

A. BASIS OF PREPARATION

The 2025 consolidated financial statements of Nordic Fibreboard AS have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in accordance with IFRS requires management to make assumptions and pass judgements, which affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and related assumptions are based on the historical experience and several other factors that are believed to be relevant and that are based on circumstances which help define principles for the evaluation of assets and liabilities and

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which are not directly available from other sources. Actual results may not coincide with these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised prospectively after the period in which a change in the estimate occurred. Note 4 includes those areas which require more complicated estimates and where accounting estimates and assumptions have a material impact on the information recognised in the financial statements.

CHANGES IN ACCOUNTING POLICIES

a) 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 01.01.2026, and which the Group has not early adopted.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group will analyse and disclose the impact of this change after implementation.

Annual Improvements to IFRS Accounting Standards (effective for annual periods beginning on or after 1 January 2026).

IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to

'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

The Group will analyse and disclose the impact of this change after implementation.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Group will analyse and disclose the impact of this change after implementation.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date to be determined, not yet adopted by the EU).

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

The Group will analyse and disclose the impact of this change after implementation.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date to be determined, not yet adopted by the EU).

In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: IFRS 18 Presentation and Disclosure in Financial Statements, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (effective date to be determined by the IASB; not yet adopted by the EU).

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These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. In 2015, the IASB decided to postpone the effective date of these amendments indefinitely.

The Group will analyse and disclose the impact of this change after implementation.

B. COMPARABILITY

The financial statements have been prepared in accordance with the consistency and comparability principles, the nature of the changes in methods and their effect is explained in the respective notes. When the presentation of items in the financial statements or their classification method has been amended, then also the comparative information of previous periods has been restated.

C. SIGNIFICANT ACCOUNTING POLICIES

(A) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of their primary economic environment (the functional currency). The consolidated financial statements are presented in euros (€), which is the functional currency of the parent and the presentation currency of the Group.

The consolidated financial statements are presented in thousands of euros (€), which is in compliance with the requirements of the Nasdaq Tallinn.

(B) PRINCIPLES OF CONSOLIDATION AND ACCOUNTING FOR SUBSIDIARIES

All subsidiaries have been consolidated in the Group's financial statements. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Pursuant to the Accounting Act of the Republic of Estonia, information of the unconsolidated financial statements (primary statements) of the consolidating entity (parent company) shall be disclosed in the notes to the consolidated financial statements. In preparing the primary financial statements of the parent company, the same accounting policies have been used as in preparing the consolidated financial statements. The accounting policy for accounting subsidiaries has been amended in the separate primary financial statements disclosed as supplementary information in the Annual Report in conjunction with IAS 27 "Separate Financial Statements". In the parent separate primary financial statements, disclosed in these consolidated financial statements (see Note 27 Supplementary disclosures on the Group's parent), the investments into the shares of subsidiaries are accounted for at cost less any impairment recognised.

(C) FINANCIAL ASSETS

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss);
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and derecognition

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Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

All Group's debt instruments are classified in amortised cost measurement category.

As at 1 January 2025 and 31 December 2025, the following financial assets of the Group were classified in this category:

- trade receivables;
- cash and cash equivalents.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has made an irrevocable election to present in OCI the fair value gains and losses on equity investments that are not held for trading, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other income/(expenses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

For trade receivables without a significant financing component the Group applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime credit losses from initial recognition of the receivables. The Group uses a provision matrix in which allowance for impairment losses is calculated for trade receivables falling into different ageing or overdue periods.

(D) TRADE RECEIVABLES

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are initially recognized at fair value plus transaction costs and are subsequently measured at amortized cost using the effective interest method, less expected credit losses.

The Company assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

For trade receivables the Company applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime credit losses from initial recognition of the receivables. The Company uses a provision matrix in which allowance for impairment losses is calculated for trade receivables falling into different ageing or overdue periods.

Trade receivables are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

(E) INVENTORIES

The weighted average cost method is used for the evaluation of inventories at the Group.

(F) INVESTMENT PROPERTY

Real estate properties (land, buildings) that the Group owns or leases to earn lease income or for capital appreciation, and that are not used for the Group’s operating activities, are classified as investment property.

Real estate properties consist of land owned by the Group that is not used by the Group for its own economic activities (plots of Suur-Jõe 48 and Rääma 31).

Investment property is initially measured at its cost, including related transaction costs. Investment properties are subsequently carried at fair value, which based on yearly market price set by an independent valuer or market, based in the prices of recent transactions for similar items (adjusting for estimates for differences) or using the discounted cash flow method. Changes in fair value are recognized in the income statement in line item “Other operating income”.

(G) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are non-current assets used in the operating activities of the Group with a useful life of over one year and with a cost of 1,000 euro. An item of property, plant and equipment is initially recognised at its cost.

Depreciation is calculated based on useful lives of items of property, plant and equipment, using the straight-line method. The annual depreciation rates applied to individual assets by groups of property, plant and equipment are as follows (per cent):

- buildings and facilities 2 – 15%
- machinery and equipment 3– 50%
- motor vehicles 10 – 40%
- other fixtures and fittings 20 – 50%
- information technology equipment 30 – 50%
- land is not depreciated.

(H) IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to depreciation and amortisation, and assets with unlimited useful lives (land) are reviewed for any indication of impairment. Whenever such indication exists, the recoverable amount of the asset is estimated and compared with the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If the fair value of an asset less sales expenses cannot be determined, the recoverable amount of the asset is its market value. The value in use of assets is determined as the current value of estimated cash flows generated in the future. Impairment of assets is estimated if following possible circumstances exist:

- market value of similar assets has decreased;
- general economic environment and the market situation has deteriorated which makes it probable that revenue generated from assets will decrease;
- interest rates of market have increased;
- physical condition of assets has suddenly deteriorated;
- income received from assets are lower than planned;
- results of some areas of activity are worse than expected;
- activities of certain money-earning units are planned to be terminated.

An impairment test is also carried out if the Group identifies other circumstances indicating loss of value of assets.

At the end of every reporting period it is assessed whether there are circumstances indicating that the impairment loss of assets recognised in previous years no longer exists or it has decreased. If any such circumstance exists, the recoverable amount of the asset is re-evaluated. In accordance with the results of the test, the impairment can be reversed in part or in full. Earlier loss is reversed only to the degree where the carrying amount does not exceed the carrying amount of such assets considering normal amortization of earlier years.

(I) LEASES

The Group leases and records machines and equipment used in economic activities as right-of-use assets. The contracts do not contain significant renewal and termination options. Short-term leases with a lease period of less than 12 months and low-value assets are not recognized as right-of-use assets, and their lease payments are recognized as an expense in the income statement under the other expenses. Low-value assets include IT equipment and smaller items of office furniture.

(J) FINANCIAL LIABILITIES

Financial liabilities (trade payables, borrowings, accrued expenses and other short and long-term borrowings) are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest rate method. Upon the initial recognition of such financial liabilities which are not accounted for at fair value through profit or loss, the transactions costs directly attributable to the acquisition are deducted from their fair value.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are charged to period financial expenses.

(K) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised in the statement of financial position when the Group has a present legal or contractual obligation which has arisen as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the liability can be reliably estimated.

The provisions are recognised based on management's (or independent experts') estimates regarding the amount and timing of the expected outflows. Risks and uncertainties are taken into consideration when measuring provisions; the provisions for which the effect of the time value of money is significant are discounted. The increase of the provision due to the passage of time is recognised as an interest expense. Provisions are recorded in the separate statement of financial position as current and non-current liabilities in the line item provisions. More detailed information on provisions is disclosed in note 12.

Other commitments that in certain circumstances may become obligations, but it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability are disclosed in the notes to the financial statements as contingent liabilities.

Provision for long-term disability compensations

Under law, the Group is obliged to pay compensation to employees for permanent injuries incurred during their employment at the Group. The level of the benefit depends on the extent of disability, the average monthly salary of the employee prior to injury, and the changes in pension payments by the state. The level of the benefit does not depend on the length of service. For the Group, the obligation to pay benefits arises at the time when the degree of the employee's incapacity for work is determined.

Disability compensation is recognised in the statement of financial position in its discounted present value. In measuring the liability, management has used demographic assumptions (such as mortality), and financial assumptions (e.g. the discount rate and future benefit levels).

The rate used to discount the obligation is determined by reference to market yields at the balance sheet date on high quality corporate bonds, the currency and term of which are consistent with the currency and estimated term of the obligation.

(L) LIABILITIES TO EMPLOYEES

Payables to employees contain the contractual right arising from employment contracts and performance-based pay which is calculated on the basis of Group's financial results and meeting of objectives set for the employees. Performance-based pay is included in period expenses and as a liability if it is paid out in the next financial year.

