

**Interim report for
the third quarter and 9 months of 2023
(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 12.8-hectare area in the City of Pärnu, Estonia.

The Company is listed on the Tallinn Stock Exchange. On November 6, 2012, the Listing and Surveillance Committee of NASDAQ 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 30.09.2023 OÜ Pärnu Holdings owns 39.22% of the shares of Trigon Property Development AS directly and 17.88% through Nordic Fibreboard LTD OÜ. The shareholders of OÜ Pärnu Holdings are OÜ Stetind (50%) and Joakim Johan Helenius (50%) 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:	1.1.2023
End of financial year:	31.12.2023
Beginning of interim period:	1.1.2023
End of interim period:	30.09.2023
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 30.09.2023, AS Trigon Property Development owned one development project with an area of 12.8 hectares in the City of Pärnu, Estonia. A commercial, industrial and logistics park is planned 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. As the main purpose of the company is to sell existing land plots, investment property was recognized as inventories. As of 31 January 2021, the investment property was reclassified to inventories in connection with commencement of development work consisting of road and communal infrastructure construction on the properties and the implementation of a specific sales strategy to sell the land plots to end-users. However, the company does not preclude the possibility of developing existing land into rental property if the opportunity arises. The Company does not have any plan to change or start a new business activity next year and will continue to sell of land plots the Company owns. In the first half of 2022, Kibuvitsa street has been completed, connecting Niidu and Kase streets that surround the company's land plots.

In the first quarter of 2022, a 0.53-hectare property was sold for 213,200 euros (excluding VAT).

In the second quarter of 2022, a 1.0-hectare property was sold for 401,280 euros (excluding VAT).

In the third quarter of 2023, a 0.53-hectare transportation purpose land was sold for 26,580 euros (excluding VAT).

In 2016, a new detailed planning was made for the property, under which the proportion of commercial land in the entire property increased compared to the previous planning. The new established detailed planning increased the flexibility for partial sale of land plots, as compared to the previous detailed planning the plots were made smaller and the flexibility to change the size of the plots as needed was added.

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	9 M 2023	9 M 2022
Total assets	1,723,457	1,957,912
Return on assets	0.02%	6.54%
Equity	1,720,072	1,773,623
Return on equity	0.02%	7.22%
Debt ratio	0.20%	9.41%
Net profit for the period	294	128,097
Share (30.09)	9 M 2023	9 M 2022
Number of shares at period-end	4,499,061	4,499,061
Closing price of the share	0.838	0.978
Earnings per share	0.00007	0.02847
Book value of the share	0.38	0.39
Price-to-book ratio	2.19	2.48
Market capitalisation	3,770,213	4,400,082

Return on assets = net profit / total assets

Return on equity = net profit/ equity

Debt ratio = liabilities / total assets

Earnings per share = net profit for the period/ number of shares

Book value of the share = equity / number of shares

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

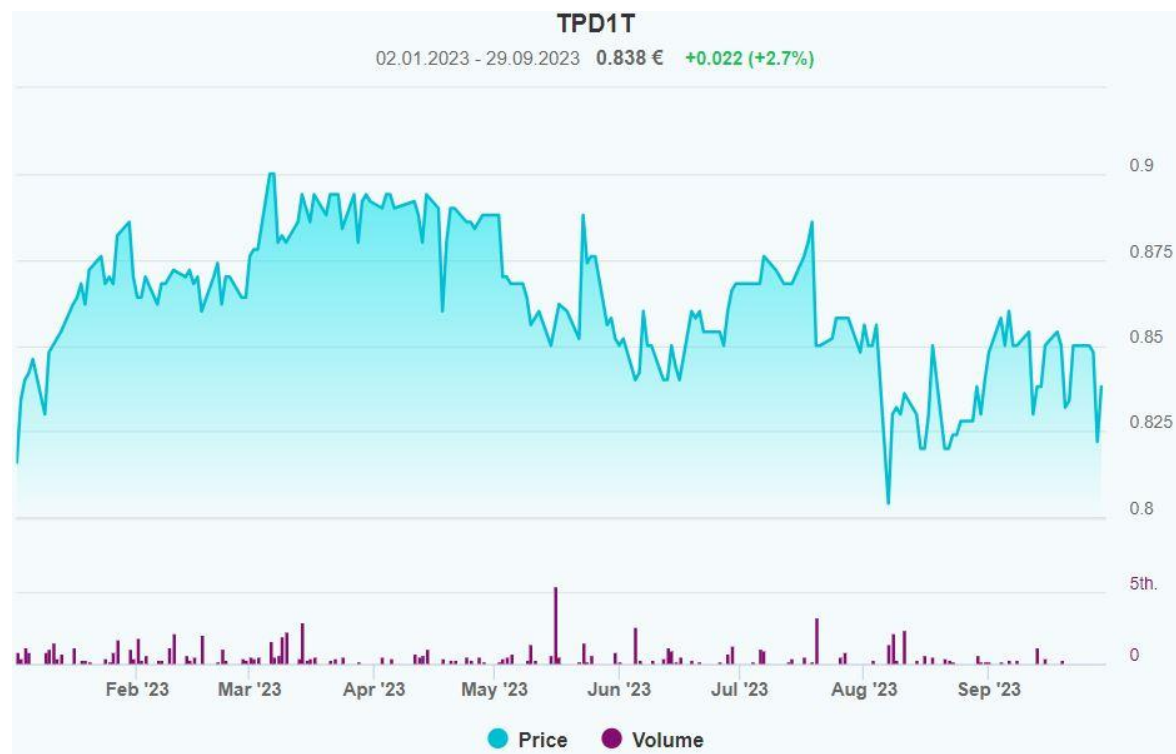
Market capitalisation = closing price of the share * number of shares

