



**Second quarter  
Interim Report  
2022**

**NORDIC FIBREBOARD AS**

Consolidated Interim Report for the second quarter of 2022  
(unaudited)

|                                         |                                     |
|-----------------------------------------|-------------------------------------|
| Beginning of the Interim Report Period: | 1.04.2022                           |
| End of the Interim Report Period:       | 30.06.2022                          |
| Beginning of the financial year:        | 1.01.2022                           |
| End of the financial year:              | 31.12.2022                          |
| Business name:                          | Nordic Fibreboard AS                |
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| Homepage:                               | www.nordicfibreboard.com            |
| Auditor:                                | AS PricewaterhouseCoopers           |
| Main activity:                          | Production and sales of fibreboards |

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## COMPANY PROFILE

Nordic Fibreboard AS main activity is production and wholesale of building materials. In addition it owns a real estate company with one real estate project ongoing in Pärnu, Estonia. Nordic Fibreboard AS is a holding company with subsidiaries Nordic Fibreboard Ltd OÜ, Pärnu Riverside Development OÜ and Skano Furniture OÜ (this subsidiary has had no activities for the last couple of years and is now undergoing a liquidation process). Nordic Fibreboard Ltd OÜ owned a subsidiary Suomen Tuulileijona OY, which was liquidated on 06.06.2022. The Group, as of 30.06.2022, therefore consists of the following companies, all 100% owned:

| Subsidiary                     | Location | Activity                        |
|--------------------------------|----------|---------------------------------|
| Nordic Fibreboard Ltd OÜ       | Estonia  | Production and sales            |
| Pärnu Riverside Development OÜ | Estonia  | Rental and property development |
| Skano Furniture OÜ             | Estonia  | Retail (operations ended)       |

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

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

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

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

As at 30.06.2022 the Group employed 91 people (30.06.2021: 93 employees).



## MANAGEMENT REPORT

### NORDIC FIBREBOARD AS UNAUDITED RESULTS FOR SECOND QUARTER OF 2022

Consolidated net sales for Q2 2022 were € 3.65 million (Q2 2021: € 2.58 million). The main business area is the production and wholesale of fibreboard, which recorded sales in Q2 2022 of € 3.64 million, an increase of 45% compared to Q2 2021. The remaining business area is real estate management of the property owned in Suur-Jõe street in Pärnu, who recorded sales of € 9 thousand in Q2 2022 (Q2 2021: 64 thousand).

The reason for the increase in sales revenue in Q2 2022 was the continuing strong demand for building materials in the construction sector and a higher production volume compared to the Q2 2021. Production was running at full capacity and delivery times to our key customers was on average 3 months, which has been the norm during the last 2 years. Real estate management lost its largest tenant end of last year, which thus resulted in less sales in Q2 2022 compared to Q2 2021.

The consolidated EBITDA of Nordic Fibreboard for Q2 2021 was € 624 thousand, the EBITDA margin was 17% (Q2 2021: EBITDA was € 502 thousand and the EBITDA margin was 19%). Compared to the Q2 2021 the Group's gross margin decreased from 37% to 30% in the Q2 2022. The main reason for this reduction in profitability is due to the sharp increase in raw material costs, ie woodchips and energy, experienced during 2022.

In the Q2 2022, a total financial income of € 82 thousand was recorded, consisting of financial income of € 105 thousand from dividend from the shares of Trigon Property Development (TPD), € 12 thousand from profits from the revaluation of these shares, and financial costs of € 35 thousand. In the Q2 2021, the financial income of € 227 thousand consisted of profit from the revaluation of TPD shares of € 257 thousand, and financial costs of € 30 thousand.

Group's consolidated net profit for Q2 2022 was € 580 thousand (Q2 2021: profit € 606 thousand).

### DIVISIONAL REVIEW

#### REVENUE BY BUSINESS SEGMENTS

| <i>€ thousand</i>                | Q2 2022      | Q2 2021      | 6M 2022      | 6M 2021      |
|----------------------------------|--------------|--------------|--------------|--------------|
| Fibreboards production and sales | 3,643        | 2,513        | 6,234        | 5,269        |
| Real Estate Management           | 9            | 64           | 18           | 153          |
| <b>TOTAL</b>                     | <b>3,652</b> | <b>2,576</b> | <b>6,252</b> | <b>5,422</b> |

#### PROFIT BY BUSINESS SEGMENTS

| <i>€ thousand</i>                   | Q2 2022    | Q2 2021    | 6M 2022    | 6M 2021      |
|-------------------------------------|------------|------------|------------|--------------|
| <b>EBITDA by business units:</b>    |            |            |            |              |
| Fibreboards production and sales    | 635        | 497        | 914        | 993          |
| Real Estate Management              | (3)        | (9)        | (12)       | (1)          |
| Group transactions                  | (8)        | 14         | (23)       | (6)          |
| <b>TOTAL EBITDA</b>                 | <b>624</b> | <b>502</b> | <b>879</b> | <b>986</b>   |
| Depreciation                        | (126)      | (123)      | (248)      | (256)        |
| <b>TOTAL OPERATING PROFIT/ LOSS</b> | <b>498</b> | <b>379</b> | <b>631</b> | <b>730</b>   |
| Net financial income                | 82         | 227        | 100        | 427          |
| <b>NET PROFIT/ LOSS</b>             | <b>580</b> | <b>606</b> | <b>731</b> | <b>1,157</b> |

#### NORDIC FIBREBOARD LTD: FIBREBOARD PRODUCTION AND SALES

Fibreboard sales in Q2 2022 were € 3.64 million (2021: € 2.51 million). The order backlog remained strong throughout Q2 2022 reflecting the strong local markets, however we are keeping in close touch



with existing customers in far away markets, which resulted in some sales to Asia and Middle East. During Q2 2022, we increased the prices of our products to compensate for the increase in raw materials prices and energy costs.

The biggest increase in sales growth in Q2 2022 came from strong sales and volume growth in our three largest markets, these being Finland, Denmark, and Estonia. Sales to Russia ended in May 2022 due to the sanctions imposed as a result of Russia's war on Ukraine.

The operating profitability, ie EBITDA, of the fibreboard activities in Q2 2022 was € 635 thousand, an increase of 22% compared to the same period last year. Fibreboard division's net profit for Q2 2022 was € 592 thousand (Q2 2021: net profit € 603 thousand).

#### FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

|                | € thousand   |              | € thousand   |              |
|----------------|--------------|--------------|--------------|--------------|
|                | Q2 2022      | Q2 2021      | 6M 2022      | 6M 2021      |
| European Union | 3,444        | 2,094        | 5,702        | 4,253        |
| Russia         | 158          | 381          | 427          | 814          |
| Asia           | 28           | 22           | 70           | 124          |
| Middle East    | 13           | 0            | 26           | 0            |
| Africa         | 0            | 0            | 0            | 46           |
| Other          | 0            | 16           | 9            | 32           |
| <b>TOTAL</b>   | <b>3,643</b> | <b>2,513</b> | <b>6,234</b> | <b>5,269</b> |

#### PÄRNU RIVERSIDE DEVELOPMENT: REAL ESTATE MANAGEMENT

Pärnu Riverside Development owns the property located at Suur-Jõe 48 in Pärnu. The property has some rental tenants and rental income from real estate management was € 9 thousand in Q2 2022, (Q2 2021: € 64 thousand). The reason for the decrease in sales revenue was caused by the loss of the largest tenant at the end of 2021.