Pursuant to employment contracts and current legislation, payables to employees also include an accrued holiday pay liability as at the balance sheet date. This liability also includes accrued social and unemployment taxes calculated on it.

Disability compensation (see accounting policy K).

(M) TAXATION

Corporate income tax and deferred corporate income tax

According to the current legislation, the annual profit earned by entities is not taxed in Estonia. Corporate income tax is paid on dividends, fringe benefits, gifts, donations, costs of entertaining guests, non-business-related disbursements and adjustments of the transfer price. The tax rate on distributed profits is 22%, i.e. 22/78 of the net amount of dividends paid out. Under certain conditions, it is possible to redistribute the dividends received without additional income tax expenses. The prerequisite for tax exemption is the condition that the company that received and repays the dividend had a holding of at least 10% in the respective company at the time of receiving the dividends. Upon the redistribution of dividends taxed at a lower tax rate received before this date, it is possible to apply a transitional provision. The corporate income tax arising from the payment of dividends is recognised as a liability and an income tax expense in the period in which dividends are declared, regardless of the period for which the dividends are paid or the actual payment date. An income tax liability is due on the 10th day of the month following the payment of dividends.

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Due to the nature of the taxation system, the companies registered in Estonia do not have any differences between the tax bases of assets and their carrying amounts and hence, no deferred income tax assets and liabilities arise. However, according to the decision of the IFRS Interpretation Committee in June 2020, the parent is required to recognize an income tax liability on the profits on the subsidiary unless profits are not planned to be distributed to parent company in the foreseeable future. Nordic Fibreboard Ltd OÜ had a loss in 2025 and there is also a loss from previous years, then no deferred tax liability has been recognized for the profits of the subsidiary in the Group's consolidated financial statements. The maximum income tax liability which would accompany the distribution of the Group's retained earnings is disclosed in the notes to the financial statements.

As at 31.12.2025 and 31.12.2024, the subsidiaries did not have any deferred tax assets and liabilities. The management of the Group estimates that the realisation of the income tax asset is not reliably assessable, thus it is not recorded in the financial statements.

(N) REVENUE

Revenue is income arising in the course of the Group's ordinary activities. Revenue is measured in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange of transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a good or service to a customer.

Sale of goods – wholesale

The Group manufactures and sells fibreboard products in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Fibreboard products are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable the wholesaler in relation to sales made until the end of the reporting period.

No significant element of financing is deemed present as the sales are made with a credit term of 15-150 days, which is consistent with market practice. In rare cases a prepayment is received, but the period between the prepayment and the delivery of goods to the customer is less than 12 months.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

If the Company provides any additional services to the customer after control over the goods has passed, revenue from such services is considered to be a separate performance obligation and is recognised over the time of the service rendering.

Financing component

Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

(O) CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. Cash flows from operating activities are determined by adjusting the net profit for the financial year through elimination of the effect of non-monetary transactions, changes in the balances of assets and liabilities related to operating activities and revenue and expenses related to investing or financing activities. Cash flows from investing or financing activities are recognised under the direct method.

(P) STATUTORY RESERVE CAPITAL

Statutory reserve capital is formed from annual net profit allocations as well as other provisions which are entered in reserve capital pursuant to legislation or articles of association. The amount of reserve capital is stipulated in the articles of association and it cannot be less than 1/10 of share capital. Each financial year, at least 1/20 of net profit shall be entered in the reserve capital. When reserve capital reaches the level required by the articles of association, the allocations to reserve capital from the net profit may be terminated.

Based on the decision of the General Meeting of Shareholders, the statutory legal reserve may be used to cover a loss, or to increase share capital. Payments shall not be made to shareholders from the statutory legal reserve.

(Q) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the financial year attributable to the equity holders of the parent by the period's weighted average number of outstanding ordinary shares. Diluted earnings per share are calculated by dividing the net profit for the financial year attributable to the equity holders of the parent by the weighted average number of outstanding ordinary shares, adjusted for the effect of dilutive potential ordinary shares.

NOTE 3 RISK MANAGEMENT

3.1. FINANCIAL RISKS

The operations of the Group expose it to several financial risks: credit risk, liquidity risk, fair value risk, capital management risk and market risk (which involves foreign currency exchange risk and interest rate risk of cash flows). The general risk management programme of the Group focuses on unpredictability of the financial market and attempts to minimise any possible negative effects on the financial activities of the Group. The Group's financial instruments include cash for funding operating activities and receivables from debtors and payables to creditors arising in operating activities as well as loans. Management defines risk as a potential deviation from the expected results. The Group's risk management is based on the requirements of the Tallinn Stock Exchange, Financial Supervision Authority and other regulatory bodies as well as compliance with Corporate Governance Recommendations and the Group's internal regulations. All financial assets of the Group in the categories of "Cash and cash equivalents" and "Receivables" and all financial liabilities in the categories "Borrowings" and "Payables" are recorded at amortised cost.

Until 21.02.2025 the Group owned also financial assets in the category financial assets at fair value through profit or loss, carried at fair value through profit or loss statement.

€ thousand	31.12.2025	31.12.2024
Financial assets		
Cash and cash equivalents	5	53
Receivables (Note 5)	578	459
inc. trade receivables	575	458
inc. other receivables	3	1
Financial assets at fair value through profit or loss (Note 9)	0	499
Total financial assets	582	1,011
Financial liabilities		
Borrowings (Note 10)	3,147	3,679
Lease liabilities (Note 10)	21	45
Payables (Note 11)	1,272	493
inc. trade payables	1,258	443
inc. other payables	14	50
Total financial liabilities	4,440	4,217

(A) CREDIT RISK

Nordic Fibreboard AS's credit risk is the risk of the inability of its business partners to meet their contractual obligations. The Group's credit risk arises from cash and cash equivalents, deposits in banks and financial institutions as well as receivables exposed to risk.

Cash and cash equivalents

The Group approves banks and financial institutions with the credit ratings of "A" and "B" as its long-term collaboration partners, however, for short period banks without a credit rating are also approved. The Group has current accounts in three banks, in the table below the bank account balances are divided according to the ratings of the banks as follows:

€ thousand	31.12.2025	31.12.2024
Credit rating "Aa3"	1	53
Credit rating "A3"	4	0
Total	5	53

The credit rating is derived from the website of Moody's Investor Service.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial as at 31 December 2024 and 31 December 2025.

Receivables

Pursuant to the Group's credit policy, no security is required from wholesale customers to ensure collection of receivables, but focus is laid on monitoring collection, balances of accounts receivable and compliance with payment terms on a continuous basis. In riskier markets, complete or partial prepayment, credit limits and shorter payment terms are applied.

As at the balance sheet date, the Group was not aware of any major risks related to accounts receivable, which had been deemed as uncollectible, see Note 5. The Group monitors the financial position of its current and potential partners and their ability to meet the obligations they have assumed.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2025 or 1 January 2025 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the

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ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis described above, the loss allowance as at 31 December 2025 and 31 December 2024 was determined immaterial.

Key customers and their share

Key customers are defined as those to whom the sales amount to more than 10% of the Group's revenue. The Group has two external customer whose revenue exceeds the previously pointed condition and whose total sales revenue in 2025 was € 1,912 thousand (2024: one external customer, sales revenue € 926 thousand). The balance of receivables from key customers was € 205 thousand as of 31.12.2025 and € 95 thousand as of 31.12.2024, and there were no overdue receivables from key customers as of 31.12.2025 and 31.12.2024.

For additional information on receivables, see also Note 5.

As of 31.12.2025, the Group had no receivables from major customers or other buyers as of 23.03.2025.

In 2025 and 2024, there were no receivables related to customers whose collection was unlikely.

(B) LIQUIDITY RISK

Liquidity risk is a potential loss arising from limited or insufficient monetary funds necessary for the meeting of obligations arising from the Group's operations. Management constantly monitors cash flow forecasts, evaluating the existence and availability of the Group's monetary resources to meet the obligations assumed and to fund the Group's strategic goals.

Analysis of financial liabilities by maturity as at 31.12.2025:

€ thousand	Balance at	Undiscounted cash flows			
	31.12.2025	Up to 3 months	4-12 months	2-5 years	Total
Borrowings and lease liabilities (Note10)	3,168	97	3,077	274	3,448
Trade payables (Note 11)	1,258	1,258	0	0	1,258
Other payables (Note 11)	14	14	0	0	14
TOTAL	4,440	1,369	3,077	274	4,720

Analysis of financial liabilities by maturity as at 31.12.2024:

€ thousand	Balance at	Undiscounted cash flows			
	31.12.2024	Up to 3 months	4-12 months	2-5 years	Total
Borrowings and lease liabilities (Note10)	3,724	329	964	2,769	4,062
Trade payables (Note 11)	443	443	0	0	443
Other payables (Note 11)	50	50	0	0	50
TOTAL	4,217	822	964	2,769	4,555

Interest rates on borrowings are set out in Note 10.

