

Company Nordic Fibreboard AS
Type Company Release
Category Management interim statement or quaterly financial report
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Attachments:

- NORDIC FIBREBOARD AS_Interim Report Q4 2023.pdf (<http://oam.fi.ee/en/download?id=8112>)
- NORDIC FIBREBOARD AS Vahearuanne 4 kvartal 2023.pdf (<http://oam.fi.ee/en/download?id=8113>)

Currency

Title Unaudited financial report of Nordic Fibreboard AS for the fourth quarter and 12 months of

MANAGEMENT REPORT

Consolidated net sales for Q4 2023 were EUR 1.31 million (Q4 2022: EUR 2.03 million). The main business area is Nordic Fibreboard Ltd, the production and wholesale of fibreboard, which recorded sales in Q4 2023 of EUR 1.30 million, (Q4 2022: EUR 2.02 million). The remaining business area is the management of the property on Suur-Jõe street in Pärnu through the company Pärnu Riverside Development OÜ, whose sales revenue in the 4th quarter of 2023 was EUR12 thousand (Q4 2022: EUR 11 thousand).

The decline in Nordic Fibreboard's sales during the fourth quarter of 2023 was primarily influenced by a slowdown in new construction and renovation activities due to the winter season, along with global economic uncertainty affecting both end-users and industrial-oriented business customers. Nordic Fibreboard Ltd had sales of EUR 1.30 million in Q4 2023, marking a 35% decrease from Q4 2022.

The consolidated EBITDA of Nordic Fibreboard for Q4 2023 was EUR 245 thousand, the EBITDA margin was 19% (Q4 2022: EBITDA was EUR 661 thousand and the EBITDA margin was 33%). Compared to the Q4 2022 the Group's gross margin decreased from 13% to 9% in the Q4 2023.

In Q4 2023, a revaluation of the fair value of real estate investment properties was conducted, relying on expert assessments prepared by an external appraiser, resulting in a profit of 404 thousand euros. (in the Q4 2022, a profit from the revaluation of real estate investments was 697 thousand euros).

Financial expenses for the Q4 2023 were EUR 237 thousand, of which EUR 54 thousand were loan interest costs and EUR 183 thousand were losses from the revaluation of Trigon Property Development (TPD) shares. Total financial income of EUR 150 thousand was recorded in Q4 2022, which consisted of the dividends received from



TPD shares in the amount of EUR 24 thousand and losses from the revaluation of the same TPD shares in the amount of EUR 143 thousand and the interest expense of loan obligations in the amount of EUR 31 thousand.

Group`s consolidated net loss for Q4 2023 was EUR 115 thousand (Q4 2022: profit EUR 386 thousand).

DIVISIONAL REVIEW

Revenue by business segments

EUR thousand	Q4 2023	Q4 2022	12M 2023	12M 2022
Fibreboards production and sales	1,300	2,020	7,657	11,035
Real Estate Management	12	11	47	39
TOTAL	1,312	2,031	7,704	11,074

Profit by business segments

EUR thousand	Q4 2023	Q4 2022	12M 2023	12M 2022
EBITDA by business units:				
Fibreboards production and sales	127	(23)	510	1,092
Real Estate Management	132	690	113	672
Group transactions	(14)	(6)	(44)	(32)
TOTAL EBITDA	245	661	579	1,732
Extraordinary other operating expenses	0	0	(406)	0
Depreciation	(123)	(125)	(489)	(497)
TOTAL OPERATING PROFIT/ LOSS	122	536	(316)	1,235
Net financial costs	(237)	(150)	(366)	(1)
NET PROFIT/ LOSS	(115)	386	(682)	1,234

NORDIC FIBREBOARD LTD: fibreboard production and sales

Fibreboard sales in Q4 2023 were EUR 1.30 million (Q4 2022: EUR 2.02 million). In Q4 2023, the main reason behind the decrease in sales revenue compared to Q4 2022 was the termination of the agreement with the primary customer in Denmark, which led to a decrease in sales by 24% compared to Q4 2022. In addition, sales in



Finland decreased by 23% and sales in Latvia decreased by 47% in Q4 2023 compared to the same period in 2022. As a positive development, the company has successfully reestablished cooperation with former export customers and has also secured new customers in both the Middle East and the European Union. As a result, in Q4 2023 compared to Q4 2022, sales in Sweden have increased by 41%, and sales in Africa and Asia have recovered.