The real estate management EBITDA for Q2 2022 were negative € 3 thousand and net loss € 3 thousand (Q2 2021: EBITDA negative € 9 thousand and net loss € 9 thousand).

#### STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 30.06.2022 the total assets of Nordic Fibreboard AS were € 9.1 million (30.06.2021: € 8.1 million). The liabilities of the company as of 30.06.2022 were € 4.5 million (30.06.2021: € 4.3 million), of which Group has payables amounting to € 0.8 million as at 30.06.2022 (30.06.2021: € 0.5 million) and borrowings of € 3.2 million as at 30.06.2022 (30.06.2021: also € 3.2 million).

Receivables and prepayments amounted to € 1.6 million as at 30.06.2022 (30.06.2021: € 1.0 million). Inventories were € 0.6 million as of 30.06.2022 (30.06.2021: € 0.5 million). Fixed assets were € 6.7 million as of 30.06.2022 (€ 6.6 million as of 30.06.2021).

During 6M 2022, the Group's cash flows from operating activities totalled cash inflow of € 269 thousand (6M 2021: cash inflow € 110 thousand). Cash outflows due to investment activities was € 39 thousand during 6M 2022, consisting of investments into production assets of € 144 thousand and dividend received from TPD shares of € 105 thousand (6M 2021: cash outflow € 58 thousand). Cash outflows due to financing activities was € 74 thousand during 6M 2022, consisting of loans repaid of € 50 thousand and finance lease payments of € 24 (6M 2022: cash outflow € 40 thousand). Net cash effect during 6M 2022 showed cash inflows of € 156 thousand (6M 2021: cash inflows € 12 thousand).

#### PEOPLE

On the 30th of June 2022, the Group employed 91 people (compared to 93 people as of 30.06.2021). The average number of personnel in Q2 2022 was 92 (Q2 2021: 93 people).



Labour costs were € 0.53 million including taxes in Q2 2022 and € 1.0 million for first six months of 2022 (Q2 2021: € 0.50 million, 6M 2021: € 1.0 million). Group fees for the members of the management boards of holding company and its subsidiaries, together with taxes, were € 66 thousand in Q2 2022 and € 132 thousand for first six months of 2022 (Q2 2021: € 55 thousand, 6M 2021: € 110 thousand).

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

## OUTLOOK

### NORDIC FIBREBOARD LTD

Demand for fibreboards was strong during Q2 2022 and the outlook near term indicate that demand is still good despite the current market uncertainty driven by higher energy costs and an increased interest rate environment. Our relatively inexpensive fibreboards, with its green credentials, should provide a somewhat good hedge against any future softening of the building material markets. Nordic Fibreboard`s extensive customer reach on several continents is also a comforting factor when looking ahead.

The management is in process of securing financing for a new biomass boiler, the objective being to improve the boiler house`s energy and resource use , which would improve the efficiency of using wood fuel and reduce air emissions. The goal of Nordic Fibreboard`s is to improve the company`s current energy use so that it can operate more efficiently and environmentally friendly in the future.

### PÄRNU RIVERSIDE DEVELOPMENT

We will continue to manage and develop the property on Suur-Jõe Street 48, Pärnu. A detail plan for the property is ongoing, with the intention of converting the property into a private residential property.



## FINANCIAL HIGHLIGHTS

| <b>Income statement</b> | <b>Q2 2022</b> | <b>Q2 2021</b> | <b>6M 2022</b> | <b>6M 2021</b> |
|-------------------------|----------------|----------------|----------------|----------------|
| Revenue                 | 3,652          | 2,576          | 6,252          | 5,422          |
| EBITDA                  | 624            | 502            | 879            | 986            |
| EBITDA margin           | 17%            | 19%            | 14%            | 18%            |
| Operating profit        | 498            | 379            | 631            | 730            |
| Operating margin        | 14%            | 15%            | 10%            | 13%            |
| Net profit              | 580            | 606            | 731            | 1 157          |
| Net margin              | 16%            | 24%            | 12%            | 21%            |

  

| <b>Statement of financial position</b> | <b>30.06.2022</b> | <b>31.12.2021</b> | <b>30.06.2021</b> | <b>31.12.2020</b> |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Total assets                           | 9,100             | 8,063             | 8,140             | 7,650             |
| Return on assets                       | 8%                | 15%               | 14%               | 14%               |
| Equity                                 | 4,582             | 3,850             | 3,805             | 2,648             |
| Return on equity                       | 16%               | 31%               | 30%               | 41%               |
| Debt-to-equity ratio                   | 50%               | 52%               | 53%               | 65%               |

  

| <b>Share</b>                      | <b>30.06.2022</b> | <b>31.12.2021</b> | <b>30.06.2021</b> | <b>31.12.2020</b> |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Last Price*                       | 1.66              | 1.95              | 1.74              | 0.45              |
| Earnings per share                | 0.17              | 0.27              | 0.57              | 0.24              |
| Price-earnings ratio              | 9.61              | 7.30              | 3.05              | 1.89              |
| Book value of a share             | 1.02              | 0.86              | 0.85              | 0.59              |
| Market to book ratio              | 1.63              | 2.28              | 2.06              | 0.76              |
| Market capitalization, € thousand | 7,468             | 8,773             | 7,828             | 2,025             |
| Number of shares, piece           | 4,499,061         | 4,499,061         | 4,499,061         | 4,499,061         |

EBITDA = Earnings before interest, taxes, depreciation and amortization

EBITDA margin = EBITDA / Revenue

Operating margin = Operating profit / Revenue

Net margin = Net profit / Revenue

Return on assets = Net profit / Total assets

Return on equity = Net profit / Equity

Debt-to-equity ratio = Liabilities / Total assets

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

Price-earnings ratio = Last price / Earnings per share

Book value of a share = Equity / Total shares

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

Market capitalization = Last price \* Total number of shares

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



## FINANCIAL RISKS

### INTEREST RATE RISK

Nordic Fibreboard AS's interest rate risk relates to changes in EURIBOR (Euro Interbank Offered Rate) since our loans are linked to EURIBOR. At 30.06.2022 six months' EURIBOR rate was 0,263% and at 30.06.2021 (0.515)%. For the last six years, EURIBOR has remained negative, which means that EURIBOR has been equated to zero in loan agreements. Since the interest rate increase is currently marginal and the Group borrowings have a term of up to 5 years, the management estimates that the floating interest rate will not have a significant impact on the Group's cash flows.

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

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

### CURRENCY RISK

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

### RISK OF THE ECONOMIC ENVIRONMENT

The risk of the economic environment for the fibreboard division depends on general developments in the construction and industrial segments. In recent years, the risk of a possible deterioration in the economic environment has been exacerbated by the COVID-19 pandemic. However, the economic environment in the 2022 has been most affected by Russia's aggression against Ukraine, which affects not only the European but also the world economy.