For determining cash flows for interest bearing borrowings which are based on floating interest rate, the spot interest rate in effect at the balance sheet date has been used.

As of 31.12.2025 and 31.12.2024, the Group had a valid overdraft agreement. The Group's working capital position was negative by € 2.7 million as at the year end 31 December 2025 (negative by € 0.7 million as at 31 December 2024). For more information on working capital, see Note 25.

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(C) MARKET RISK

Interest rate risk of cash flows

The interest rate risk of the Group's cash flows is mainly related to long-term debt obligations with a floating interest rate.

The Group is exposed to cash flow risk affected by interest rate changes, as two of the loans and overdraft has a variable interest rate. The management estimates that the cash flow risk related to changes in interest rates is not material, therefore financial instruments are not used to hedge risks.

The interest rate risk of Nordic Fibreboard AS depends mainly on possible changes in EURIBOR (Euro Interbank Offered Rate), because the two of the Group's loans are tied to 6-month EURIBOR. As at 31.12.2025, 6-month EURIBOR was 2.107% (31.12.2024: 6-month was 2.568%). The loan from the Rural Development Foundation (RDF) is concluded with a fixed interest rate, thus bear no interest rate risk. However, our loan from Coop Pank AS and one of the loan agreements concluded with related parties have a floating interest rate, but the management is of the opinion that the floating interest rate will not bear significant impact to Group's cash flows.

The dates for fixing interest rates on the basis of changes in EURIBOR are the 30th day of every month. Six month's EURIBOR is fixed every six months.

A sensitivity analysis is used to assess a Group's interest rate risk, which describes the impact of interest rate risk on a Group's profits through estimated fluctuations in the market interest rate. If the 6-month EURIBOR had been 1% higher/lower during 2025, the Group's financial year loss for the financial year would have increased/decreased and equity would have decreased/increased by 11,3 thousand euros, provided that all other variables remain the same. If the 6-month EURIBOR had been 1% higher/lower during 2024, the Group's financial year loss for the financial year would have increased/decreased and equity would have decreased/increased by 17.9 thousand euros, provided that all other variables remain the same.

Loan and lease obligations by type of interest rate and loan terms:

€ thousand	31.12.2025	% of total loans	31.12.2024	% of total loans
Variable rate borrowings	1,480	47%	1,901	51%
Fixed rate borrowings - maturity dates				
Less than 1 years	1,483	47%	335	9%
1-5 years	205	6%	1,488	40%
TOTAL	3,168	100%	3,724	100%

As at 31.12.2025, the total carrying amount of the long-term loans were € 200 thousand and as at 31.12.2024 € 2,592 thousand. The residual value of the long-term lease liabilities as of 31.12.2025 were € 5 thousand (as of 31.12.2024 € 21 thousand).

As of 31.12.2025 Nordic Fibreboard had a valid agreement with a limit of € 700 thousand, of which € 657 thousand has been used as of 31.12.2025 (as of 31.12.2024 limit € 700 thousand, of which € 666 thousand has been used). Since more than half, or 53%, of the loan liability is with fixed interest, the interest rate risk is insignificant for the Group.

Foreign currency exchange risk

Foreign currency exchange risk is the risk that the Group may incur a significant loss because of fluctuations in foreign currency exchange rates. Group's foreign currency rate exchange risk from export-import transactions is very low because most of the contracts have been concluded in Euro. During the reporting year, the Group had no transactions in currencies not directly or indirectly tied to the Euro.

As the effect of currency risk is marginal, the Group has not acquired any derivative financial instruments to manage the currency risk.

Since the Group had no transactions and balances in a foreign currency during 2025 and only one transaction in a foreign currency at the end of 2024 no currency position and sensitivity analyses have been prepared.

Price risk

Until 21.02.2025, the Group was exposed to price risk arising from equity investments which was recorded in the balance sheet as financial assets at fair value through profit or loss. The Group had acquired shares in Trigon Property Development, but sold them to a related party on 21.02.2025. Therefore, as of 31.12.2025, there was no price risk arising from equity investments.

3.2. CAPITAL MANAGEMENT

In capital risk management, the Group's main goal is to ensure the Group's sustainability of operations to generate returns to its shareholders and benefits to other stakeholders, thereby maintaining the optimal capital structure to lower the cost of capital. To preserve or improve the capital structure, the Group can regulate the dividends payable to shareholders, reimburse the paid in capital, issue new shares or sell assets to lower its liabilities. The management monitors capital based on the debt to capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated financial position statement) less cash and cash equivalents. Total capital is calculated as the sum of equity as shown in the consolidated financial position statement and net debt.

€ thousand	31.12.2025	31.12.2024
Borrowings (Note10)	3,168	3,724
Cash and cash equivalents (Note 3)	5	53
Net debt	3,163	3,671
Total equity	4,462	3,616
Total capital	7,625	7,287
Debt to capital ratio	41%	50%

As at 31.12.2025 and 31.12.2024 the Group's equity was in compliance with the requirements of the Commercial Code. Agreements related to borrowings include covenants, one of which relates to equity. As of 31.12.2025, all three covenants remained were not fulfilled and since there is no confirmation from the lender regarding the acceptance of non-fulfillment of the covenants, the loan received from Coop Pank AS is recorded in the balance sheet as short-term, although according to the loan agreement, the loan repayment term is 22.04.2031 and based on the repayment term of the loan agreement, it is a long-term loan liability. As of 31.12.2024, two of the three covenants remained unfulfilled, but confirmation has been received from the lender regarding the acceptance of non-fulfillment of the covenants as of 31.12.2024.

3.3. FAIR VALUE

The Group divides financial instruments into three levels depending on their revaluation:

- Level 1: Financial instruments that are valued using unadjusted price from the stock Exchange or some other active regulated market.
- Level 2: Financial instruments that are evaluated by assessment methods based on monitored inputs. This level includes, for instance, financial instruments that are assessed by using prices of similar instruments in an active regulated market or financial instruments that are re-assessed by using the price on the regulated market, which have low market liquidity.
- Level 3: The valuation of financial assets and liabilities that are accounted as amortised cost is made on level 3.

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Trade receivable, trade payable and short-term loans are recorded at amortised cost, categorized as level 3, and since trade receivable, trade payable and short-term loans are short-term, management estimates that their carrying amounts are close to their fair values.

The fair values of long-term loans and borrowings do not significantly differ from their carrying value because the floating interest rates of loans correspond to fluctuation of the interest rates prevailing in the market. The risk margin of loans is dependent on ratio of total debt and EBITDA; therefore, the performance of the company's operations is reflected also in the risk margin. Long-term loans and debt obligations are categorized as level 3.

Taking the previous information into account, the management estimates that the fair values of long-term liabilities do not materially differ from their carrying amounts. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Real estate investments are initially taken into account at their acquisition cost, which also includes acquisition-related transaction fees. Further, real estate investments are recorded at fair value, which is based on the annual market price determined by an independent appraiser or management, based on recent transaction prices for similar objects or using the discounted cash flow method.

NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with International Financial Reporting Standards requires management to make accounting estimates. Management also needs to pass judgement regarding the choice of accounting policies and their application.

Management judgements and estimates are reviewed on an ongoing basis and they are based on historical experience and other factors such as forecasts of future events which are considered reasonable under current circumstances.

The areas which require more significant or complex management decisions and estimates, and which have a major effect on the financial statements, include estimation of recoverable value of property, plant and equipment (Note 8) and valuation of the fair value of investment property (Note 7).

IMPAIRMENT TESTING OF NON-CURRENT ASSETS

If there exist any indications that an asset may be impaired, the Group estimates the recoverable amount (higher of the asset's fair value (less costs to sell) and its value in use) of the asset (see also the accounting policy in Section 2 I).

If the cash flows used in the asset value test are uncertain, external experts are used to estimate the value of the fixed assets. The Püssi factory was closed in March 2020 and will continue to be closed as of the end of 2025. Since the opening time of the factory and thus the forecasted cash flows are too vague for the asset's recoverable amount test, the management has estimated the recoverable amount of the fixed assets (land, buildings and equipment and machinery) based on the fair value, from which selling costs have been deducted. The management has used external valuation experts to value the Püssi factory fixed assets. The valuation of land and buildings is based on the valuation report prepared on 10.06.2025 based on the comparable transactions method. Valuation of machinery and equipment takes into account a number of inputs such as the age and location of the production line, the cost and replacement value of the new production line less the cost of restarting the plant and the selling price of similar assets. The valuation report for machinery and equipment was compiled on 19.03.2026. Management believes that the valuation reports provide an overview of the value of the assets and is of the opinion that as of 31.12.2025, the value of the assets has not fallen below their carrying amount.