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 0.1 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 0.80 at the end of 2022, closed at 0.838 euros at the end of September 2023. In the first 9 months of 2023, a total of 100,118 shares were traded and the total sales amounted to 86,038 euros.

Share price and trading statistics on the Tallinn Stock Exchange from 01.01.2023 to 30.09.2023:



The distribution of share capital by the number of shares acquired as at 30.09.2023

	Number of shareholders	% of shareholders	Number of shares	% of share capital
1-99	624	55.17%	15,174	0.34%
100-999	364	32.18%	104,614	2.33%
1 000-9 999	116	10.26%	301,510	6.70%
10 000-99 999	20	1.77%	493,066	10.96%
100 000-999 999	6	0.53%	1,820,097	40.46%
1 000 000-9 999 999	1	0.09%	1,764,600	39.22%
TOTAL	1 131	100%	4,499,061	100%

List of shareholders with over 1% holdings as at 30.09.2023.

Shareholder	Number of shares	Ownership %
Pärnu Holdings OÜ	1,764,600	39.22
Nordic Fibreboard LTD OÜ	804,552	17.88
Madis Talgre	339,400	7.54
Harju KEK AS	224,000	4.98
Kirschmann OÜ	199,445	4.43
M.C.E.Fidarsi OÜ	140,700	3.13
Avraal AS	112,000	2.49
James Kelly	87,298	1.94
Suur Samm OÜ	64,692	1.44
Toivo Kuldmäe	49,231	1.09

Personal

AS Trigon Property Development had no employees as at 30 September 2023 and 30 September 2022. There were no labour costs in the first 9 months of 2023 and 2022.

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 Aivar Kempfi.

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 third quarter and 9 months of 2023 as set out on pages 4-15.

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

29.11.2023

Condensed statement of financial position

<i>EUR</i>	30.09.2023	31.12.2022	30.09.2022
Cash	168,173	199,196	456,095
Trade and other receivables (note 2)	22,012	19,844	19,083
Inventories (note 3)	1,533,273	1,519,536	1,482,734
Total current assets	1,723,457	1,738,576	1,957,912
TOTAL ASSETS	1,723,457	1,738,576	1,957,912
Trade and other payables (note 4)	3,386	18,798	184,288
Total current liabilities	3,386	18,798	184,288
Total liabilities	3,386	18,798	184,288
Share capital at book value (note 5)	449,906	449,906	449,906
Share premium	226,056	226,056	226,056
Statutory reserve capital	287,542	287,542	287,542
Accumulated profit	756,568	756,274	810,119
Total equity	1,720,072	1,719,778	1,773,623
TOTAL LIABILITIES AND EQUITY	1,723,457	1,738,576	1,957,912

The notes to the condensed interim report presented on pages 12-15 are an integral part of this report.