### FAIR VALUE

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

### LIQUIDITY RISK

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





## DECLARATION OF THE MANAGEMENT BOARD

The management board has prepared the management report and the consolidated financial interim statements of Nordic Fibreboard AS for the second quarter 2022.

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

The management board confirms that according to their best knowledge the consolidated financial interim report on pages 10-24 presents a fair view of the assets, liabilities, financial position and profit of the issuer and the entities involved in the consolidation as a whole according to the International Financial Reporting Standards as they are adopted by the European Union and contains a description of the main risks.

Torfinn Losvik

Chairman of the Management Board

Pärnu, August 26, 2022



## INTERIM FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

| <i>€ thousand</i>                                              | 30.06.2022   | 31.12.2021   | 30.06.2021   | 31.12.2020   |
|----------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Cash and cash equivalents                                      | 213          | 57           | 38           | 26           |
| Receivables and prepayments (Note 2)                           | 1,632        | 902          | 977          | 794          |
| Inventories (Note 3)                                           | 587          | 390          | 526          | 544          |
| <b>Total current assets</b>                                    | <b>2,432</b> | <b>1,349</b> | <b>1,541</b> | <b>1,364</b> |
| Investment property (Note 4)                                   | 1,152        | 1,152        | 1,136        | 1,134        |
| Financial assets at fair value through profit or loss (Note 7) | 708          | 644          | 933          | 451          |
| Property, plant and equipment (Note 5)                         | 4,805        | 4,915        | 4,527        | 4,695        |
| Intangible assets (Note 6)                                     | 3            | 3            | 3            | 6            |
| <b>Total non-current assets</b>                                | <b>6,668</b> | <b>6,714</b> | <b>6,599</b> | <b>6,286</b> |
| <b>TOTAL ASSETS</b>                                            | <b>9,100</b> | <b>8,063</b> | <b>8,140</b> | <b>7,650</b> |
| Borrowings (Notes 8)                                           | 75           | 146          | 70           | 756          |
| Payables and prepayments (Notes 9)                             | 1,218        | 829          | 927          | 1,574        |
| Short-term provisions (Note 10)                                | 9            | 19           | 9            | 18           |
| <b>Total current liabilities</b>                               | <b>1,302</b> | <b>994</b>   | <b>1,006</b> | <b>2,348</b> |
| Long-term borrowings (Notes 8)                                 | 3,071        | 3,074        | 3,168        | 2,493        |
| Long-term provisions (Note 10)                                 | 145          | 145          | 161          | 161          |
| <b>Total non-current liabilities</b>                           | <b>3,216</b> | <b>3,219</b> | <b>3,329</b> | <b>2,654</b> |
| <b>Total liabilities</b>                                       | <b>4,518</b> | <b>4,213</b> | <b>4,335</b> | <b>5,002</b> |
| Share capital (at nominal value) (Note 11)                     | 450          | 450          | 450          | 450          |
| Statutory reserve capital                                      | 45           | 0            | 0            | 0            |
| Retained earnings (loss)                                       | 4,087        | 3,400        | 3,355        | 2,198        |
| <b>Total equity</b>                                            | <b>4,582</b> | <b>3,850</b> | <b>3,805</b> | <b>2,648</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                            | <b>9,100</b> | <b>8,063</b> | <b>8,140</b> | <b>7,650</b> |

\*The notes to the financial statements presented on pages 14 to 24 are an integral part of these consolidated financial statements.



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

| <i>€ thousand</i>                    | Q2 2022      | Q2 2021      | 6M 2022      | 6M 2021      |
|--------------------------------------|--------------|--------------|--------------|--------------|
| <b>Revenue (Note 13)</b>             | <b>3,652</b> | <b>2,576</b> | <b>6,252</b> | <b>5,422</b> |
| Cost of goods sold (Note 14)         | 2,687        | 1,750        | 4,746        | 3,729        |
| <b>Gross profit</b>                  | <b>965</b>   | <b>826</b>   | <b>1,506</b> | <b>1,693</b> |
| Distribution costs (Note 15)         | 356          | 298          | 641          | 640          |
| Administrative expenses (Note 16)    | 104          | 142          | 226          | 314          |
| Other operating income (Note 18)     | 0            | 1            | 0            | 3            |
| Other operating expenses (Note 18)   | 7            | 8            | 8            | 12           |
| <b>Operating profit (loss)</b>       | <b>498</b>   | <b>379</b>   | <b>631</b>   | <b>730</b>   |
| Finance income (Note 19)             | 117          | 257          | 169          | 483          |
| Finance costs (Note 19)              | 35           | 30           | 69           | 56           |
| PROFIT BEFORE INCOME TAX             | 580          | 606          | 731          | 1,157        |
| <b>NET PROFIT FOR THE PERIOD</b>     | <b>580</b>   | <b>606</b>   | <b>731</b>   | <b>1,157</b> |
| Basic earnings per share (Note 12)   | 0.13         | 0.13         | 0.16         | 0.26         |
| Diluted earnings per share (Note 12) | 0.13         | 0.13         | 0.16         | 0.26         |

\*The notes to the financial statements presented on pages 14 to 24 are an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF CASH FLOWS

| <i>€ thousand</i>                                                           | 6M 2022     | 6M 2021     |
|-----------------------------------------------------------------------------|-------------|-------------|
| <b>Cash flows from operating activities</b>                                 |             |             |
| <b>Operating profit (loss)</b>                                              | <b>631</b>  | <b>730</b>  |
| Adjustments:                                                                |             |             |
| Depreciation charge (Notes 5;6)                                             | 248         | 256         |
| Profit/loss from sale of non-current asset (Note 18)                        | 1           | 0           |
| Change in trade and other receivables (Note 2)                              | (730)       | (182)       |
| Change in inventories (Note 3)                                              | (197)       | 18          |
| Change in trade and other payables (Note 9)                                 | 389         | (647)       |
| Change in provisions (Note 10)                                              | (10)        | (9)         |
| <b>Cash generated from operations</b>                                       | <b>332</b>  | <b>166</b>  |
| Interest payments (Note 19)                                                 | (63)        | (50)        |
| Net other financial income and expense                                      | 0           | (6)         |
| <b>Net cash generated from operating activities</b>                         | <b>269</b>  | <b>110</b>  |
| <b>Cash flows from investing activities</b>                                 |             |             |
| Purchase of property, plant and equipment and intangible assets (Notes 5;6) | (144)       | (56)        |
| Purchase of real estate investment (Note 4)                                 | 0           | (2)         |
| Dividends received                                                          | 105         | 0           |
| <b>Net cash used in investing activities</b>                                | <b>(39)</b> | <b>(58)</b> |
| <b>Cash flows from financing activities</b>                                 |             |             |
| Loans received (Note 8)                                                     | 0           | 1 200       |
| Repayment of loans received (Note 8)                                        | (50)        | (1 218)     |
| Loans received from related parties (Note 8)                                | 0           | 503         |
| Repayment of loans received from related parties (Note 8)                   | 0           | (503)       |
| Finance lease payments (Note 8)                                             | (24)        | (22)        |
| <b>Net cash (used in)/from financing activities</b>                         | <b>(74)</b> | <b>(40)</b> |
| <b>NET CHANGE IN CASH</b>                                                   | <b>156</b>  | <b>12</b>   |
| <b>OPENING BALANCE OF CASH</b>                                              | <b>57</b>   | <b>26</b>   |
| <b>CLOSING BALANCE OF CASH</b>                                              | <b>213</b>  | <b>38</b>   |