Regarding the tangible assets of the Pärnu factory, in 2025 and in 2024, a test of the recoverable value of the fixed assets was carried out using the discounted cash flow method. An after-tax discount rate

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of 16.1% (2024: 16.7%) was used. The recoverable amount for 2025 has been found based on the value in use, for which detailed after-tax cash flow forecasts for the period 2026-2030 have been used (2024: period 2025-2029). In finding the value in use, the following key assumptions have been used, which are based on the management's actual results of previous years and forecasts for future periods and future growth rates. The key assumptions used:

- average revenue growth during the period: 10.8% per year (2024: 10.8% per year);
- average gross profit growth during the period: 17.1% per year (2024: 22% per year);
- average EBITDA growth during the period: 82% per year (2024: 187% per year);
- terminal growth rate: 2.5% (2024: 2.5%).

In 2025, the recoverable value test was positive (2024 was also positive), so there is no need for impairment of fixed assets.

In the event of a +/- 1 percent change in significant inputs, the recoverable amount would not fall below the book value of fixed assets as at 31.12.2025 and 31.12.2024.

FAIR VALUE OF INVESTMENT PROPERTY

Management has determined the fair value of investment properties using the valuation results of independent experts. As a result of the valuation, the fair value has increased by the same amount as the capitalized expenses during the reporting year, therefore, in addition to the capitalized expenses, there was no additional change from revaluation. More specifically, information on the fair value measurement of investment properties is disclosed in Note 7.

NOTE 5 TRADE AND OTHER RECEIVABLES

<i>€ thousand</i>	31.12.2025	31.12.2024
Customer receivables	575	458
Prepaid taxes	201	99
Prepaid services	11	13
Other receivables	3	1
TOTAL	790	571

No write-downs of receivables have been made in 2025 or 2024.

ANALYSIS OF TRADE RECEIVABLES BY AGING

<i>€ thousand</i>	31.12.2025	31.12.2024
Not past due	556	438
incl. Receivables from customers who also have receivables past due	73	51
incl. Receivables from customers who have no receivables past due	483	387
Past due but not impaired	19	20
Overdue up to 90 days	19	20
TOTAL	575	458

NOTE 6 INVENTORIES

<i>€ thousand</i>	31.12.2025	31.12.2024
Raw materials and other materials	283	340
Work-in -progress	13	19
Finished goods	772	302
Prepayments to suppliers	1	1
Write-off reserve for inventories	(35)	(38)
TOTAL	1,034	624

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In the year 2025, finished and work-in-progress goods were written off at acquisition cost of € 5.3 thousand (2024: € 6.5 thousand), no write-off of raw materials was performed in 2025 and in 2024. The inventory write-down reserve decreased by € 3 thousand in 2025 and by € 2 thousand in 2024.

Inventory are pledged as part of the commercial pledge (Note 10).

NOTE 7 INVESTMENT PROPERTY

The former furniture factory property at Suur-Jõe 48 in Pärnu, owned by Nordic Fibreboard AS, which was divided into ten smaller properties in April 2025 according to the established detailed plan: Suur-Jõe street 48, Admirali street T1, Admirali street 11a, Admirali street 13 // 15, Admirali street T3, Admirali street 1 // 3, Admirali street 2 // 4 // 6, Admirali street 9 // 11, Admirali street 5 // 7 and Admirali street T2 (Admiral Quarter development project) and the part of the property belonging to Nordic Fibreboard Ltd OÜ, Rääma street 31 are recorded as investment properties.

Value of investment property	€ thousand
Carrying amount 31.12.2023	2,269
Capitalized cost	111
Carrying amount 31.12.2024	2,380
Capitalized cost	161
Carrying amount 31.12.2025	2,541

Capitalized cost of investment property in the amount € 161 thousand during 2025 are related to expenses of Admiral Quarter development project detail plan (2024: €111 thousand, as well as expenses related to the detailed plan of Admiral Quarter development project).

Investment properties are recognized using the fair value method. The fair value of the property no. 1409705 located at Suur-Jõe street 48, Admirali street T1, Admirali street 11a, Admirali street 13 // 15, Admirali street T3, Admirali street 1 // 3, Admirali street 2 // 4 // 6, Admirali street 9 // 11, Admirali street 5 // 7 and Admirali street T2 in Pärnu and the property no. 14096005 located at Rääma Street 31 was estimated by the management as of 31.12.2025. The revaluation was based on expert assessments prepared by an independent appraiser on 20.05.2025 using the comparative method. As a result of the valuation, the fair value has increased by the same amount as the capitalized expenses during the reporting year, therefore, in addition to the capitalized expenses, there was no additional change from revaluation.

Investment properties are encumbered with mortgages (Note 10).

INVESTMENT PROPERTY BY LOCATION

Investment property by location	€ thousand
31.12.2023	
Admirali Quarter development project, Pärnu	1,832
Share of registered immovable property at Rääma Street 31, Pärnu	437
31.12.2024	
Admirali Quarter development project, Pärnu	1,929
Share of registered immovable property at Rääma Street 31, Pärnu	451
31.12.2025	
Admirali Quarter development project, Pärnu	2,090
Share of registered immovable property at Rääma Street 31, Pärnu	451

NOTE 8 PROPERTY PLANT EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

PROPERTY PLANT EQUIPMENT AND RIGHT-OF-USE ASSETS

€ thousand	Land	Buildings and facilities	Machinery and equipment	Other fixtures	Right-of-use-assets	Construction-in-progress	TOTAL
Cost at 31.12.2023	184	2,537	10,944	33	99	336	14,133
Accumulated depreciation at 31.12.2023	0	(1,912)	(7,691)	(32)	(23)	0	(9,658)
Carrying amount 31.12.2023	184	625	3,253	1	76	336	4,475
Additions	0	7	27	0	0	133	167
Reclassification	0	0	140	0	0	(140)	0
Disposals and write-offs (Note 19)	0	0	(82)	(1)	0	0	(83)
Accumulated depreciation of fixed assets written off	0	0	82	1	0	0	83
Depreciation (Note 15)	0	(79)	(414)	(0)	(27)	0	(520)
Cost at 31.12.2024	184	2,544	11,029	32	99	329	14,217
Accumulated depreciation at 31.12.2024	0	(1,991)	(8,023)	(31)	(50)	0	(10,095)
Carrying amount 31.12.2024	184	553	3,006	1	49	329	4,122
Additions	0	12	21	0	0	1,334	1,367
Reclassification	0	526	(496)	0	0	(30)	0
Reclassification of depreciation	0	(333)	333	0	0	0	0
Disposals and write-offs (Note 19)	0	(30)	(53)	(4)	0	(18)	(105)
Accumulated depreciation of fixed assets written off	0	30	53	4	0	0	87
Depreciation (Note 15)	0	(83)	(408)	0	(28)	0	(519)
Cost at 31.12.2025	184	3,052	10,501	28	99	1,615	15,479
Accumulated depreciation at 31.12.2025	0	(2,377)	(8,045)	(27)	(78)	0	(10,527)
Carrying amount 31.12.2025	184	675	2,456	1	21	1,615	4,952

In 2025, the following non-current assets were written off:

- Buildings and facilities at cost of € 30 thousand (2024: € 0) and accumulated depreciation of € 30 thousand (2024: € 0);
- Machinery and equipment at cost of € 53 thousand (2024: € 82 thousand) and accumulated depreciation of € 53 thousand (2024: € 82 thousand);
- Other fixtures at cost of € 4 thousand (2024: € 1 thousand) and accumulated depreciation of other fixtures of € 4 thousand (2024: € 1 thousand).

As at 31.12.2025, the cost of fully depreciated property, plant and equipment still in use amounted to € 5.55 million and as at 31.12.2024, the respective amount was € 5.32 million.

CONSTRUCTION-IN-PROGRESS

As at 31.12.2025 the construction-in-progress included investment in production technology in the amount of € 1,616 thousand, of which € 1,252 thousand were investments in the building and equipment of the new gas boiler house and € 363 thousand were investments in the improvement of

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existing equipment. As of 31.12.2024 the balance of investments recorded as construction-in-progress was € 330 thousand. During 2025, investments in production technology amounted to € 1 334 thousand and € 30 thousand was reclassified to the group of machinery and equipment. The construction-in-progress, which had broken while standing, was written off at its acquisition cost of € 18 thousand.

