Company	Nordic Fibreboard AS
Type	Company Release
Category	Management interim statement or quaterly financial report
Disclosure time	10 May 2024 17:00:56 +0300

Attachments:
- Nordic Fibreboard AS Interim report 2024 Q1.pdf (http://oam.fi.ee/en/download?id=8471)
- Nordic Fibreboard AS Vahearuanne 1kv 2024.pdf (http://oam.fi.ee/en/download?id=8472)

Currency

Title Unaudited financial report of Nordic Fibreboard AS for the first quarter of 2024

Management report

Consolidated net sales for Q1 2024 were EUR 1.97 million, which was a 24% decrease compared to the same period last year (Q1 2023: EUR 2.60 million). The main business area is the production and wholesale of fibreboard, which recorded sales in Q1 2024 of EUR 1.95 million (Q1 2023: EUR 2.60 million). The remaining business area is real estate management of the property owned in Suur-Jõe street in Pärnu, who recorded sales of EUR 0.01 million in Q1 2024 (Q1 2023: also EUR 0.01 million).

The main reason for the decrease in sales revenue of fiberboard (comparing the Q1 2023 to the Q1 2024) was the termination of supplies to the major customer in Denmark (supplies ended in June 2023). By the end of the Q1 2024, new customers added have replaced 40% of the sales revenue generated by the major Danish customer in the Q1 2023. The company's primary focus remains on finding new customers, with the goal of expanding its customer portfolio and discovering new business directions.

The consolidated EBITDA of Nordic Fibreboard AS for Q1 2024 was positive EUR 53 thousand (Q1 2024: negative EUR 94 thousand). EBITDA margin was positive 3% in Q1 2024 (Q1 2023: negative 4%). The Group's gross margin increased from 11% for Q1 2023 to 19% in Q1 2023, the main reason for the increase in the gross margin was the decrease in the prices of the company's input costs.

The consolidated operating loss of Nordic Fibreboard AS for Q1 2024 was EUR 75 thousand, (Q1 2023: operating profit EUR 623 thousand, which includes the one-time extraordinary loss from the resale of electricity).

Group`s consolidated net loss therefore for Q1 2024 was EUR 73 thousand (Q1 2023: loss EUR 597 thousand). The net loss for the Q1 2024 included the profit from the revaluation of the shares of Trigon Property Development AS (TPD) owned by Nordic Fibreboard Ltd in the amount of EUR 56 thousand (Q1 2023, the profit from the revaluation of the TPD shares was EUR 74 thousand).

DIVISIONAL REVIEW

Revenue by business segments

EUR thousand	Q1 2024	Q1 2023
Fibreboards production and sales	1,949	2,585
Real Estate Management	12	12
TOTAL	1,961	2,597

Profit by business segments

EUR thousand	Q1 2024	Q1 2023
EBITDA by business units:		
Fibreboards production and sales	62	(76)
Real Estate Management	(11)	(13)
Group transactions	2	(5)
TOTAL EBITDA	53	(94)
Depreciation	(128)	(123)
Extraordinary other operating expense	0	(403)*
TOTAL OPERATING PROFIT/ LOSS	(75)	(623)
Net financial costs	2	26
NET PROFIT/ LOSS	(73)	(597)

* consists of the one-time loss received from the resale of electricity to the electricity company.

NORDIC FIBREBOARD LTD: Fibreboard productions and sales

Fibreboard sales for Q1 2024 were EUR 1.95 million (Q1 2023: EUR 2.59 thousand). The main reason for the decrease in sales revenue in the Q1 2024, compared to the Q1 2023, was the termination of deliveries to a major customer in Denmark in the month of June 2023. In Q1 2023, sales to Denmark customer accounted for 32% of total sales. Sales to Estonia decreased by 22% in the Q1 2024 compared to the same period last year, and sales to Latvia decreased by 18%, while sales to other European Union countries increased by 107% and sales to African clients began to recover.

The consolidated EBITDA of Nordic Fibreboard Ltd OÜ for Q1 2024 was positive EUR 62 thousand (Q1 2023: negative EUR 76 thousand). The increase in EBITDA was due to a decrease in input costs, which in turn proportionally reduced the cost of production.

FIBREBOARD SALES BY GEOGRAPHICAL SEGMENTS

EUR thousand	Q1 2024	Q1 2023
European Union	1,692	2,455
Africa	167	53
Asia	61	31
Middle East	15	0
Other	14	46
TOTAL	1,949	2,585

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 Q1 2024, (Q1 2023: also EUR 12 thousand).

The real estate management EBITDA for Q1 2024 were negative EUR 11 thousand (Q1 2023: negative EUR 13 thousand).

OUTLOOK

NORDIC FIBREBOARD LTD

The construction materials market and industrial sector continue to face challenges and general forecasts for the year 2024 do not show a rapid recovery of the market. Although there are some signs of recovery in the market, volume growth remains modest.

Nordic Fibreboard AS is developing a business development strategy aimed at expanding the company's value proposition not only in the construction market but also through strategic activities to gain market share in new business directions in the long term.