\*The notes to the financial statements presented on pages 14 to 24 are an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| <i>€ thousand</i>                      | Share capital | Statutory reserve capital | Retained earnings | Total        |
|----------------------------------------|---------------|---------------------------|-------------------|--------------|
| <b>Balance at 31.12.2020</b>           | <b>450</b>    | <b>0</b>                  | <b>2,198</b>      | <b>2,648</b> |
| <i>Net profit for 6M 2021</i>          | <i>0</i>      | <i>0</i>                  | <i>1,157</i>      | <i>1,157</i> |
| Total comprehensive profit for 6M 2021 | 0             | 0                         | 1,157             | 1,157        |
| <b>Balance at 30.06.2021</b>           | <b>450</b>    | <b>0</b>                  | <b>3,355</b>      | <b>3,805</b> |
| <b>Balance at 31.12.2021</b>           | <b>450</b>    | <b>0</b>                  | <b>3,400</b>      | <b>3,850</b> |
| Other changes                          | 0             | 45                        | (45)              | 0            |
| <i>Net profit for 6M 2022</i>          | <i>0</i>      | <i>0</i>                  | <i>731</i>        | <i>731</i>   |
| Total comprehensive profit for 6M 2022 | 0             | 0                         | 731               | 731          |
| <b>Balance at 30.06.2022</b>           | <b>450</b>    | <b>45</b>                 | <b>4,087</b>      | <b>4,582</b> |

\*The notes to the financial statements presented on pages 14 to 24 are an integral part of these consolidated financial statements.



## NOTES TO THE CONSOLIDATED INTERIM REPORT

### NOTE 1 ACCOUNTING POLICIES AND MEASUREMENT BASES

#### GENERAL INFORMATION

Nordic Fibreboard AS (the Company) (registration number: 11421437; address: Rääma 31, Pärnu), is an entity registered in the Republic of Estonia, whose activities take place in Estonia.

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

Nordic Fibreboard AS was established on 19 September 2007 in the demerger of the former Skano Group AS, currently AS Trigon Property Development, as a result of which the manufacturing units, i.e. the building materials division and furniture division were separated and transferred to subsidiaries established at the same time. The real estate management activities were added to the Group in 2019.

The Group's shares were listed in the Main List of the Nasdaq Tallinn until 2nd of April 2018, when the shares were moved from the Main List to the Secondary List. The Group's largest shareholder is Pärnu Holdings OÜ (owning 57.63%), and its largest owners are OÜ Stetind 50% and Joakim Johan Helenius 50% by the time of compiling these financial statements.

#### BASIS FOR PREPARATION

The Condensed Consolidated Interim Accounts of Nordic Fibreboard AS has been prepared in accordance with the International Financial Reporting Standard (IFRS) Interim Financial Reporting as adopted by the European Union. The same accounting policies were applied for both the Interim Report and the Annual Report for the financial year that ended on 31.12.2021. The consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting. The Condensed Interim Financial Statements do not contain all the information presented in the annual financial statements and should be read in conjunction with the Group's latest published annual financial statements as at and for the year ended 31 December 2021.

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

According to the assessment of the Management Board Nordic Fibreboard AS is a going concern and the Interim Report for the 2nd quarter of 2022 gives a true and fair view of the financial position of Nordic Fibreboard AS and the results of its operations. This Condensed Consolidated Interim Report has not been audited or otherwise reviewed by auditors.

### NOTE 2 TRADE AND OTHER RECEIVABLES

| <i>€ thousand</i>    | <b>30.06.2022</b> | <b>31.12.2021</b> | <b>30.06.2021</b> | <b>31.12.2020</b> |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| Customer receivables | 1,426             | 729               | 882               | 677               |
| Prepaid taxes        | 192               | 151               | 74                | 92                |
| Prepaid services     | 13                | 22                | 14                | 17                |
| Other receivables    | 1                 | 1                 | 7                 | 9                 |
| <b>TOTAL</b>         | <b>1,632</b>      | <b>902</b>        | <b>977</b>        | <b>795</b>        |

Impairment losses of receivables and their reversal are included in the income statement lines Other operating income and Other operating expenses, see also Note 18.



ANALYSIS OF TRADE RECEIVABLES BY AGING:

| <i>thousand €</i>                                                  | 30.06.2022   | 31.12.2021 | 30.06.2021 | 31.12.2020 |
|--------------------------------------------------------------------|--------------|------------|------------|------------|
| <b>Not past due</b>                                                | <b>1,412</b> | <b>678</b> | <b>860</b> | <b>650</b> |
| incl receivables from customers who also have receivables past due | 416          | 95         | 93         | 75         |
| incl receivables from customers who have no receivables past due   | 996          | 583        | 766        | 575        |
| <b>Past due but not impaired</b>                                   | <b>14</b>    | <b>51</b>  | <b>23</b>  | <b>27</b>  |
| Overdue up to 90 days                                              | 9            | 51         | 23         | 20         |
| Overdue more than 90 days                                          | 5            | 0          | 0          | 7          |
| <b>TOTAL</b>                                                       | <b>1,426</b> | <b>729</b> | <b>882</b> | <b>677</b> |

NOTE 3 INVENTORIES

| <i>€ thousand</i>                 | 30.06.2022 | 31.12.2021 | 30.06.2021 | 31.12.2020 |
|-----------------------------------|------------|------------|------------|------------|
| Raw materials and other materials | 394        | 303        | 208        | 181        |
| Work-in-progress                  | 88         | 41         | 179        | 91         |
| Finished goods                    | 109        | 32         | 71         | 264        |
| Goods in transit                  | 0          | 11         | 0          | 0          |
| Prepayments to suppliers          | 36         | 43         | 108        | 48         |
| Write-off reserve for inventories | (40)       | (40)       | (40)       | (41)       |
| <b>TOTAL</b>                      | <b>587</b> | <b>390</b> | <b>526</b> | <b>544</b> |

NOTE 4 INVESTMENT PROPERTY

|                                   | <i>thousand €</i> |
|-----------------------------------|-------------------|
| <b>Carrying amount 31.12.2020</b> | <b>1,132</b>      |
| Capitalized cost 6M 2021          | 2                 |
| <b>Carrying amount 30.06.2021</b> | <b>1,136</b>      |
| <b>Carrying amount 31.12.2021</b> | <b>1,152</b>      |
| Capitalized cost 6M2022           | 0                 |
| <b>Carrying amount 30.06.2022</b> | <b>1,152</b>      |

The amount of expenses related to the management of investments properties for Q2 2022 were € 12 thousand and expenses together with resold expenses were € 52 thousand in Q2 2021. Rental income from investment properties for Q2 2022 was € 9 thousand and rental income including utilities in Q2 2021 were € 64 thousand.