INTANGIBLE ASSETS

€ thousand	Computer software
Cost at 31.12.2023	13
Accumulated depreciation at 31.12.2023	(12)
Carrying amount 31.12.2023	1
Additions	3
Amortisation charge (Note 15)	(1)
Cost at 31.12.2024	16
Accumulated depreciation at 31.12.2024	(13)
Carrying amount 31.12.2024	3
Amortisation charge (Note 15)	(2)
Cost at 31.12.2025	16
Accumulated depreciation at 31.12.2025	(15)
Carrying amount 31.12.2025	1

Tangible and intangible fixed assets include both movable assets that are pledged and form part of a commercial pledge, as well as real estate used in the Group's economic activities that is encumbered with mortgages (Note 10).

As at 31.12.2025, the carrying amount of non-current assets pledged as mortgages (investment property, land, buildings and facilities) was € 3.40 million and as at 31.12.2024 € 3.12 million. The remaining non-current assets are part of the commercial pledge; see also Note 10.

NOTE 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

€ thousand	31.12.2025	Change 2025	31.12.2024
Non-current assets			
Listed securities - Equity securities - cost as at	0	(338)	338
Revaluation	0	(161)	161
Fair value	0	(499)	499

On February 21, 2025, Nordic Fibreboard Ltd OÜ entered into a sales agreement, by which Nordic Fibreboard Ltd OÜ sold 804,552 shares in AS Trigon Property Development to related party (Note 23). Nordic Fibreboard Ltd OÜ sold the shares at the closing price on 19.02.2025, i.e. 0.67 euros per share (total amount 539,049.84 euros). On 21.02.2025, TPD shares were revalued at the closing price on 19.02.2025, and a profit of € 40 thousand was obtained from the sale of the shares.

NOTE 10 BORROWINGS AND LEASE LIABILITIES

Nordic Fibreboard AS subsidiary Nordic Fibreboard Ltd OÜ has loan obligations to Coop Pank AS and Rural Development Foundation (RDF). The term of the loan received from Coop Pank AS is in April 2031 with a 10-year amortization schedule, and as of 31.12.2025 the loan interest was 6 month EURIBOR+3.5% per annum. However, since no confirmation has been received from the lender regarding the acceptance of non-fulfillment of the covenants, the long-term loan liability to Coop Pank AS in the amount € 604 thousand is recorded in the balance sheet as a short-term loan liability. The

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term of the loan received from RDF is 31.12.2026 and the loan interest is 4% per annum. There is also a 1.5 year overdraft agreement with Coop Pank AS with a limit of € 700 thousand, the overdraft interest rate is 6 months EURIBOR+2.9% per annum. As of the end of 2025, € 657 thousand of overdraft facilities had been drawn.

In 2025, Nordic Fibreboard AS received an addition loan from a related party, Väätsa Agro AS, in the amount of € 930 thousand with an interest rate of 6-month EURIBOR + 6.5% per annum and repaid the loan balance of € 400 thousand as of 31.12.2024, € 830 thousand of the loan received during 2025, and interest in the amount of € 64 thousand, additional information in Note 23.

In 2025, repayments of lease liabilities in the amount of € 24 thousand were made and interest on lease liabilities of € 1 thousand were made.

INFORMATION REGARDING BORROWINGS AS AT:

€ thousand	Interest rate	31.12.2025	31.12.2024	31.12.2023
Current borrowings				
Current portion of long-term loan (Coop Pank)	6 month EURIBOR+3.5%	723	110	98
Current portion of long-term loan (RDF)	4%	1,467	111	111
Current portion of long-term loan from related parties	8%	0	200	0
Current portion of long-term loan from related parties	6 month EURIBOR+6.5%	100	0	0
Current portion of long-term lease liabilities	2.49%	16	24	23
Bank overdrafts (Coop Pank)	6 month EURIBOR+2.9%	657	666	324
Total		2,963	1,111	556
Non-current borrowings				
Non-current portion of long-term loan (Coop Pank)	6 month EURIBOR+3.5%	0	725	836
Non-current portion of long-term loan (RDF)	4%	0	1,467	1,578
Long-term loan from related parties	8%	200	0	200
Long-term loan from related parties	6 month EURIBOR+6.5%	0	400	0
Non-current portion of long-term lease liabilities	2.49%	5	21	46
Total		205	2,613	2,659
Total borrowings		3,168	3,724	3,215

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES 2025:

€ thousand	31.12.2024	Cash flows	Interest accrued	Interest paid	Reclassified	31.12.2025
Current portion of long-term loan (Coop Pank)	110	(112)	73	(73)	725	723
Current portion of long-term loan (RDF)	111	(111)	61	(61)	1,467	1,467
Current portion of long-term loan from related parties	200	0	0	0	(200)	0
Current portion of long-term loan from related parties	0	100	0	0	0	100
Current portion of long-term lease liabilities	24	(24)	1	(1)	16	16
Bank overdrafts (Coop Pank)	666	(9)	32	(32)	0	657
Non-current portion of long-term loan (Coop Pank)	725	0	0	0	(725)	0
Non-current portion of long-term loan (RDF)	1,467	0	0	0	(1,467)	0
Long-term loan from related parties	0	0	16	0	200	200
Long-term loan from related parties	400	(400)	55	(64)	0	0
Non-current portion of long-term lease liabilities	21	0	0	0	(16)	5
Total liabilities from financing activities	3,724	(556)	238	(231)	0	3,168

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES 2024:

€ thousand	31.12.2023	Cash flows	Interest accrued	Interest paid	Reclassified	31.12.2024
Current portion of long-term loan (Coop Pank)	98	(99)	95	(95)	111	110
Current portion of long-term loan (RDF)	111	(111)	66	(66)	111	111
Current portion of long-term loan from related parties	0	0	28	0	200	200
Current portion of long-term lease liabilities	23	(23)	3	(3)	24	24
Bank overdrafts (Coop Pank)	324	342	38	(38)	0	666
Non-current portion of long-term loan (Coop Pank)	836	0	0	0	(111)	725
Non-current portion of long-term loan (RDF)	1,578	0	0	0	(111)	1 467
Long-term loan from related parties	200	0	0	0	(200)	0
Long-term loan from related parties	0	400	9	0	0	400
Non-current portion of long-term lease liabilities	45	0	0	0	(24)	21
Total liabilities from financing activities	3,215	509	239	(202)	0	3,724

Undiscounted future cash flows of loan payments are provided in section (B) of Clause 3.1 of Note 3. The borrowings of the Group have been secured as follows:

- commercial pledge in the total amount of € 2.0 million;
- mortgages amount of € 2.6 million;
- Rular Development Foundation (RDF) guaranteed Coop Bank loan in the amount of 80% of the outstanding loan amount to Coop Pank AS.

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Information regarding financial risks arising from borrowings is disclosed in Note 3. Information regarding the carrying amounts of assets pledged as collateral for bank loans is disclosed in Notes 6, 7 and 8.

<i>€ thousand</i>	
In the statement of cash flows:	
Lease liability repayments	(24)
Loan repayment to Coop Pank AS	(112)
Loan repayment to RDF	(111)
Loans received from related parties	930
Loans repayment to related parties	(1,230)
Change in overdraft payments	(9)
Total	(556)
In the statement of financial position	
Borrowings at 31.12.2024	3,724
Borrowings at 31.12.2025	3,168
Change	(556)

NOTE 11 PAYABLES AND PREPAYMENTS

<i>€ thousand</i>	31.12.2025	31.12.2024
Trade payables	1,258	443
Payables to employees	127	119
<i>incl. accrued holiday pay reserve</i>	47	33
Tax liabilities	114	112
<i>incl. social security and unemployment insurance</i>	72	71
<i>incl. personal income tax</i>	35	34
<i>incl. contribution mandatory funded pension</i>	2	1
<i>incl. other taxes</i>	5	6
Payments received	40	64
Other payables	14	50
TOTAL	1,553	788

NOTE 12 PROVISIONS

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

<i>€ thousand</i>	
Balance at 31.12.2023	131
incl. current portion of provision	21
incl. non-current portion of provision	111
Movements 2024	
Use of provision	(26)
Interest cost (Note 21)	5
Increase of reserve	4
Balance at 31.12.2024	115
incl. current portion of provision	21
incl. non-current portion of provision	94

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Movements 2025	
Use of provision	(27)
Interest cost (Note 21)	6
Increase of reserve	2
Balance at 31.12.2025	96
incl. current portion of provision	24
incl. non-current portion of provision	72

NOTE 13 EQUITY

	31.12.2025	31.12.2024
Nominal value (€)	0.1	0.1
Number of shares (pcs)	8,499,061	4,499,061
Share capital (€)	849,906	449,906

In the autumn of 2025, the share capital of Nordic Fibreboard AS was conditionally increased by 400 000 euros, the purpose of the share capital increase was to organize a public offering of Nordic Fibreboard AS shares and admit them to trading on the additional list of the Nasdaq Tallinn Stock Exchange. The issue price of the shares was 0.50 euros per share, of which 0.10 euros was the book value of the share and 0.40 euros was the share premium. Up to 4,000,000 shares were publicly offered. During the offering, 47 investors subscribed for a total of 4,196,152 shares for EUR 2.098 million. The Management Board of the Company decided to issue 4,000,000 new shares and the total value of the offering was 2 million euros.