The company is mapping out the needs for both team and other supporting resource development to support the implementation of its long-term business development strategy and achieve set goals, which include increasing production volumes and continuously developing the company's value proposition.

The company continues to actively invest in product development to ensure its sustainability and growth in the market. Several important product development projects are in progress or planned, which would expand the product range and increase the application areas of our products, thereby allowing for the expansion of the customer portfolio.

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 residential property.

FINANCIAL HIGHLIGHTS

EUR thousand

Income statement	Q1 2024	Q1 2023
Revenue	1,961	2,597
EBITDA	53	(94)
EBITDA margin	3%	(4%)
Operating profit	(75)	(623)
Operating margin	(4%)	(24%)
Net profit	(73)	(597)
Net margin	(4%)	(23%)

Statement of financial position	31.03.2024	31.03.2023
Total assets	9,090	9,368

Return on assets	(1%)	(6%)
Equity	4,329	4,487
Return on equity	(2%)	(13%)
Debt-to-total assets ratio	52%	52%

Share	31.03.2024	31.03.2023
Last Price (EUR)*	0.79	1.52
Earnings per share (EUR)	(0.04)	0.11
Price-earnings ratio	(22.57)	14.05
Book value of a share (EUR)	0.96	1.00
Market to book ratio	0.82	1.52
Market capitalization (EUR thousand)	3,554	6,816
Number of shares (piece)	4,499,061	4,499,061

Consolidated statement of financial positions

EUR thousand	31.03.2024	31.12.2023	31.03.2023	31.12.2022
Cash and cash equivalents	6	7	47	2
Receivables and prepayments (Note 2)	1,082	534	1,272	559
Inventories (Note 3)	749	728	842	1,672
Total current assets	1,837	1,269	2,161	2,233
Investment property (Note 4)	2,269	2,269	1,859	1,859
Financial assets at fair value through profit or loss (Note 7)	547	491	718	644
Property, plant and equipment (Note 5)	4,436	4,475	4,628	4,670

Intangible assets (Note 6)	1	1	2	2
Total non-current assets	7,253	7,236	7,207	7,175
TOTAL ASSETS	9,090	8,505	9,368	9,408
Borrowings (Note 8)	654	556	477	290
Payables and prepayments (Note 9)	1,322	756	1,617	1,014
Short-term provisions (Note 10)	15	21	13	18
Total current liabilities	1,991	1,333	2,107	1,322
Long-term borrowings (Note 8)	2,659	2,659	2,647	2,875
Long-term provisions (Note 10)	111	111	127	127
Total non-current liabilities	2,770	2,770	2,774	3,002
Total liabilities	4,761	4,103	4,881	4,324
Share capital (at nominal value) (Note 11)	450	450	450	450
Statutory reserve capital	45	45	45	45
Retained earnings (loss)	3,834	3,907	3,992	4,590
Total equity	4,329	4,402	4,487	5,084
TOTAL LIABILITIES AND EQUITY	9,090	8,505	9,368	9,408

Consolidated statement of profit or loss and other comprehensive income

EUR thousand	Q1 2024	Q1 2023
Revenue (Note 13)	1,961	2,597

Cost of goods sold (Note 14)	1,713	2,435
Gross profit	248	162
Distribution costs (Note 15)	226	233
Administrative expenses (Note 16)	97	139
Other operating income (Note 18)	0	0
Other operating expenses (Note 18)	0	413
Operating profit (loss)	(75)	(623)
Finance income (Note 19)	56	74
Finance costs (Note 19)	54	48
PROFIT (LOSS) BEFORE INCOME TAX	(73)	(597)
NET PROFIT (LOSS) FOR THE PERIOD	(73)	(597)
Basic earnings per share (Note 12)	(0.02)	(0.13)
Diluted earnings per share (Note 12)	(0.02)	(0.13)

Consolidated statement of cash flows

EUR thousand	Q1 2024	Q1 2023
Cash flows from operating activities		
Operating profit (loss)	(75)	(623)
Adjustments:		
Depreciation charge (Notes 5; 6)	128	122
Change in trade and other receivables (Note 2)	(548)	(713)
Change in inventories (Note 3)	(21)	830

Change in trade and other payables (Note 9)	566	603
Change in provisions (Note 10)	(5)	(5)
Cash generated from operations	45	214
Interest payments (Note 19)	(51)	(47)
Net other financial income and expense	(3)	(1)
Net cash generated from operating activities	(9)	166
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 5; 6)	(90)	(80)
Net cash used in investing activities	(90)	(80)
Cash flows from financing activities		
Repayment of loans received (Note 8)	(52)	(254)
Loans received from related parties (Note 8)	0	200
Change in overdraft (Note 8)	155	25
Repayment of principal element of lease liability (Note 8)	(5)	(12)
Net cash (used in)/from financing activities	98	(41)
NET CHANGE IN CASH	(1)	45
OPENING BALANCE OF CASH	7	2
CLOSING BALANCE OF CASH	6	47

Enel Äkke
Member of Management Board
+372 55525550

group@nordicfibreboard.com