

**Interim report for
the second quarter and 6 months of 2021
(unaudited)**



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Brief description

AS Trigon Property Development is a real estate development company.

AS Trigon Property Development currently owns one real estate development project involving a 16.3-hectare area in the City of Pärnu, Estonia. Commercial real estate is planned to be developed on this area.

The Company is listed on the Tallinn Stock Exchange. On November 6, 2012, the Listing and Surveillance Committee of NASDAQ OMX Tallinn decided to delist AS Trigon Property Development shares from the Main List starting from November 21, 2012, and to admit the shares simultaneously to trading in the Secondary List.

As at 30.06.2021 OÜ Pärnu Holdings owns 40.02% of the shares of Trigon Property Development AS directly and 17.88% through Nordic Fibreboard AS. The biggest shareholders of OÜ Pärnu Holdings are OÜ Stetind (46.99%) and Joakim Johan Helenius (46.44%) by the time of compiling these financial statements.

Business name:	AS Trigon Property Development
Address:	Pärnu mnt 18 Tallinn 10141
Commercial Registry no.:	10106774
Beginning of financial year:	1.1.2021
End of financial year:	31.12.2021
Beginning of interim period:	1.1.2021
End of interim period:	30.06.2021
Auditor:	PricewaterhouseCoopers AS
Phone:	+372 6679 200
Fax:	+372 6679 201
E-mail:	info@trigonproperty.com
Internet homepage:	www.trigonproperty.com

Management report

Overview of business areas

The main business activity of Trigon Property Development AS is real estate development. As at 30.06.2021, AS Trigon Property Development owned one development project with an area of 16.3 hectares in the City of Pärnu, Estonia. An industrial and logistics park is planned to be developed on this area. The Company's objective is to find companies willing to bring their business activities (industry, logistics) to the development project area of AS Trigon Property Development in Pärnu, which would add value to the land plots owned by the Company. The realisation of the value of the land is planned through the selling of land plots or through the development of real estate with the intention of creating a rental income-generating project.

In the second quarter of 2020 a 0.7-hectare property at the price of 78 000 (including VAT) euros was sold.

In the first quarter of 2021 a 3.43-hectare property at the price of 824 040 (VAT not included) euros was sold.

In the second quarter of 2021 a 0.89-hectare property at the price of 205 000 (VAT not included) euros was sold.

In 2016, a new detailed planning was made for the property, under which the proportion of business property with respect to all the land has increased compared to the previous planning. New established detailed planning has also increased the flexibility regarding the partial selling of the property as compared to the previous detailed planning since the plots are smaller and there is flexibility to change the size of the plots as required.

Management

The law, the articles of association, decisions and goals stated by the shareholders and the Supervisory Board are followed in the managing the company. According to the Commercial Code, a resolution on the amendment of the articles of association shall be adopted, if at least two-thirds of the votes represented at the general meeting are in favour of the amendment.

Financial ratios

Statement of financial position	6 M 2021	6 M 2020
Total assets	2,652,286	2,133,350
Return on assets	4.56%	-0.50%
Equity	2,612,330	2,132,892
Return on equity	4.63%	-0.50%
Debt ratio	1.51%	0.02%
Net profit/ loss for the period	120,976	-10,569
Share (30.06)	6 M 2021	6 M 2020
Closing price of the share	1.160	0.515
Earnings per share	0.02689	-0.00235
Price-to-earnings (PE) ratio	43.14	-219.23
Book value of the share	0.58	0.47
Price-to-book ratio	2.00	1.09
Market capitalisation	5,218,911	2,317,016

Return on assets = net profit / total assets

Return on equity = net profit/ equity

Debt ratio = liabilities / total assets

Earnings per share = net profit/ number of shares

Price-to-earnings (PE) ratio = closing price of the share / earnings per share

Book value of the share = equity / number of shares

Price-to-book ratio = closing price of the share / book value of the share

Market capitalisation = closing price of the share * number of shares

Share

Since 5 June 1997, the shares of Trigon Property Development AS have been listed on the Tallinn Stock Exchange. Trigon Property Development AS has issued 4,499,061 registered shares, each with the book value of 0.511 euros. The shares are freely transferable, no statutory restrictions apply. There are no restrictions on transfer of securities to the company as provided by contracts between the company and its shareholders.