|                                                                  | <i>thousand €</i> |
|------------------------------------------------------------------|-------------------|
| <b>31.12.2020</b>                                                |                   |
| Share of registered immovable property at Suur-Jõe 48, Pärnu     | 959               |
| Share of registered immovable property at Rääma Street 31, Pärnu | 175               |
| <b>30.06.2021</b>                                                |                   |
| Share of registered immovable property at Suur-Jõe 48, Pärnu     | 961               |
| Share of registered immovable property at Rääma Street 31, Pärnu | 175               |
| <b>31.12.2021</b>                                                |                   |
| Share of registered immovable property at Suur-Jõe 48, Pärnu     | 977               |
| Share of registered immovable property at Rääma Street 31, Pärnu | 175               |
| <b>30.06.2022</b>                                                |                   |
| Share of registered immovable property at Suur-Jõe 48, Pärnu     | 977               |
| Share of registered immovable property at Rääma Street 31, Pärnu | 175               |



NOTE 5 PROPERTY PLANT EQUIPMENT AND RIGHT OF USE ASSETS

| <i>thousand €</i>                                    | Land | Buildings and facilities | Machinery and equipment | Other fixtures | Constructi on-in-progress | Right-of-use asset | TOTAL   |
|------------------------------------------------------|------|--------------------------|-------------------------|----------------|---------------------------|--------------------|---------|
| <b>Cost at 31.12.2020</b>                            | 191  | 2,541                    | 10,747                  | 89             | 31                        | 130                | 13,728  |
| <b>Accumulated depreciation at 31.12.2020</b>        | 0    | (1,701)                  | (7,165)                 | (87)           | 0                         | (81)               | (9,034) |
| <b>Carrying amount at 31.12.2020</b>                 | 191  | 840                      | 3,582                   | 3              | 31                        | 49                 | 4,694   |
|                                                      |      |                          |                         |                |                           |                    |         |
| Additions                                            | 0    | 0                        | 23                      | 0              | 31                        | 29                 | 83      |
| Disposals and write-offs (Note 18)                   | 0    | 0                        | (2)                     | 0              | 0                         | (23)               | (25)    |
| Accumulated depreciation of fixed assets written off | 0    | 0                        | 2                       | 0              | 0                         | 23                 | 25      |
| Depreciation (Note 14)                               | 0    | (39)                     | (189)                   | (1)            | 0                         | (21)               | (250)   |
|                                                      |      |                          |                         |                |                           |                    |         |
| <b>Cost at 30.06.2021</b>                            | 191  | 2,541                    | 10,767                  | 89             | 62                        | 136                | 13,786  |
| <b>Accumulated depreciation at 30.06.2021</b>        | 0    | (1,740)                  | (7,352)                 | (87)           | 0                         | (79)               | (9,259) |
| <b>Carrying amount at 30.06.2021</b>                 | 191  | 801                      | 3,415                   | 2              | 62                        | 57                 | 4,527   |
|                                                      |      |                          |                         |                |                           |                    |         |
| <b>Cost at 31.12.2021</b>                            | 191  | 2,556                    | 10,845                  | 89             | 473                       | 114                | 14,268  |
| <b>Accumulated depreciation at 31.12.2021</b>        | 0    | (1,779)                  | (7,459)                 | (88)           | 0                         | (28)               | (9,353) |
| <b>Carrying amount at 31.12.2021</b>                 | 191  | 777                      | 3,387                   | 1              | 473                       | 86                 | 4,915   |
|                                                      |      |                          |                         |                |                           |                    |         |
| Additions                                            | 0    | 0                        | 44                      | 0              | 100                       | 0                  | 144     |
| Reclassification                                     | 0    | 0                        | 221                     | 0              | (211)                     | (10)               | 0       |
| Reclassification of accumulated depreciation         | 0    | 0                        | (10)                    | 0              | 0                         | 10                 | 0       |
| Disposals and write-offs (Note 18)                   | (7)  | 0                        | (80)                    | 0              | 0                         | 0                  | (87)    |
| Accumulated depreciation of fixed assets written off | 0    | 0                        | 80                      | 0              | 0                         | 0                  | 80      |
| Depreciation (Note 14)                               | 0    | (39)                     | (184)                   | 0              | 0                         | (24)               | (247)   |
|                                                      |      |                          |                         |                |                           |                    | 0       |
| <b>Cost at 30.06.2022</b>                            | 184  | 2,556                    | 11,030                  | 89             | 362                       | 104                | 14,325  |
| <b>Accumulated depreciation at 30.06.2022</b>        | 0    | (1,818)                  | (7,573)                 | (88)           | 0                         | (42)               | (9,520) |
| <b>Carrying amount at 30.06.2022</b>                 | 184  | 738                      | 3,458                   | 1              | 362                       | 62                 | 4,805   |





## NOTE 6 INTANGIBLE ASSETS

| <i>thousand €</i>                             | Computer software |
|-----------------------------------------------|-------------------|
| <b>Cost at 31.12.2020</b>                     | <b>77</b>         |
| <b>Accumulated amortisation at 31.12.2020</b> | <b>(71)</b>       |
| <b>Carrying amount 31.12.2020</b>             | <b>6</b>          |
| Additions 6M 2021                             | 3                 |
| Amortisation charge                           | (6)               |
| <b>Cost at 30.06.2021</b>                     | <b>80</b>         |
| <b>Accumulated amortisation at 30.06.2021</b> | <b>(77)</b>       |
| <b>Carrying amount 30.06.2021</b>             | <b>3</b>          |
| <b>Cost at 31.12.2021</b>                     | <b>13</b>         |
| <b>Accumulated amortisation at 31.12.2021</b> | <b>(10)</b>       |
| <b>Carrying amount 31.12.2021</b>             | <b>3</b>          |
| Additions 6M 2022                             | 0                 |
| Amortisation charge                           | 0                 |
| <b>Cost at 30.06.2022</b>                     | <b>13</b>         |
| <b>Accumulated amortisation at 30.06.2022</b> | <b>(10)</b>       |
| <b>Carrying amount 30.06.2022</b>             | <b>3</b>          |

## NOTE 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| <i>thousand €</i>                                  | 30.06.2022 | Change 6M<br>2022 | 31.12.2021 | 30.06.2021 | 31.12.2020 |
|----------------------------------------------------|------------|-------------------|------------|------------|------------|
| Non-current assets                                 |            |                   |            |            |            |
| Listed securities - Equity securities - cost as at | 338        | 0                 | 338        | 410        | 410        |
| Revaluation*                                       | 370        | 64                | 306        | 524        | 40         |
| <b>Fair value as at</b>                            | <b>708</b> | <b>64</b>         | <b>644</b> | <b>933</b> | <b>451</b> |

\* *Financial assets at fair value through profit or loss (i.e. Trigon Property Development shares) have been revaluated to reflect fair value based on last price as at 30.06.2022 as shown on Nasdaq Tallinn.*

In Q2 2022, Nordic Fibreboard Ltd earned a profit of € 105 thousand as dividends from financial assets.

## NOTE 8 BORROWINGS

In the second quarter of 2021, Nordic Fibreboard AS and its subsidiary Nordic Fibreboard Ltd entered into loan agreements with Coop Bank for the full refinancing of Swedbank AS Group loan. The loan provided by Coop Bank AS has a duration of 5 years with 10 year amortisation schedule, the interest rate was initially 4.5% per annum, in March 2022 Coop Bank AS lowered the loan interest rate to 3.5% per annum. There is also a one-year overdraft agreement with Coop Bank AS entered into in the second quarter of 2022 with a limit of € 200 thousand. The interest rate on the overdraft is 3.5% per annum.