Condensed statement of comprehensive income

<i>EUR</i>	III Q 2023	III Q 2022	9 M 2023	9 M 2022
Gain on sales (note 6)	26,580	0	26,580	614,480
Costs of goods sold (note 7)	0	0	0	-259,267
Gross profit	26,580	0	26,580	355,213
Administrative and general expenses (note 8)	-9,070	-18,689	-27,271	-59,424
Operating profit/-loss	17,510	-18,689	-691	295,789
Financial income	591	12	985	57
PROFIT/-LOSS BEFORE INCOME TAX	18,101	-18,677	294	295,846
Income tax expense (note 5)	0	-33,169	0	-167,749
TOTAL COMPREHENSIVE PROFIT/LOSS	18,101	-51,846	294	128,097
Basic earnings per share (note 9)	0.00402	-0.01152	0.00007	0.02847
Diluted earnings per share (note 9)	0.00402	-0.01152	0.00007	0.02847

The notes to the condensed interim report presented on pages 12-15 are an integral part of this report.

Condensed cash flow statement

<i>EUR</i>	9 M 2023	9 M 2022
Cash flows from operating activities		
<i>Total comprehensive profit</i>	294	128,097
<u>Adjustments for:</u>		
Interest expense	-985	-45
<i>Operating profit/loss before changes in working capital:</i>	-691	128,052
Change in receivables and prepayments related to operating activities (note 2)	-2,168	147,742
Change in liabilities and prepayments related to operating activities (note 4)	-15,412	-143,980
Change in inventories (note 3)	-13,737	-29,745
Interests received	985	45
Total cash flows used in operating activities	-31,024	-102,114
Cash flows from financing activities		
Dividends paid (note 5)	0	-584,878
Total cash flows used in financing activities	0	-584,878
CHANGE IN CASH BALANCE	-31,024	-482,763
OPENING BALANCE OF CASH	199,196	938,858
CLOSING BALANCE OF CASH	168,173	456,095

The notes to the condensed interim report presented on pages 12-15 are an integral part of this report.

Condensed statement of changes in equity

<i>EUR</i>	Share capital	Share premium	Statutory reserve capital	Retained earnings /loss	Total
Balance 31.12.2021	449,906	226,056	287,542	1,399,575	2,363,079
Total comprehensive profit for the period	0	0	0	128,097	128,097
Dividends declared	0	0	0	-717,553	-717,553
Balance 30.09.2022	449,906	226,056	287,542	810,119	1,773,623
Total comprehensive loss for the period	0	0	0	-53,845	-53,845
Balance 31.12.2022	449,906	226,056	287,542	756,274	1,719,778
Total comprehensive profit for the period	0	0	0	294	294
Balance 30.09.2023	449,906	226,056	287,542	756,567	1,720,072

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

The notes to the condensed interim financial statements presented on pages 12-15 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

AS Trigon Property Development (The Company) is active in real estate development.

Bases for Preparation

The accounting policies used for preparing the interim report of AS Trigon Property Development for the third quarter of 2023 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 2022.

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 third quarter and 9 months of 2023 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 Trade and other receivables

<i>EUR</i>	30.09.2023	31.12.2022	30.09.2022
Trade receivables	2,218	2,080	0
Tax prepayments	19,794	17,764	19,083
TOTAL	22,012	19,844	19,083

Note 3 Inventories

	<i>EUR</i>
Balance as at 31.12.2021	1,452,989
Inventories	1,482,734
Balance as at 30.09.2022	1,482,734
Inventories	1,519,536
Balance as at 31.12.2022	1,519,536
Inventories	1,533,273
Balance as at 30.09.2023	1,533,273

As of 31 January 2021, the investment property was reclassified to inventories in connection with commencement of development work consisting of road and route construction on the properties and the implementation of a specific sales strategy to sell the land plots to end-users. The fair value of investment property as at 31.01.2021 became the acquisition cost of inventories.

Note 4 Trade and other payables

<i>EUR</i>	30.09.2023	31.12.2022	30.09.2022
Trade payables	2,146	3,570	754
Taxes payable	1,240	46	34,512
Other payables	0	15,182	149,022
TOTAL	3,386	18,798	184,288

Note 5 Equity

	Number of shares (pcs)	Share capital (EUR)
Balance 30.09.2022	4,499,061	449,906
Balance 31.12.2022	4,499,061	449,906
Balance 30.09.2023	4,499,061	449,906

The share capital of AS Trigon Property Development is 449,906 euros which is divided into 4,499,061 no par value shares with the book value of 0.1 euro. The minimum share capital stipulated in the articles of association is 400,000 euros and the maximum share capital is 1,600,000 euros. Each share grants one vote to its owner at the General Meeting of Shareholders and the right to receive dividends. All shares issued have been fully paid for.