The share, with a price of 0.56 at the end of 2020, closed at 1.16 euros at the end of June 2021. In the first 6 months of 2021, a total of 129,162 shares were traded and the total sales amounted to 110,729 euros.

Share price and trading statistics on the Tallinn Stock Exchange from 01.01.2021 to 30.06.2021:



The distribution of share capital by the number of shares acquired as at 30.06.2021

	Number of shareholders	% of shareholders	Number of shares	% of share capital
1-99	262	48.70%	5,594	0.12%
100-999	164	30.48%	48,749	1.08%
1 000-9 999	83	15.43%	216,998	4.82%
10 000-99 999	22	4.09%	575,980	12.80%
100 000-999 999	6	1.12%	1,851,304	41.15%
1 000 000-9 999 999	1	0.19%	1,800,436	40.02%
TOTAL	538	100%	4,499,061	100%

List of shareholders with over 1% holdings as at 30.06.2021.

Shareholder	Number of shares	Ownership %
Pärnu Holdings OÜ	1,800,436	40.02
Nordic Fibreboard LTD OÜ	804,552	17.88
Madis Talgre	309,000	6.87
Harju KEK AS	224,000	4.98
Kirschmann OÜ	213,752	4.75
M.C.E.Fidarsi OÜ	185,000	4.11
Avraal AS	115,000	2.56
James Kelly	97,994	2.18
Invenio OÜ	77,204	1.72
Suur Samm OÜ	64,692	1.44
Toivo Kuldmäe	49,231	1.09

Personal

AS Trigon Property Development had no employees as at 30 June 2021 and 30 June 2020. There were no labour costs in first 6 months of 2021 and 2020.

Description of main risks

Cash flow and fair value interest rate risk

As the Company has no significant interest-bearing assets and liabilities, its income and operating cash flows are substantially independent of changes in market interest rates. The change in market interest rates has indirect influence to the change of fair value of investment property, but the influence to the change of fair value of investment property is difficult to quantitatively evaluate.

Management and Supervisory Boards and auditor

Management board of AS Trigon Property Development has one member - Rando Tomingas.

Supervisory Board of AS Trigon Property Development has three members: Joakim Helenius, Torfinn Losvik and Alo Lepp.

Audits are carried out by PricewaterhouseCoopers AS.

Condensed interim report

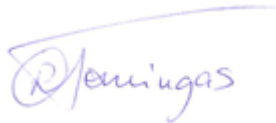
Management Board's declaration

The Management Board confirms the correctness and completeness of the unaudited interim report of AS Trigon Property Development for the second quarter and 6 months of 2021 as set out on pages 4-16.

The Management Board confirms that to the best of their knowledge:

1. the accounting policies and presentation of information applied in the preparation of the condensed interim report are in compliance with International Financial Reporting Standards (IFRS) as adopted in the European Union.
2. the interim report presents a true and fair view of the financial position, the results of operations and cash flows of the Company;
3. the management report presents true and fair view of significant events that took place during the accounting period and their impact to financial statements and includes the description of major risks and doubts;
4. company is going concern.

Member of the Management Board



Rando Tomingas

31.08.2021

Condensed statement of financial position

<i>EUR</i>	30.06.2021	31.12.2020	30.06.2020
Cash	1,163,792	146,890	155,438
Receivables and prepayments (note 2)	4,847	789	2 506
Total current assets	1,168,639	147,679	157,944
Investment property (note 3)	1,483,647	2,350,000	1,975,406
Total non-current assets	1,483,647	2,350,000	1,975,406
TOTAL ASSETS	2,652,286	2,497,679	2,133,350
Payables and prepayments (note 4)	39,956	6,325	458
Total current liabilities	39,956	6,325	458
Total liabilities	39,956	6,325	458
Share capital at book value (note 5)	2,299,020	2,299,020	2,299,020
Share premium	226,056	226,056	226,056
Statutory reserve capital	287,542	287,542	287,542
Accumulated loss	-200,288	-321,264	-679,726
Total equity	2,612,330	2,491,354	2,132,892
TOTAL LIABILITIES AND EQUITY	2,652,286	2,497,679	2,133,350

The notes to the condensed interim report presented on pages 12-16 are an integral part of this report.