In Q2 2022, repayments of lease obligations in the amount of € 24 thousand were made.



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Second quarter 2022

| <i>thousand €</i>                             | Interest rate               | 30.06.2022   | 31.12.2021   | 30.06.2021   | 31.12.2020   |
|-----------------------------------------------|-----------------------------|--------------|--------------|--------------|--------------|
| <b>Current borrowings</b>                     |                             |              |              |              |              |
| Current portion of long-term loan (Swedbank)  | 6 month EURIBOR+5%          | 0            | 0            | 0            | 717          |
| Current portion of long-term loan (Coop Bank) | 6 month EURIBOR+3.5%        | 53           | 100          | 48           | 0            |
| Current portion of long-term lease liability  | 6 month EURIBOR+2.49%       | 22           | 46           | 22           | 39           |
| <b>Total</b>                                  |                             | <b>75</b>    | <b>146</b>   | <b>70</b>    | <b>756</b>   |
| <b>Non-current borrowings</b>                 |                             |              |              |              |              |
| Non-current loans (Swedbank)                  | 6 month EURIBOR+5%          | 0            | 0            | 0            | 483          |
| Non-current loans (Coop Bank)                 | 6 month EURIBOR+3.5%        | 1,031        | 1,34         | 1,134        | 0            |
| Non-current loans (RDF)                       | Until 30.12.22 2%, later 4% | 2,000        | 2,000        | 2,000        | 2,000        |
| Non-current lease liability                   | 6 month EURIBOR+2.49%       | 40           | 40           | 35           | 10           |
| <b>Total</b>                                  |                             | <b>3,071</b> | <b>3,074</b> | <b>3,169</b> | <b>2,493</b> |
| <b>Total borrowings</b>                       |                             | <b>3,146</b> | <b>3,220</b> | <b>3,239</b> | <b>3,249</b> |

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES 6M 2022

| <i>thousand €</i>                                  | 31.12.2021   | Cash flows  | Non-monetary settlements | Interest accrued | Interest paid | Other    | 30.06.2022   |
|----------------------------------------------------|--------------|-------------|--------------------------|------------------|---------------|----------|--------------|
| Current portion of long-term loan (Coop Bank)      | 100          | (50)        | 0                        | 23               | (23)          | 3        | 53           |
| Current portion of short-term financial lease      | 46           | (24)        | 0                        | 1                | (1)           | 0        | 22           |
| Bank overdrafts (Coop Bank)                        | 0            | 0           | 0                        | 1                | (1)           | 0        | 0            |
| Non-current loans (Coop Bank)                      | 1,034        | 0           | 0                        | 0                | 0             | (3)      | 1,031        |
| Non-current loans (RDF)                            | 2,000        | 0           | 0                        | 38               | (38)          | 0        | 2,000        |
| Non-current lease liability                        | 40           | 0           | 0                        | 0                | 0             | 0        | 40           |
| <b>Total liabilities from financing activities</b> | <b>3,220</b> | <b>(74)</b> | <b>0</b>                 | <b>63</b>        | <b>(63)</b>   | <b>0</b> | <b>3,146</b> |

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES 6M 2021

| <i>thousand €</i>                                  | 31.12.2020   | Cash flows  | Non-monetary settlements | Interest accrued | Interest paid | Other    | 30.06.2021   |
|----------------------------------------------------|--------------|-------------|--------------------------|------------------|---------------|----------|--------------|
| Current portion of long-term loan (Swedbank)       | 717          | (717)       | 0                        | 22               | (22)          | 0        | 0            |
| Current portion of long-term loan (Coop Bank)      | 0            | 1 182       | 0                        | 7                | (7)           | (1,134)  | 48           |
| Current portion of short-term financial lease      | 39           | (22)        | 5                        | 1                | (1)           | 0        | 22           |
| Non-current loans (Swedbank)                       | 483          | (483)       | 0                        | 0                | 0             | 0        | 0            |
| Non-current loans (Coop Bank)                      | 0            | 0           | 0                        | 0                | 0             | 1,134    | 1,134        |
| Non-current loans (RDF)                            | 2,000        | 0           | 0                        | 20               | (20)          | 0        | 2,000        |
| Non-current lease liability                        | 10           | 0           | 24                       | 0                | 0             | 0        | 35           |
| <b>Total liabilities from financing activities</b> | <b>3,249</b> | <b>(40)</b> | <b>29</b>                | <b>50</b>        | <b>(50)</b>   | <b>0</b> | <b>3,239</b> |



## NOTE 9 PAYABLES AND PREPAYMENTS

| <i>thousand €</i>                                       | <b>30.06.2022</b> | <b>31.12.2021</b> | <b>30.06.2021</b> | <b>31.12.2020</b> |
|---------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Trade payables                                          | 797               | 367               | 510               | 1,110             |
| Payables to employees                                   | 156               | 149               | 141               | 138               |
| <i>incl. accrued holiday pay reserve</i>                | 46                | 46                | 32                | 33                |
| Tax liabilities                                         | 149               | 137               | 132               | 128               |
| <i>incl. social security and unemployment insurance</i> | 89                | 87                | 82                | 82                |
| <i>personal income tax</i>                              | 43                | 40                | 37                | 35                |
| <i>contribution to mandatory funded pension</i>         | 2                 | 2                 | 3                 | 3                 |
| <i>value added tax</i>                                  | 0                 | 0                 | 1                 | 0                 |
| <i>other taxes</i>                                      | 15                | 8                 | 9                 | 8                 |
| Prepayments received                                    | 60                | 152               | 82                | 162               |
| Other payables                                          | 56                | 24                | 62                | 36                |
| <b>TOTAL</b>                                            | <b>1,218</b>      | <b>829</b>        | <b>927</b>        | <b>1,574</b>      |

## NOTE 10 PROVISIONS

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

*thousand €*

|                                        |            |
|----------------------------------------|------------|
| <b>Balance at 31.12.2020</b>           | <b>179</b> |
| incl. current portion of provision     | 18         |
| incl. non-current portion of provision | 161        |
| <b>Movements 2021 6M:</b>              |            |
| Use of provision                       | (9)        |
| Interest cost (Note 19)                | 3          |
| <b>Balance at 30.06.2021</b>           | <b>170</b> |
| incl. current portion of provision     | 9          |
| incl. non-current portion of provision | 161        |
| <b>Balance at 31.12.2021</b>           | <b>164</b> |
| incl. current portion of provision     | 19         |
| incl. non-current portion of provision | 145        |
| <b>Movements 2022 6M:</b>              |            |
| Use of provision                       | (13)       |
| Interest cost (Note 19)                | 3          |
| <b>Balance at 30.06.2022</b>           | <b>154</b> |
| incl. current portion of provision     | 9          |
| incl. non-current portion of provision | 145        |



## NOTE 11 EQUITY

|                       | Nominal value | Number of shares | Share capital |
|-----------------------|---------------|------------------|---------------|
|                       | €             | pcs              | thousand €    |
| Balance at 30.06.2022 | 0.10          | 4,499,061        | 450           |
| Balance at 31.12.2021 | 0.10          | 4,499,061        | 450           |
| Balance at 30.06.2021 | 0.10          | 4,499,061        | 450           |
| Balance at 31.12.2020 | 0.10          | 4,499,061        | 450           |

As of 30.06.2022 the share capital of Nordic Fibreboard AS totalled 449,906.10 euros which consisted of 4,449,061 no par value registered shares with a book value of 0.10 euros per share. Each ordinary share grants its owner one vote in the General Meeting of Shareholders and the right to receive dividends. The minimum share capital outlined in the Articles of Association is 250,000 euros and the maximum share capital is 1,000,000 euros.