The EBITDA of the fiberboard segment for the Q4 2023 was a positive EUR 127 thousand, which is a quarterly improvement compared to the EBITDA for the Q4 2022, which was a negative EUR 23 thousand, but when comparing EBITDA for the twelve months of 2023 with the 2022 with the same period, the drop is 53%. The main reason for the decline can be attributed to the exceptionally high electricity prices in early 2023, which had a significant impact on the company. The situation was alleviated by the implementation of a new electricity contract in April 2023, which provided more favorable terms for purchasing electricity.

Fibreboard sales by geographical segments

	EUR thousand		EUR thousand	
	Q4 2023	Q4 2022	12M 2023	12M 2022
European Union	1,120	1,871	6,974	10,297
Africa	64	0	197	0
Middle East	41	82	137	154
Asia	11	0	113	69
Russia	0	0	0	427
Other	64	67	236	88
TOTAL	1,300	2,020	7,657	11,035

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 EUR 12 thousand in Q4 2023, (Q4 2022: EUR 11 thousand).

The real estate management EBITDA for Q4 2023 were positive EUR 132 thousand (Q4 2022: EBITDA was positive EUR 690 thousand). As of the end of 2023 and 2022, fair value revaluations of the real estate investment object located at 48 Suur-Jõe Street in Pärnu was conducted, resulting in an income of EUR 142 thousand in the Q4 2023 and the income of the Q4 2022 was EUR 697 thousand.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 31.12.2023 the total assets of Nordic Fibreboard AS were EUR 8.5 million (31.12.2022: 9.4 million). The liabilities of the company as of 31.12.2023 were EUR 4.2 million (31.12.2022: EUR 4.3 million), of which the Group has payables of EUR 0.5 million as at 31.12.2023 (31.12.2022: EUR 0.5 million) and borrowings of EUR 3.2 million as at 31.12.2023 (31.12.2022: also EUR 3.2 million).

Receivables and prepayments amounted to EUR 0.5 million as at 31.12.2023 (31.12.2022: EUR 0.6 million). Inventories were EUR 0.7 million as of 31.12.2023 (31.12.2022: EUR 1.7 million). Fixed assets were EUR 7.2 million as of 31.12.2023 (EUR 7.2 million as of 31.12.2022).

During 2023 twelve months, the Group's cash flows from operating activities totalled EUR 266 thousand (2022 twelve months: EUR 152 thousand). Cash outflows due to investment activities was EUR 257 thousand during 2023 twelve months, mainly consisting of investments into production assets of EUR 251 thousand and real estate investments of EUR 6 thousand (2022 twelve months: cash outflow EUR 129 thousand). Financing activities also resulted in cash outflows of EUR 4 thousand during 2023 twelve months (2022 twelve months: cash outflow EUR 78 thousand). Net cash effect during 2023 twelve months cash inflow of EUR 7 thousand, (2021 twelve months: cash outflow EUR 55 thousand).

OUTLOOK

Nordic Fibreboard Ltd

The building materials market is experiencing modest demand overall, with an uncertain short-term outlook. Operating in such a challenging market environment, forecasting future trends is difficult, and market stability is elusive. High interest rates, ongoing economic uncertainty, and international tensions are influencing the purchasing decisions and business plans of both consumers and businesses. These factors have led to a slowdown in the construction and renovation market, affecting both consumers and businesses.

However, there are signs of customer interest recovery in certain markets, and the company has secured agreements with some new customers, providing hope for some recovery of sales volume. Currently, the company's primary focus is on finding new customers to expand its customer portfolio. Meanwhile, the company continues to actively contribute to product development to ensure the sustainability of its operations and growth in the market.