Condensed statement of comprehensive income

<i>EUR</i>	II Q 2021	II Q 2020	6 M 2021	6 M 2020
Gain on sales of investment property (note 3)	72,500	4,405	160,540	4,405
Expenses related to investment property (note 6)	-2,018	-2,075	-4,001	-6,335
Gross profit /loss	70,482	2,330	156,539	-1,930
Administrative and general expenses (note 7)	-14,298	-5,426	-35,707	-8,646
Other operating income	100	0	100	0
Operating profit /loss	56,284	-3,096	120,932	-10,576
Net financial income (-expense)	25	3	44	7
NET PROFIT /LOSS FOR THE PERIOD	56,309	-3,093	120,976	-10,569
TOTAL COMPREHENSIVE PROFIT /LOSS	56,309	-3,093	120,976	-10,569
Basic earnings per share	0.01252	-0.00069	0.02689	-0.00235
Diluted earnings per share	0.01252	-0.00069	0.02689	-0.00235

The notes to the condensed interim report presented on pages 12-16 are an integral part of this report.

Condensed cash flow statement

<i>EUR</i>	6 M 2021	6 M 2020
Cash flows from operating activities		
<i>Operating loss for the period</i>	120,932	-10,576
<i>Adjustments:</i>		
Profit from sale of investment property	-160,540	-4,406
<i>Operating loss before changes in working capital:</i>	-39,608	-14,982
Change in receivables and prepayments related to operating activities (note 2)	-4,058	4,875
Change in liabilities and prepayments related to operating activities (note 4)	33,631	-49,469
Interests received	44	7
Total cash flows used in operating activities	-9,991	-59,569
Cash flows from investing activities		
Capital expenditure on investment property (note 3)	-2,147	0
Disposal of investment property (note 6)	1,029,040	65,000
Total cash flows from investing activities	1,026,893	65,000
CHANGE IN CASH BALANCE	1,016,902	5,431
OPENING BALANCE OF CASH	146,890	150,007
CLOSING BALANCE OF CASH	1,163,792	155,438

The notes to the condensed interim report presented on pages 12-16 are an integral part of this report.

Condensed statement of changes in equity

<i>EUR</i>	Share capital	Share premium	Statutory reserve capital	Accumulated loss	Total
Balance 31.12.2019	2,299,020	226,056	287,542	-669,157	2,143,461
Total comprehensive loss for the period	0	0	0	-10,569	-10,569
Balance 30.06.2020	2,299,020	226,056	287,542	-679,726	2,132,892
Total comprehensive profit for the period	0	0	0	358,462	358,462
Balance 31.12.2020	2,299,020	226,056	287,542	-321,264	2,491,354
Total comprehensive profit for the period	0	0	0	120,976	120,976
Balance 30.06.2021	2,299,020	226,056	287,542	-200,288	2,612,330

Additional information regarding the owners' equity is provided in note 5.

The notes to the condensed interim financial statements presented on pages 12-16 are an integral part of these financial statements.

Notes to condensed interim report

Note 1 Accounting Principles Followed upon Preparation of the Interim Accounts

General Information

The Company's main area of operations is real estate development.

Bases for Preparation

The accounting policies used for preparing the interim report of AS Trigon Property Development for the second quarter of 2021 are in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The presentation of the financial statements complies with the requirements of IAS 34 "Interim Financial Reporting". Interim financial statements should be read together with the annual report of last year. The accounting policies that have been used in the preparation of the condensed interim report are the same as those used in the annual report for the year ended 31 December 2020.

The financial statements have been prepared in euros (EUR).

Management estimates that AS Trigon Property Development is a going concern and the Company's interim report for the second quarter and 6 months of 2021 presents a true and fair view of the financial position, the results of operations and the cash flows of AS Trigon Property Development. This interim report has not been audited.

Note 2 Receivables and prepayments

<i>EUR</i>	30.06.2021	31.12.2020	30.06.2020
Receivables	1,100	0	0
Tax prepayments	3,747	789	2,506
TOTAL	4,847	789	2,506

Note 3 Investment property

	<i>EUR</i>
Balance as of 31.12.2019	2,036,000
Sales of investment property	-60,594
Balance as at 30.06.2020	1,975,406
Profit from change in fair value	374,594
Balance as at 31.12.2020	2,350,000
Sales of investment property	-868,500
Capital expenditure on investment property	2,147
Balance as at 30.06.2021	1,483,647

As at 30 June 2021, the Company owns one real estate development project involving a 16.3-hectare (31 December 2020: 21-hectare) area in the City of Pärnu, Estonia.