In second quarter of 2022, dividends were paid to the shareholders in the amount of 584,878 euros, or 0.13 euros per share. Related income tax expense on dividends amounted to 134,580 euros.

In third quarter of 2022, dividends were paid to the shareholders in the amount of 134,972 euros, or 0.03 euros per share. Related income tax expense on dividends amounted to 33,169 euros.

As at 30 September 2023, the retained earnings amounted to 756,568 euros. As at 31 December 2022, the accumulated losses amounted to 756,274 euros. The maximum possible income tax liability which would arise if all of the unrestricted equity were distributed as dividends is 156,644 euros.

As at 30 September 2023, the Company had 1,131 shareholders (31 December 2022: 1,090 shareholders) of which the entities with more than a 5% holdings were:

- Pärnu Holding OÜ with 1,764,600 (31.12.2022: 1,764,600) shares or 39.22% (31.12.2022: 39.22%)
- Nordic Fibreboard LTD OÜ with 804,552 (31.12.2022: 804,552) shares or 17.88% (31.12.2022: 17.88%)
- Madis Talgre with 339,400 (31.12.2022: 350,400) shares or 7.54% (31.12.2022: 7.79%).

Members of the Management Board and Supervisory Board did not own directly any shares of Trigon Property Development AS as at 30 September 2023 and 31 December 2022. Supervisory Board members Joakim Johan Helenius and Torfinn Losvik have indirect ownership through parent company OÜ Pärnu Holdings.

Note 6 Sales revenue

<i>EUR</i>	III Q 2023	III Q 2022	9 M 2023	9 M 2022
Gain on sales by operating activities				
Sale of real estate	26,580	0	0	614,480
Total gain on sales	26,580	0	0	614,480

Note 7 Costs of goods sold

<i>EUR</i>	III Q 2023	III Q 2022	9 M 2023	9 M 2022
Land and buildings	0	0	0	259,267
TOTAL	0	0	0	259,267

Note 8 Administrative and general expenses

<i>EUR</i>	III Q 2023	III Q 2022	9 M 2023	9 M 2022
Security transactions and stock exchange fees	2,341	2,362	6,700	7,425
Advertising	0	696	696	1,392
Accounting service	810	810	2,430	2,430
Consulting (note 11)	3,950	4,350	12,550	26,690
Selling expenses	532	8,775	532	13,039
Auditing	0	0	20	20
Land tax	1,234	1,338	3,701	4,015
Legal expenses	183	323	386	4,212
Other	21	35	256	202
TOTAL	9,070	18,689	27,271	59,424

Note 9 Earnings per share

<i>EUR</i>	9 M 2023	9 M 2022
Weighted average number of shares	4,499,061	4,499,061
Basic earnings per share (basic EPS)	0.00007	0.02847
Diluted earnings per share	0.00007	0.02847
Book value of the share	0.38	0.39
Closing price of the share of AS Trigon Property Development on Tallinn Stock Exchange	0.838	0.978

Basic earnings per share have been calculated on the basis of the net profit for the 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 10 Segment

The Company operates in one business segment - sale of real estate. The real estate sales division leases out land and develops real estate. The Management Board is responsible for allocating resources and evaluating the results of business segments. The Management Board monitors the Company's operations as one business segment, which is the sale of real estate. The internal reports submitted to the Management Board are prepared on the basis of the same accounting principles and in the form used in these financial statements.

Note 11 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's shares are listed in the secondary list of Nasdaq Tallinn. As at 30.09.2023, OÜ Pärnu Holdings owns 39.22 % of the shares of Trigon Property Development AS directly and 17.88% through Nordic Fibreboard LTD OÜ. The shareholders of OÜ Pärnu Holdings are OÜ Stetind (50%) and Joakim Johan Helenius (50%) by the time of compiling these financial statements.

In the first 9 months of 2023 and 2022 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 9 months of 2023 Company bought services from the companies under the control of the Members of the Supervisory Board in the amount of 2,430 euros (2022 9 M: 4,230 euros).