Pärnu Riverside Development

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



FINANTSIAL HIGHLIGHTS

EUR thousand

Income statement	Q4 2023	Q4 2022	12M 2023	12M 2022
Revenue	1,312	2,031	7,704	11,074
EBITDA	245	661	579	1,732
EBITDA margin	19%	33%	8%	16%
Operating profit	122	536	(316)	1,235
Operating margin	9%	26%	(4%)	11%
Net profit	(115)	386	(682)	1,234
Net margin	(9%)	19%	(9%)	11%

Statement of financial position	31.12.2023	31.12.2022
Total assets	8,505	9,408
Return on assets	(8%)	13%
Equity	4,402	5,084
Return on equity	(16%)	24%
Debt-to-equity ratio	48%	46%

Share	31.12.2023	31.12.2022
Last Price (EUR)*	0.90	1.60
Earnings per share (EUR)	(0.15)	0.27
Price-earnings ratio	(5.93)	5.83
Book value of a share (EUR)	0.98	1.13
Market to book ratio	0.92	1.42
Market capitalization, EUR thousand	4,049	7,198



Number of shares, piece	4,499,061 4,499,061
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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-total assets ratio = Liabilities / Total assets
 Earnings per share = Trailing twelve months (TTM) net profit / Total shares
 Price-earnings ratio = Last price / Earnings per share
 Book value of a share = Equity / Total shares
 Market to book ratio = Last price / Book value of a share
 Market capitalization = Last price * Total shares
 *<http://www.nasdaqbaltic.com/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

EUR thousand	31.12.2023	31.12.2022	31.12.2021
Cash and cash equivalents	7	2	57
Receivables and prepayments (Note 2)	534	559	902
Inventories (Note 3)	728	1,672	390
Total current assets	1,269	2,233	1,349
Investment property (Note 4)	2,269	1,859	1,152
Financial assets at fair value through profit or loss (Note 7)	491	644	644
Property, plant, equipment and right-of-use assets (Note 5)	4,475	4,670	4,915
Intangible assets (Note 6)	1	2	3
Total non-current assets	7,236	7,175	6,714
TOTAL ASSETS	8,505	9,408	8,063



Borrowings (Notes 8)	756	290	146
Payables and prepayments (Notes 9)	756	1,014	829
Short-term provisions (Note 10)	21	18	19
Total current liabilities	1,533	1,322	994
Long-term borrowings (Notes 8)	2,459	2,875	3,074
Long-term provisions (Note 10)	111	127	145
Total non-current liabilities	2,570	3,002	3,219
Total liabilities	4,103	4,324	4,213
Share capital (at nominal value) (Note 11)	450	450	450
Statutory reserve capital	45	45	0
Retained earnings (loss)	3,907	4,589	3,400
Total equity	4,402	5,084	3,850
TOTAL LIABILITIES AND EQUITY	8,505	9,408	8,063

*The notes to the financial statements presented on pages 15 to 26 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR thousand	Q4 2023	Q4 2022	12M 2023	12M 2022
Revenue (Note 13)	1,312	2,031	7,704	11,074
Cost of goods sold (Note 14)	1,313	1,890	6,810	9,024
Gross profit	(1)	141	894	2,050



Distribution costs (Note 15)		137	193	673	1,112
Administrative expenses (Note 16)		141	109	514	424
Other operating income (Note 18)		404	697	404	730
Other operating expenses (Note 18)		3	0	427	9
Operating profit (loss)		122	536	(316)	1,235
Finance income (Note 19)		0	24	0	129
Finance costs (Note 19)		237	174	366	130
PROFIT (LOSS) BEFORE INCOME TAX		(115)	386	(682)	1,234
NET PROFIT (LOSS) FOR THE PERIOD		(115)	386	(682)	1,234
Basic earnings per share (Note 12)		(0.03)	0.09	(0.15)	0.27
Diluted earnings per share (Note 12)		(0.03)	0.09	(0.15)	0.27

*The notes to the financial statements presented on pages 15 to 26 are an integral part of these consolidated financial statements.

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