In June 2020 a 0.7-hectare property at the book value 60 thousand euros was sold which gain on sales of investment property was 5 thousand euros.

In January 2021 a 3.43-hectare property at the book value 736 thousand euros was sold which gain on sales of investment property was 88 thousand euros.

In June 2021 a 0.89-hectare property at the book value 133 thousand euros was sold which gain on sales of investment property was 73 thousand euros.

The expenses related to the management of investment property totalled 4,001 euros in the first 6 months of 2021 and 6,335 euros in the first 6 months of 2020 (note 6).

In 2016, a new detailed planning has been established for the property under which the proportion of business property in respect of all the land has increased compared to the previous planning. New established detailed planning has increased the flexibility for the partial selling of the property as compared to the previous detailed planning, the plots are smaller and there is the flexibility of changing the size of the plots, as required.

In 2020 the investment property was valued by the Management of the Company using the Discounted cash flow model Approach. Based on Discounted cash flow model Approach as of 31.12.2020 the Management of the Company evaluates of investment property in a fair value of 2,350,000 euros. In applying Discounted cash flow model Approach, the company has based on the best use of the investment property and inputs from market conditions (the discount rate, sales period). In consideration the known comparable transactions in Pärnu city and experience and cognition of the management, the possible average sales price is 19.11 EUR/m². To evaluate the present value of the area as at 31.12.2020, the Management has estimated the sales period to be 4 years.

As at 31 December 2020, the evaluation resulted in a fair value of 2,350,000 euros.

According to IFRS 13, the valuation of fair value of real estate is considered level 3 investment. The main inputs are the sales price, the discount rate and the sales period in the discounted cash flow. Sensitivity of the main inputs to investment property fair value as of 31.12.2020:

Discount rate	Sales price, EUR / m ²						
	18.36	18.61	18.86	19.11	19.36	19.61	19.86
9.60%	2,390,000	2,430,000	2,460,000	2,490,000	2,520,000	2,560,000	2,590,000
10.40%	2,350,000	2,380,000	2,410,000	2,440,000	2,480,000	2,510,000	2,540,000
11.20%	2,300,000	2,330,000	2,370,000	2,400,000	2,430,000	2,460,000	2,490,000
12.00%	2,260,000	2,290,000	2,320,000	2,350,000	2,380,000	2,410,000	2,440,000
12.80%	2,220,000	2,250,000	2,280,000	2,310,000	2,340,000	2,370,000	2,400,000
13.60%	2,180,000	2,210,000	2,240,000	2,270,000	2,300,000	2,330,000	2,350,000
14.40%	2,140,000	2,170,000	2,200,000	2,220,000	2,250,000	2,280,000	2,310,000

Sales period	EUR
+ 1 year	2,250,000
- 1 year	2,450,000

The property valuation is based on estimates, assumptions and historical experience adjusted with prevailing market conditions and other factors which management assesses to the best of its ability on an on-going basis. Therefore, based on the definition and taking into account that evaluation is based on a number of presumptions, which may not realize in assessed way, the valuation can be subject to significant adverse effects. This could lead to a significant change in the carrying amount of investment property in future periods. The fair value of the investment property, which is assessed using the described model is essentially dependent on whether this project could be accomplished and appropriate financing found in compliance with the presumptions made and schedule used in evaluation model.

Note 4 Payables and prepayments

<i>EUR</i>	30.06.2021	31.12.2020	30.06.2020
Payables	540	407	240
Taxes payable	39,198	0	0
Other payables	218	5,918	218
TOTAL	39,956	6,325	458

Note 5 Equity

	Number of shares (pcs)	Share capital (EUR)
Balance 30.06.2020	4 499 061	2 299 020
Balance 31.12.2020	4 499 061	2 299 020
Balance 30.06.2021	4 499 061	2 299 020

The share capital of AS Trigon Property Development amounts to 2,299,020 euros as at 30 June 2021 and 31 December 2020, which is divided into 4,499,061 ordinary shares with the book value of 0.511 euros. The minimum share capital stipulated in the articles of association is 675,000 euros and the maximum share capital is 2,700,000 euros. Each ordinary share grants one vote to its owner at the General Meeting of Shareholders and the right to receive dividends.