As at 30.06.2022 the Group had 1,182 shareholders of which with more than 5% ownership interest were:

| Shareholder             | Number of shares (pcs) | Ownership interest (%) |
|-------------------------|------------------------|------------------------|
| Pärnu Holdings OÜ       | 2,592,775              | 57.63                  |
| OÜ Kõik või Mittemidagi | 597,367                | 13.28                  |

As at 30.06.2021 the Group had 875 shareholders of which with more than 5% ownership interest were:

| Shareholder                 | Number of shares (pcs) | Ownership interest (%) |
|-----------------------------|------------------------|------------------------|
| Pärnu Holdings OÜ           | 2,645,430              | 58.80                  |
| Gamma Holding Investment OÜ | 547,113                | 12.16                  |

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

- Joakim Johan Helenius 20,000 shares (30.06.2021: 20.000 shares)
- Trond Brekke 0 shares (30.06.2021: 0 shares)
- Sakari Wallin 0 shares (30.06.2021: 0 shares)
- Torfinn Losvik 0 shares (30.06.2021: 0 shares)

Both Joakim Johan Helenius and Torfinn Losvik have indirect ownership through parent company Pärnu Holdings OÜ. Torfinn Losvik owns shares through Stetind OÜ in the amount of 44.206 shares (2021: 44.206 shares).

## NOTE 12 EARNINGS PER SHARE

Diluted earnings (loss) per share is calculated based on the net profit (loss) and the number of shares. 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 per share have been calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period, taking into account the number of shares potentially issued. As the Group has no option programs valid from 31.12.2020, the Group does not own any potential shares.



|                                                                                                         | 30.06.2022 | 31.12.2021 | 30.06.2021 | 31.12.2020 |
|---------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|
| Net profit (in thousands of euros)                                                                      | 731        | 1,202      | 1,157      | 1,074      |
| Weighted average number of shares (thousand units)                                                      | 4,499      | 4,499      | 4,499      | 4,499      |
| Basic earnings per share                                                                                | 0.16       | 0.27       | 0.26       | 0.24       |
| Weighted average number of shares used for calculating the diluted earnings per shares (thousand units) | 4,499      | 4,499      | 4,499      | 4,499      |
| Diluted earnings per share                                                                              | 0.16       | 0.27       | 0.26       | 0.24       |
| Last price of the share of Nordic Fibreboard AS on Tallinn Stock Exchange as at                         | 1.66       | 1.95       | 1.74       | 0.45       |

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

### NOTE 13 SEGMENTS

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

- Fibreboard manufacturing and sale (Nordic Fibreboard Ltd OÜ) - manufacture general construction boards based on soft wood fibre boards and interior finishing boards in the Pärnu factory and wholesale of those boards.
- Real Estate Management (Pärnu Riverside Development OÜ) – real estate management and development on Suur-Jõe Street 48, Pärnu.
- Furniture retail sale (Skano Furniture OÜ) – furniture retail ceased active operations in Estonia in the first quarter of 2020, this segment is no longer significant and no relevant in the 2022 Q2 interim report.

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

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

#### BUSINESS SEGMENTS:

| 6 months 2022<br>thousand €                             | Fibreboard<br>manufacturing<br>and wholesale | Real Estate<br>Management | Group's<br>general<br>expenses and<br>eliminations | SEGMENTS<br>TOTAL |
|---------------------------------------------------------|----------------------------------------------|---------------------------|----------------------------------------------------|-------------------|
| Revenue from external customers                         | 6,234                                        | 18                        | 0                                                  | 6,252             |
| Operating profit/-loss                                  | 666                                          | (12)                      | (23)                                               | 631               |
| EBITDA                                                  | 914                                          | (12)                      | (23)                                               | 879               |
| Amortisation/ depreciation (Notes 5; 6)                 | 248                                          | 0                         | 0                                                  | 248               |
| Segment assets                                          | 8,296                                        | 983                       | (179)                                              | 9,100             |
| Non-current assets of the segment<br>(Notes 4; 5; 6; 7) | 5,690                                        | 977                       | 1                                                  | 6,668             |
| Segment liabilities                                     | 4,366                                        | 15                        | 137                                                | 4,518             |
| Additions to non-current assets<br>(Notes 5;6)          | 144                                          | 0                         | 0                                                  | 144               |
| Interest expenses (Note 19)                             | 63                                           | 0                         | 2                                                  | 65                |



| 6 months 2021<br><i>thousand €</i>                      | Fibreboard<br>manufacturing<br>and wholesale | Real Estate<br>Management | Group's<br>general<br>expenses and<br>eliminations | SEGMENTS<br>TOTAL |
|---------------------------------------------------------|----------------------------------------------|---------------------------|----------------------------------------------------|-------------------|
| Revenue from external customers                         | 5,269                                        | 153                       | 0                                                  | 5,422             |
| Operating profit/-loss                                  | 737                                          | (1)                       | (6)                                                | 730               |
| EBITDA                                                  | 993                                          | (1)                       | (6)                                                | 986               |
| Amortisation/ depreciation (Notes 5; 6)                 | 256                                          | 0                         | 0                                                  | 256               |
| Segment assets                                          | 7,281                                        | 987                       | (128)                                              | 8,140             |
| Non-current assets of the segment<br>(Notes 4; 5; 6; 7) | 5,637                                        | 961                       | 1                                                  | 6,599             |
| Segment liabilities                                     | 4,159                                        | 22                        | 154                                                | 4,335             |
| Additions to non-current assets<br>(Note 5; 6)          | 83                                           | 2                         | 0                                                  | 85                |
| Interest expenses (Note 19)                             | 54                                           | 0                         | 2                                                  | 56                |