The newly issued shares will be entitled to dividends starting from the financial year 2025.

As of 31.12.2025 the share capital of Nordic Fibreboard AS totalled 849,906.10 euros which consisted of 8,499,061 no par value registered shares with a book value of 0.10 euros per share. Each ordinary share grants its owner one vote in the General Meeting of Shareholders and the right to receive dividends. The minimum share capital outlined in the Articles of Association is 250,000 euros and the maximum share capital is 1,000,000 euros.

As at 31.12.2025 the Group had 934 shareholders of which with more than 5% ownership interest were:

Shareholder	Number of shares (pcs)	Ownership interest (%)
OÜ Rosamil	4,107,240	48.33
NFB Ventures OÜ	1,880,937	22.13
NFB Pärnu Holdings OÜ	837,819	9.86
OÜ Kõik või Mittemidagi	674,012	7.93

As at 31.12.2024 the Group had 987 shareholders of which with more than 5% ownership interest were:

Shareholder	Number of shares (pcs)	Ownership interest (%)
NFB Pärnu Holdings OÜ	2,215,334	49.24
NFB Ventures OÜ	842,640	18.73
OÜ Kõik või Mittemidagi	670,133	14.90

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 as of 31.12.2025:

- Joakim Johan Helenius 89,288 shares (31.12.2024: 40 000 shares)
- Rando Tomingas 0 shares (31.12.2024: 0 shares)
- Sakari Wallin 0 shares (31.12.2024: 0 shares)

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- Torfinn Losvik 0 shares (31.12.2024: 0 shares)
- Enel Äkke 0 shares (31.12.2024: 0 shares)

AS of 31.12.2025 Joakim Johan Helenius has indirect ownership through companies Rosamil OÜ, NFB Pärnu Holdings OÜ and NFB Ventures OÜ (as of 31.12.2024 has indirect ownership through companies NFB Pärnu Holdings OÜ and NFB Ventures OÜ). Rando Tomingas owns shares through Triangel Kapital OÜ in the amount of 1,000 shares (31.12.2024: 1,000 shares).

NOTE 14 EARNINGS PER SHARE

	31.12.2025	31.12.2024
Net profit (-loss) (in thousands of euros)	(1,154)	(786)
Weighted average number of shares (th pcs)	8,499	4,499
Basic earnings per share (in euros)	(0.14)	(0.17)
Weighted average number of shares used for calculating the diluted earnings per shares (th pcs)	8,499	4,499
Diluted earnings per share (in euros)	(0.14)	(0.17)
Book value of share (in euros)	0.53	0.80
Price/earnings ratio (P/E)	(5.67)	(5.15)
Last price on the share of Nordic Fibreboard AS on Tallinn Stock Exchange (in euros)	0.77	0.90

Basic earnings per share have been calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is calculated based on the net profit (loss) and the number of shares.

Diluted earnings per share have been calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period, taking into account the number of shares potentially issued. As the Group has no option programs valid the Group does not own any potential shares.

Nordic Fibreboard AS shares have been traded on the Tallinn Stock Exchange since 25.09.2007.

NOTE 15 REVENUE

Region	€ thousand		% of net sales	
	2025	2024	2025	2024
European Union	6,702	6,921	92%	91%
Africa	200	305	3%	4%
Asia	161	212	2%	3%
Middle East	96	139	1%	2%
Other regions	169	14	2%	0%
TOTAL	7,328	7,592	100%	100%

NOTE 16 COST OF GOODS SOLD

€ thousand	2025	2024
Electricity, heat and water	2,699	2,368
Raw materials and main materials	2,167	1,977
Labour expenses (Note 19)	1,361	1,245
Depreciation (Note 8)	520	522
Purchased goods	36	170
Change in balances of finished goods and work in progress	(473)	261
Other expenses	415	277
TOTAL	6,725	6,820

NOTE 17 DISTRIBUTION COST

€ thousand	2025	2024
Transportation expenses	422	473
Labour expenses (Note 19)	338	214
Agency fees	67	143
Purchased services	58	36
Marketing expenses	23	28
Other expenses	74	41
TOTAL	982	935

NOTE 18 ADMINISTRATIVE AND GENERAL EXPENSES

€ thousand	2025	2024
Labour expenses (Note 19)	232	156
Consulting and management fees	45	54
Audit expenses	50	49
Purchased services	97	38
Office supplies	16	39
Other expenses	62	45
TOTAL	502	381

*The fee calculated for the audit of the Group's 2025 financial year report was € 20.4 thousand, and the fee calculated for the audit of the subsidiary's 2025 financial year was € 26.1 thousand, and the packaging audit service was € 4 thousand.

NOTE 19 LABOUR EXPENSES

€ thousand	2025	2024
Wages and salaries (Note 16, 17, 18, 22)	1,433	1,214
Social security and unemployment insurance	479	399
Fringe benefits paid to employees	19	17
TOTAL	1,931	1,630

NOTE 20 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME

€ thousand	2025	2024
Other income	19	8
TOTAL	19	8

OTHER OPERATING EXPENSES

€ thousand	2025	2024
Penalties paid	40	3
Loss of write-off of fixed assets	18	0
Contract fees	12	2
Membership fees	3	6
Reclamations	5	0
TOTAL	78	11

NOTE 21 FINANCIAL INCOME AND EXPENSES

FINANCIAL INCOME

€ thousand	2025	2024
Interest income	1	0
Profit from the revaluation of TPD shares	40	8
TOTAL	41	8

FINANCIAL EXPENSES

€ thousand	2025	2024
Interest expenses	250	247
<i>incl. interest expenses related to provisions (Note 12)</i>	6	5
Other finance cost	5	0
TOTAL	255	247

NOTE 22 OPERATING 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 - 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 – Management and development of the Admiral Quarter development project in Pärnu.

The Management Board assesses the performance of operating segments based on operating profit and EBITDA as a primary measure. As a secondary measure, the Management Board also reviews net revenue. The Group defines EBITDA as profit before extraordinary other operating costs and net finance costs and tax, depreciation and impairment charges. As extraordinary other business expenses, the Group has treated one-time expenses that have not arisen in the course of normal business activities, but have arisen from some extraordinary circumstances. EBITDA is not a performance measure defined in IFRS. The Group's definition of EBITDA may not be comparable to similarly titled operating profit measures and disclosures by other entities.

All amounts provided to the Management Board are measured in a manner consistent with that of the financial statements.

12 months 2025 € thousand	Fibreboard manufacturing and wholesale	Real estate Management	Group's general expenses and eliminations	SEGMENTS TOTAL
Revenue from external customers	7,325	3	0	7,328
EBITDA	(296)	(86)	(38)	(420)
Depreciation (Note 8)	520	0	0	520
Operating profit (-loss)	(816)	(86)	(38)	(940)
Finance income (Note 21)	40	0	1	41
Finance costs (Note 21)	254	0	1	255
Net profit (-loss)	(1,029)	(87)	(39)	(1,154)
Segment assets	7,223	2,090	10	9,323
Non-current assets of the segment (Note 7, 8, 9)	5,405	2,090	0	7,495
Segment liabilities	6,293	12	(1,444)	4,861
Additions to non-current assets (Note 7, 8)	1,370	161	0	1,531

2024	Fibreboard manufacturing and wholesale	Real estate Management	Group's general expenses and eliminations	SEGMENTS TOTAL
<i>€ thousand</i>				
Revenue from external customers	7,567	25	0	7,592
EBITDA	26	(48)	(3)	(25)
Depreciation (Note 8)	(522)	0	0	(522)
Operating loss	(495)	(48)	(4)	(547)
Finance income (Note 21)	8	0	0	8
Finance costs (Note 21)	(238)	(6)	(3)	(247)
Net loss	(725)	(55)	(6)	(786)
Segment assets	6,257	1,942	53	8,252
Non-current assets of the segment (Note 7, 8, 9)	5,075	1,929	0	7,004
Segment liabilities	4,299	234	103	4,636
Additions to non-current assets (Note 7, 8)	184	97	0	281

NOTE 23 RELATED PARTIES

The following parties are considered to be related parties:

- Owners of the parent company;
- Other entities in the same consolidation group;
- Members of the Management, the Management Board and the Supervisory Board of Nordic Fibreboard AS and their close relatives;
- Entities under the control of the members of the Management Board and Supervisory Board;
- Individuals with significant ownership unless these individuals lack the opportunity to exert significant influence over the business decisions of the Group.