As at 30 June 2021 the accumulated losses amounted to -200,288 euros. As at 31 December 2020 the accumulated losses amounted to -321,264 euros.

As at 30 June 2021, the Company had 538 shareholders (31 December 2020: 363 shareholders) of which the entities with more than a 5% holdings were:

- Pärnu Holding OÜ with 1,800,436 (31.12.2020: 1,877,640) shares or 40.02% (31.12.2020: 41.73%)
- Nordic Fibreboard LTD OÜ with 804,552 (31.12.2020: 804,552) shares or 17.88% (31.12.2020: 17.88%)
- Madis Talgre with 309,000 (31.12.2020: 289,000) shares or 6.87% (31.12.2020: 6.42%).

Members of the Management Board and Supervisory Board did not own directly any shares of Trigon Property Development AS as at 30 June 2021 and 31 December 2020. Supervisory Board members Joakim Johan Helenius and Torfinn Losvik have indirect ownership through parent company OÜ Pärnu Holdings.

Note 6 Expenses related to investment property

<i>EUR</i>	II Q 2021	II Q 2020	6 M 2021	6 M 2020
Land tax	1,983	2,060	3,966	4,120
Evaluation	0	0	0	2,200
Other expenses	35	15	35	15
TOTAL (Note 3)	2,018	2,075	4,001	6,335

Note 7 Administrative and general expenses

<i>EUR</i>	II Q 2021	II Q 2020	6 M 2021	6 M 2020
Security transactions and stock exchange fees	1,944	2,030	3,627	3,777
Advertising	696	384	696	384
Accounting service	810	810	1,620	1,620
Consulting	10,260	2,085	27,340	2,685
Legal expenses	566	95	2,360	95
Other	22	22	64	85
TOTAL	14,298	5,426	35,707	8,646

Note 8 Earnings per share

<i>EUR</i>	6 M 2021	6 M 2020
Basic earnings per share (basic EPS)	0.02689	-0.00235
Diluted earnings per share	0.02689	-0.00235
Book value of the share	0.58	0.47
Price to earnings ratio (P/E)	43.14	-219.23
Closing price of the share of AS Trigon Property Development on Tallinn Stock Exchange	1.160	0.515

Basic earnings per share have been calculated on the basis of the net loss for the interim period and the number of shares.

Diluted earnings per share equal the basic earnings per share because the Company does not have any potential ordinary shares with the dilutive effect on the earnings per share.

Note 9 Segment

The Company operates in one business segment - property investments. Property investment division develops property in Estonia. The Company had no revenue in the first 6 months of 2021 and 2020.

Note 10 Related party transactions

The following parties are considered to be related parties:

- Parent company Pärnu Holdings OÜ and owners of the parent company with significant influence;
- Members of the Management board, the Management Board and the Supervisory Board of AS Trigon Property Development and their close relatives;
- Entities under the control of the members of the Management Board and Supervisory Board.

The Company is listed in the secondary list of Nasdaq OMX Tallinn Stock Exchange. As at 30.06.2021 OÜ Pärnu Holdings owns 40.02 % of the shares of Trigon Property Development AS directly and 17.88% through Nordic Fibreboard AS. The biggest shareholders of OÜ Pärnu Holdings are OÜ Stetind (46.99%) and Joakim Johan Helenius (46.44%) by the time of compiling these financial statements.

In the first 6 months of 2021 and 2020 no remuneration has been paid to the Management or Supervisory board. There are no potential liabilities to members of the Management Board or Supervisory Board.

In the first 6 months of 2021 the Company bought services from the companies under the control of the Members of the Supervisory Board in the amount of 1,200 euros (2020 6 M: 1,200 euros). In the first 6 months of 2021 Company bought services from the owners of the parent company in the amount of 1,620 euros (2020 6 M: 1,620 euros). As at 30 June 2021 the amount of 240 euros was unpaid to the related parties (30.06.2020: 240 euros).