SALES REVENUE OF BUSINESS SEGMENTS BY THE GEOGRAPHICAL LOCATION OF CUSTOMERS:

| <i>thousand €</i>  | 6M 2022                                         |                                |                   | 6M 2021                                         |                                |                   |
|--------------------|-------------------------------------------------|--------------------------------|-------------------|-------------------------------------------------|--------------------------------|-------------------|
|                    | Fibreboard<br>manufacturing<br>and<br>wholesale | Real Estate<br>Manage-<br>ment | SEGMENTS<br>TOTAL | Fibreboard<br>manufacturing<br>and<br>wholesale | Real Estate<br>Manage-<br>ment | SEGMENTS<br>TOTAL |
| European Union     | 5,702                                           | 18                             | 5,720             | 4,253                                           | 153                            | 4,406             |
| Russia             | 427                                             | 0                              | 427               | 814                                             | 0                              | 814               |
| Asia               | 70                                              | 0                              | 70                | 124                                             | 0                              | 124               |
| Middle East        | 26                                              | 0                              | 26                | 0                                               | 0                              | 0                 |
| Africa             | 0                                               | 0                              | 0                 | 46                                              | 0                              | 46                |
| Other              | 9                                               | 0                              | 9                 | 32                                              | 0                              | 32                |
| <b>Grand Total</b> | <b>6,234</b>                                    | <b>18</b>                      | <b>6,252</b>      | <b>5,269</b>                                    | <b>153</b>                     | <b>5,422</b>      |

NOTE 14 COST OF GOODS SOLD

| <i>thousand €</i>                                                              | Q2 2022      | Q2 2021      | 6M 2022      | 6M 2021      |
|--------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Raw materials and main materials                                               | 1,100        | 673          | 1,851        | 1,322        |
| Electricity and heat                                                           | 970          | 536          | 1,804        | 1,140        |
| Labour expenses (Note 17)                                                      | 419          | 397          | 798          | 756          |
| Depreciation (Note 5;6)                                                        | 126          | 123          | 248          | 256          |
| Change in balances of finished goods,<br>goods in transit and work in progress | (14)         | (63)         | (113)        | 104          |
| Other expenses                                                                 | 86           | 83           | 158          | 152          |
| <b>TOTAL</b>                                                                   | <b>2,687</b> | <b>1,750</b> | <b>4,746</b> | <b>3,729</b> |

NOTE 15 DISTRIBUTION COSTS

| <i>thousand €</i>         | Q2 2022    | Q2 2021    | 6M 2022    | 6M 2021    |
|---------------------------|------------|------------|------------|------------|
| Transportation expenses   | 283        | 218        | 503        | 470        |
| Labour expenses (Note 17) | 46         | 44         | 92         | 87         |
| Agency fees               | 22         | 30         | 34         | 64         |
| Other expenses            | 5          | 6          | 12         | 19         |
| <b>TOTAL</b>              | <b>356</b> | <b>298</b> | <b>641</b> | <b>640</b> |



#### NOTE 16 ADMINISTRATIVE AND GENERAL EXPENSES

| <i>thousand €</i>         | Q2 2022    | Q2 2021    | 6M 2022    | 6M 2021    |
|---------------------------|------------|------------|------------|------------|
| Labour expenses (Note 17) | 65         | 54         | 120        | 106        |
| Purchased services        | 19         | 79         | 55         | 181        |
| Office supplies           | 10         | 2          | 23         | 6          |
| Other expenses            | 10         | 7          | 28         | 21         |
| <b>TOTAL</b>              | <b>104</b> | <b>142</b> | <b>226</b> | <b>314</b> |

#### NOTE 17 LABOUR EXPENSES

| <i>thousand €</i>                          | Q2 2022    | Q2 2021    | 6M 2022      | 6M 2021    |
|--------------------------------------------|------------|------------|--------------|------------|
| Wages and salaries                         | 400        | 374        | 764          | 718        |
| Social security and unemployment insurance | 130        | 120        | 246          | 231        |
| Fringe benefits paid to employees          | 3          | 2          | 6            | 7          |
| <b>TOTAL</b>                               | <b>533</b> | <b>497</b> | <b>1,016</b> | <b>957</b> |

#### NOTE 18 OTHER OPERATING INCOME AND EXPENSES

##### OTHER OPERATING INCOME

| <i>thousand €</i>      | Q2 2022  | Q2 2021  | 6M 2022  | 6M 2021  |
|------------------------|----------|----------|----------|----------|
| Other operating income | 0        | 1        | 0        | 3        |
| <b>TOTAL</b>           | <b>0</b> | <b>1</b> | <b>0</b> | <b>3</b> |

##### OTHER OPERATING EXPENSES

| <i>thousand €</i>               | Q2 2022  | Q2 2021  | 6M 2022  | 6M 2021   |
|---------------------------------|----------|----------|----------|-----------|
| Reclamations                    | 3        | 0        | 3        | 1         |
| Commission fees                 | 1        | 7        | 1        | 7         |
| Membership fees                 | 0        | 0        | 0        | 1         |
| Penalties paid                  | 3        | 1        | 3        | 3         |
| Loss from sales of fixed assets | 0        | 0        | 1        | 0         |
| <b>TOTAL</b>                    | <b>7</b> | <b>8</b> | <b>8</b> | <b>12</b> |

#### NOTE 19 FINANCIAL INCOME AND EXPENSES

| <i>thousand €</i>                                                  | Q2 2022    | Q2 2021    | 6M 2022    | 6M 2021    |
|--------------------------------------------------------------------|------------|------------|------------|------------|
| Financial income:                                                  |            |            |            |            |
| Received dividends                                                 | 105        | 0          | 105        | 0          |
| Revaluation of TPD shares                                          | 12         | 257        | 64         | 483        |
| <b>Total financial income</b>                                      | <b>117</b> | <b>257</b> | <b>169</b> | <b>483</b> |
| Financial cost                                                     |            |            |            |            |
| Interest expenses                                                  | 31         | 30         | 65         | 56         |
| <i>including interest expenses related to provisions (Note 10)</i> | 1          | 2          | 3          | 3          |
| Other finance cost                                                 | 4          | 0          | 4          | 0          |
| <b>Total financial cost</b>                                        | <b>35</b>  | <b>30</b>  | <b>69</b>  | <b>56</b>  |



## NOTE 20 RELATED PARTIES

The following parties are considered to be related parties:

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

As of 30 June 2022, the largest shareholder of Pärnu Holdings OÜ and the entities with significant influence over the Group are: Stetind OÜ (50%) and Joakim Johan Helenius (50%). The owner of Stetind OÜ is Torfinn Losvik.

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

| <i>thousand €</i> | Q2 2022   | Q2 2021   | 6M 2022    | 6M 2021    |
|-------------------|-----------|-----------|------------|------------|
| Membership fees   | 50        | 41        | 98         | 83         |
| Social tax        | 16        | 14        | 33         | 28         |
| <b>Total</b>      | <b>66</b> | <b>55</b> | <b>132</b> | <b>110</b> |

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

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

### TRANSACTIONS WITH RELATED PARTIES:

| <i>thousand €</i>  | Q2 2022  | Q2 2021  | 6M 2022  | 6M 2021  |
|--------------------|----------|----------|----------|----------|
| Purchased services | 5        | 4        | 9        | 8        |
| <b>Total</b>       | <b>5</b> | <b>4</b> | <b>9</b> | <b>8</b> |

### BALANCES WITH RELATED PARTIES AS OF:

| <i>thousand €</i>        | 30.06.2022 | 31.12.2021 | 30.06.2021 | 31.12.2020 |
|--------------------------|------------|------------|------------|------------|
| Purchased services       | 3          | 1          | 2          | 17         |
| Short-term loan interest | 0          | 0          | 0          | 1          |
| <b>Total</b>             | <b>3</b>   | <b>1</b>   | <b>2</b>   | <b>18</b>  |