As of 31.12.2025, Nordic Fibreboard AS belonged to the Trigon Capital group, which held shares through OÜ Rosamil, NFB Pärnu Holdings and NFB Ventures OÜ. The group was controlled by Joakim Johan Helenius, whose direct and indirect shareholding in the company as of 31.12.2025 was 81.37% in total and as of 31.12.2024 was 68.86%.

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Benefits (incl. tax expenses) include payments of parent and subsidiary company Management Board and Supervisory Board fees paid within the period:

<i>€ thousand</i>	2025	2024
Membership fees	207	151
Compensation for use of personal automobile	6	1
Social tax	70	51
TOTAL	283	203

In 2025 short term benefits in the amount of € 207 thousand were paid to members of the Management Board of all consolidated group companies (2024: € 151 thousand). No short-term benefits were paid for Supervisory Board members neither during 2025 nor 2024.

Nordic Fibreboard Group has purchased consulting, labour and rental services from related parties, and related parties have also mediated legal and legal activity related expenses. Transactions with related parties are based on market terms.

<i>€ thousand</i>	2025	2024
Received loans (Note 10)	930	400
Repaid loan and interest (Note 10)	1,294	0
Sale of TPD shares (Note 9)	539	0
Purchased services	134	112
Capitalized expenses of real estate investment	0	42
TOTAL	2,897	554

In 2025, Nordic Fibreboard AS received an additional loan from the related party, Väätša Agro AS (previous name Trigon Carbon Negative OÜ), in the total amount of 930 thousand euros, with an interest rate of 6-month EURIBOR+6,5% per annum and repaid the loan balance of € 400 thousand as of 31.12.2024, € 830 thousand of the loan received during 2025, and interest in the amount of € 64 thousand. In 2024, Nordic Fibreboard Ltd OÜ received a loan in the amount of 400 thousand euros with interest rate of 6-month EURIBOR+6,5% per annum from the related party Trigon Carbon Negative OÜ.

The balance of the short-term loan with interest obligation to related parties was € 100 thousand as of 31.12.2025 and € 228 thousand as of 31.12.2024. The balance of the long-term loan with interest obligation to related parties was € 244 thousand as of 31.12.2025 and € 409 thousand as of 31.12.2024. The balance from purchased services with related parties was € 51 thousand as of 31.12.2025 and € 38 thousand as of 31.12.2024.

<i>€ thousand</i>	31.12.2025	31.12.2024
Short-term loan with interest obligation	100	228
Long-term loan with interest obligation	244	409
Purchased services	51	38
TOTAL	395	675

NOTE 24 CONTINGENT LIABILITIES

The tax authorities may at any time inspect the books and records within 5 years subsequent to the reported tax year, and upon establishing errors, may impose additional tax assessments and penalties. The Group's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

CONTINGENT INCOME TAX LIABILITY

Due to the nature of the taxation system, the companies registered in Estonia do not have any differences between the tax bases of assets and their carrying amounts and hence, no deferred income tax assets and liabilities arise. However, according to the decision of the IFRS Interpretation Committee

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in June 2020, the parent is required to recognize an income tax liability on the profits on the subsidiary unless profits are not planned to be distributed to parent company in the foreseeable future. As Nordic Fibreboard Ltd OÜ resulted in a loss in 2025, no deferred tax liability has been recognized for the profits of the subsidiary in the Group's consolidated financial statements.

The maximum potential income tax liability of Nordic Fibreboard AS would be € 433 thousand. The maximum potential income tax liability is calculated under the assumption that the distributable net dividends and the amount of the income tax expense on dividends cannot exceed the distributable retained earnings as at the balance sheet date.

NOTE 25 NEGATIVE NET WORKING CAPITAL

As of 31.12.2025, the Group's working capital was negative € 2,7 million. This situation was caused by the Group's negative financial results in 2025.

The situation in the construction materials market has been and remains difficult and the Group's management continues to pay close attention to monitoring the Group's cash flows. The Group plans to liquidate negative working capital by selling properties in Suur-Jõe street 48, Pärnu and 10 properties on Admiral Street, what is sufficient, in the opinion of management, to make necessary investments or pay liabilities that will be realized within 12 months from the date of preparation of the report.

NOTE 26 EVENTS AFTER BALANCE SHEET DATE

On 8 January 2026 Nordic Fibreboard AS entered into a preliminary purchase and sale agreement for the sale of the Admirali Quarter development project (a total of ten properties at Suur-Jõe Street 48 and Admirali Street in Pärnu). At the time of preparing the annual report, the immovables are owned by Nordic Fibreboard AS and the purchase and sale agreement (notarial real estate agreement) for the immovables will be concluded with the potential Buyer after fulfilling the terms of the preliminary agreement no later than 30.06.2026.

On 29.01.2026, Enel Äkke was recalled from his position as a Member of the Management Board of Nordic Fibreboard AS and Nordic Fibreboard Ltd OÜ, and Andrus Allikoja and Danel Hirbaum were elected as new Members of the Management Board. Andrus Allikoja and Danel Hirbaum do not own shares in Nordic Fibreboard AS. The Management Board of Nordic Fibreboard AS consisted of two members in the period 29.01.2026-21.04.2026, Andrus Allikoja was recalled from the position of a Member of the Management Board of Nordic Fibreboard AS on 21.04.2026 and the Management Board of Nordic Fibreboard AS continued with one member: Danel Hirbaum. The Management Board of Nordic Fibreboard Ltd OÜ continued with four members from 29.01.2026: Andrus Allikoja, Danel Hirbaum, Enno Kaukver and Kristina Kivimeister.

On 04.03.2026, Sakari Wallin was recalled from the Supervisory Board of Nordic Fibreboard AS and Tage Johansson was elected as a new member of the Supervisory Board. Tage Johansson does not own shares in Nordic Fibreboard AS.

NOTE 27 SUPPLEMENTARY DISCLOSURES ON THE GROUP'S PARENT

The financial information on the parent is included in the separate primary financial statements (pages 56 to 58), the disclosure of which in the notes to the consolidated financial statements is required by the Estonian Accounting Act. The separate financial statements of the parent have been prepared using the same accounting policies as for the consolidated financial statements, except for measurement of investment in subsidiaries, which are stated at cost (less any impairment losses).

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

<i>€ thousand</i>	31.12.2025	31.12.2024
Cash and cash equivalents	1	52
Receivables and prepayments	1,663	263
Total current assets	1,664	315
Shares in subsidiaries	798	798
Receivables from subsidiaries	0	159
Investment property	2,090	0
Total non-current assets	2,888	957
TOTAL ASSETS	4,552	1,272
Borrowings	100	0
Payables and prepayments	48	14
Short-term provisions	19	17
Total current liabilities	167	31
Long-term borrowings	0	400
Long-term provisions	54	84
Other long-term liabilities	0	9
Total non-current liabilities	54	493
Total liabilities	221	524
Share capital (at nominal value)	850	450
Share premium	1,600	0
Retained earnings (loss)	1,881	298
Total equity	4,331	748
TOTAL LIABILITIES AND EQUITY	4,552	1,272

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE PARENT COMPANY

<i>€ thousand</i>	2025	2024
Revenue	40	37
<i>Includes sales to subsidiary</i>	38	37
Gross profit	40	37
Administrative expenses	(128)	(40)
Operating loss	(88)	(3)
Finance income	58	9
Finance costs	(59)	(12)
LOSS BEFORE INCOME TAX	(89)	(6)
NET LOSS FOR THE FINANCIAL YEAR	(89)	(6)
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR	(89)	(6)

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CASH FLOW STATEMENT OF THE PARENT COMPANY

€ thousand	2025	2024
Cash flow from operating activities		
Operating profit (-loss)	(125)	(3)
Adjustments:		
Loss from a merged subsidiary	37	0
Change in trade and other receivables	(138)	6
Change in trade and other payables	34	8
Cash generated from operations	(192)	11
Net other financial income and expense	(4)	(12)
Net cash generated from operating activities	(196)	(1)
Cash flow from investing activities		
Loans to related parties	(1,362)	(380)
Repayment of loans by related parties	32	20
Interest received from related parties	0	10
Purchase of real estate investment	(161)	0
Net cash used in investing activities	(1,491)	(350)
Cash flow from financing activities		
Share capital increase	2,000	0
Loans received from related parties	930	428
Repayment of loans received from related parties	(1,230)	(28)
Interest payments to related parties	(64)	0
Net cash (used in)/from financing activities	1,636	400
NET CHANGE IN CASH	(51)	49
OPENING BALANCE OF CASH	52	3
CLOSING BALANCE OF CASH	1	52

STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY

<i>€ thousand</i>	Share capital	Share premium	Retained earnings	Total
Adjusted unconsolidated equity at 31.12.2023	450	0	3 952	4 402
<i>Net loss for 2024</i>	0	0	(6)	(6)
<i>Other comprehensive income for 2024</i>	0	0	0	0
Total comprehensive loss for 2024	0	0	(6)	(6)
Balance at 31.12.2024	450	0	298	748
Carrying amount of investment under control and significant influence	0	0	(798)	(798)
Value of investment under control and significant influence under equity method	0	0	3,666	3,666
Adjusted unconsolidated equity at 31.12.2024	450	0	3 166	3 616
Increase in share capital	400	1,600	0	2,000
<i>Net loss for 2025</i>	0	0	(89)	(89)
<i>Other comprehensive income for 2025</i>	0	0	0	0
Total comprehensive loss for 2025	0	0	(89)	(89)
Merger of a subsidiary	0	0	1,672	1,672
Balance at 31.12.2025	850	1,600	1,881	4,331
Carrying amount of investment under control and significant influence	0	0	(799)	(799)
Value of investment under control and significant influence under equity method	0	0	930	930
Adjusted unconsolidated equity at 31.12.2025	850	1,600	2,012	4,462

Adjusted unconsolidated equity is the maximum amount that can be distributed to shareholders according to Estonian legislation.



Independent Auditor's Report

To the Shareholders of Nordic Fibreboard AS

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nordic Fibreboard AS (the "Company") and its subsidiary (together – the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 30 April 2026.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements of Regulation (EU) No 537/2014 that are relevant to audits of financial statements of public interest entities, and Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Regulation (EU) No 537/2014 and the Code of Ethics (Estonia).

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Translation note:

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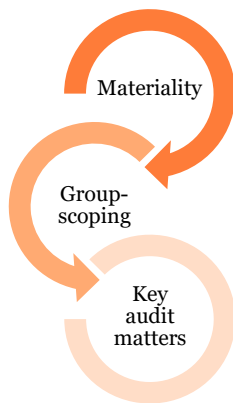
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To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Group within the European Union are in accordance with the applicable law and regulations in the Republic of Estonia and that we have not provided non-audit services that are prohibited under § 59¹ of the Auditors Activities Act of the Republic of Estonia.

The non-audit services that we have provided to the Group in the period from 1 January 2025 to 31 December 2025 are disclosed in note 18 to the consolidated financial statements.

Our audit approach

Overview



- Overall Group materiality is EUR 73 thousand, which represents approximately 1% of the Group's consolidated revenue.
- We performed a full scope audit for the Company and its subsidiary Nordic Fibreboard Ltd OÜ.
- Revenue recognition

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Management Board made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	EUR 73 thousand
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How we determined it Overall Group materiality represents approximately 1% of the Group’s consolidated revenue

Rationale for the materiality benchmark applied We have applied revenue for benchmark, as in our view Group’s revenue is a key performance indicator and is monitored by management, investors and other stakeholders.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Refer to Note 2 “Summary of significant accounting policies”, Note 15 “Revenue” and Note 22 “Operating segments”.</p> <p>In 2025, the Group recognised net revenue in the amount of EUR 7,328 thousand, which mostly comprises of wholesale revenue from sale of goods.</p> <p>In our view, the vast majority of the Group’s revenue transactions are non-complex, with no significant judgment required to be applied in respect of the timing of revenue or amounts recorded.</p> <p>However, revenue is subject to considerable inherent risk due to:</p> <ul style="list-style-type: none"> • the users’ ongoing attention to this financial reporting line item as a performance measure, • its sizeable amount in value terms, • essential associated risks of material misstatement due to both fraud and error. <p>As such, revenue recognition requires significant time and resource to audit due to its magnitude, and is, therefore, considered to be a key audit matter.</p>	<p>We assessed the consistency of the application of the revenue recognition policy by performing following procedures:</p> <ul style="list-style-type: none"> • We updated our understanding of the revenue accounting policy and evaluated it against the requirements of IFRS. • We updated our understanding of the revenue process and controls and observed key management controls related to recognition and measurement of revenue. • We assessed the opportunity or incentive for management override of controls and tested certain journal entries impacting revenue, which were selected using professional judgement. • We performed, on a sample basis, confirmations with customers regarding unsettled revenue transactions. • We reconciled a sample of revenue transactions with receipts of payments and underlying source documents. • We have applied principles of unpredictability in planning and performing audit procedures relating to revenue.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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Based on the size and risk characteristics, we performed a full scope audit of the financial information for Nordic Fibreboard AS and Nordic Fibreboard Ltd OÜ.

At the Group level, we audited the consolidation process and performed procedures to assess that the audits of the Group entities covered all material items in the Group's consolidated financial statements.

Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises Company profile, Management Report, Corporate Governance Recommendations Report, Remuneration Report, Environmental Policy and Revenue of the parent company by EMTAK classifiers (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information, including the Management report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the consolidated financial statements and is prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia.

In accordance with the Securities Market Act of the Republic of Estonia with respect to the Remuneration Report, our responsibility is to consider whether the Remuneration Report includes the information in accordance with the requirements of Article 135³ (3) of the Securities Market Act of the Republic of Estonia.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements;
- the Management report has been prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia; and
- the Remuneration Report has been prepared in accordance with Article 135³ (3) of the Securities Market Act of the Republic of Estonia.

If, based on the work we have performed on the Management report and other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement in the Management report or in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the presentation of consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged based on our agreement by the Management Board to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of Nordic Fibreboard AS for the year ended 31 December 2025 (the "Presentation of the Consolidated Financial Statements").

Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management Board to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management Board and those charged with governance

The Management Board is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

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We conducted our engagement in accordance with the International Standard on Assurance Engagements (Estonia) 3000 (revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" (ISAE (EE) 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE (EE) 3000 (revised) will always detect the existing material misstatement (significant non-compliance with the requirements).

Quality management requirements and professional ethics

We apply the provisions of the International Standard on Quality Management (Estonia) 1 (revised), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), and we have fulfilled our other ethical responsibilities in accordance with Code of Ethics (Estonia).

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

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Appointment and period of our audit engagement

We were first appointed as auditors of Nordic Fibreboard AS, as a public interest entity, for the financial year ended 31 December 2007. Our appointment has been renewed by tenders and shareholder resolutions in the intermediate years, representing the total period of our uninterrupted engagement appointment for Nordic Fibreboard AS, as a public interest entity, of 19 years. In accordance with the Auditors Activities Act of the Republic of Estonia and the Regulation (EU) No 537/2014, our appointment as the auditor of Nordic Fibreboard AS can be extended for up to the financial year ending 31 December 2026.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language

Jüri Koltsov
Certified auditor in charge, auditor's certificate no. 623

30 April 2026
Tallinn, Estonia

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PROPOSAL FOR COVERING LOSS

The board of Nordic Fibreboard AS proposes to the General Meeting of shareholders to cover the loss of 2025 as follows:

	<i>€ thousand</i>
Retained earnings at 31.12.2024	3,121
Net loss in 2025	(1,154)
 Proposal: To cover the cumulative loss of 2025 from retained earnings of previous periods	
Retained earnings after loss coverage	1,967

/signed digitally/

Danel Hirbaum

Member of the Management Board

SIGNATURE ON THE MANAGEMENT BOARD AND SUPERVISORY BOARD TO THE 2025 ANNUAL REPORT

The Management Board has prepared the Company's Annual Report for 2025. The Annual Report (pages 1 to 67) consists of the management report, remuneration report, financial statements, auditor's report and loss coverage proposal. The Supervisory Board has reviewed the Annual Report prepared by the Management Board and approved it for presentation at the General Meeting of Shareholders.

Member of the Management Board	Danel Hirbaum	_____
30.04.2026		/signed digitally/

Chairman of the Supervisory Board	Joakim Johan Helenius	_____
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Member of the Supervisory Board	Torfinn Losvik	_____
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Member of the Supervisory Board	Rando Tomingas	_____
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Member of the Supervisory Board	Sakari Wallin	_____
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REVENUE OF THE PARENT COMPANY BY EMTAK CLASSIFIATORS

<i>€ thousand</i>	2025	2024
64211 Activities of holding companies	41	37