

**Interim report for
the fourth quarter and 12 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 31.12.2023 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:	31.12.2023
Auditor:	PricewaterhouseCoopers AS
Phone:	+372 6679 200
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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 31.12.2023, 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	2023	2022
Total assets	1,708,465	1,738,576
Return on assets	-1.90%	4.27%
Equity	1,687,366	1,719,778
Return on equity	-1.92%	4.32%
Debt ratio	1.23%	1.08%
Net profit/loss for the period	-32,412	74,251
Share (31.12)	2023	2022
Number of shares at period-end	4,499,061	4,499,061
Closing price of the share	0.610	0.800
Earnings per share	-0.00720	0.01650
Book value of the share	0.38	0.38
Price-to-book ratio	1.63	2.09
Market capitalisation	2,744,427	3,599,249

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 0.61 euros at the end of 2023. In 2023, a total of 126,121 shares were traded and the total sales amounted to 104,025 euros.

Share price and trading statistics on the Tallinn Stock Exchange from 01.01.2023 to 31.12.2023:



The distribution of share capital by the number of shares acquired as at 31.12.2023

	Number of shareholders	% of shareholders	Number of shares	% of share capital
1-99	628	54.94%	15,384	0.34%
100-999	368	32.20%	105,532	2.35%
1 000-9 999	121	10.59%	317,481	7.06%
10 000-99 999	19	1.66%	479,421	10.66%
100 000-999 999	6	0.52%	1,816,643	40.38%
1 000 000-9 999 999	1	0.09%	1,764,600	39.22%
TOTAL	1143	100%	4,499,061	100%

List of shareholders with over 1% holdings as at 31.12.2023.

Shareholder	Number of shares	Ownership %
Pärnu Holdings OÜ	1,764,600	39.22
Nordic Fibreboard LTD OÜ	804,552	17.88
Madis Talgre	338,900	7.53
Harju KEK AS	224,000	4.98
Kirschmann OÜ	199,445	4.43
M.C.E.Fidarsi OÜ	140,000	3.11
Avraal AS	109,746	2.44
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 31 December 2023 and as at 31 December 2022. There were no labour costs in 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 fourth quarter and 12 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

28.02.2024

Condensed statement of financial position

<i>EUR</i>	31.12.2023	31.12.2022
Cash	176,133	199,196
Trade and other receivables (note 2)	1,927	19,844
Inventories (note 3)	1,530,405	1,519,536
Total current assets	1,708,465	1,738,576
TOTAL ASSETS	1,708,465	1,738,576
Trade and other payables (note 4)	21,099	18,798
Total current liabilities	21,099	18,798
Total liabilities	21,099	18,798
Share capital at book value (note 5)	449,906	449,906
Share premium	226,056	226,056
Statutory reserve capital	287,542	287,542
Accumulated profit	723,862	756,274
Total equity	1,687,366	1,719,778
TOTAL LIABILITIES AND EQUITY	1,708,465	1,738,576

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>	IV Q 2023	IV Q 2022	12 M 2023	12 M 2022
Gain on sales (note 6)	0	0	26,580	614,480
Costs of goods sold (note 7)	-5,316	-5,527	-5,316	-283,685
Gross profit/-loss	-5,316	-5,527	21,264	330,795
Administrative and general expenses (note 8)	-27,735	-29,435	-55,006	-88,860
Operating profit/-loss	-33,051	-34,962	-33,742	241,935
Financial income	345	8	1,330	65
PROFIT/-LOSS BEFORE INCOME TAX	-32,706	-34,955	-32,412	242,000
Income tax expense (note 5)	0	0	0	-167,749
TOTAL COMPREHENSIVE PROFIT/LOSS	-32,706	-34,955	-32,412	74,251
Basic earnings per share (note 9)	-0.00727	-0.00777	-0.00720	0.01650
Diluted earnings per share (note 9)	-0.00727	-0.00777	-0.00720	0.01650

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>	12 M 2023	12 M 2022
Cash flows from operating activities		
<i>Total comprehensive profit/loss</i>	-32,412	74,251
<i>Adjustments for:</i>		
Interest expense	-1,330	-65
<i>Operating profit/loss before changes in working capital:</i>	-33,742	74,186
Change in receivables and prepayments related to operating activities (note 2)	17,917	146,982
Change in liabilities and prepayments related to operating activities (note 4)	2,301	-176,795
Change in inventories (note 3)	-10,869	-66,547
Interests received	1,330	65
Total cash flows used in operating activities	-23,063	-22,109
Cash flows from financing activities		
Dividends paid (note 5)	0	-717,553
Total cash flows used in financing activities	0	-717,553
CHANGE IN CASH BALANCE	-23,063	-739,662
OPENING BALANCE OF CASH	199,196	938,858
CLOSING BALANCE OF CASH	176,133	199,196

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 31.12.2022	449,906	226,056	287,542	756,274	1,719,778
Total comprehensive profit for the period	0	0	0	-32,412	-32,412
Balance 31.12.2023	449,906	226,056	287,542	723,862	1,687,366

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 fourth 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 fourth quarter and 12 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>	31.12.2023	31.12.2022
Trade receivables	0	2,080
Tax prepayments	1,927	17,764
TOTAL	1,927	19,844

Note 3 Inventories

	<i>EUR</i>
Balance as at 31.12.2021	1,452,989
Inventories	1,519,536
Balance as at 31.12.2022	1,519,536
Inventories	1,530,405
Balance as at 31.12.2023	1,530,405

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>	31.12.2023	31.12.2022
Trade payables	4,171	3,570
Taxes payable	6	46
Other payables	16,922	15,182
TOTAL	21,099	18,798

Note 5 Equity

	Number of shares (pcs)	Share capital (EUR)
Balance 31.12.2022	4,499,061	449,906
Balance 31.12.2023	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 31 December 2023, the retained earnings amounted to 723,862 euros. As at 31 December 2022, the accumulated profit 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 148,467 euros.

As at 31 December 2023, the Company had 1,143 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 338,900 (31.12.2022: 350,400) shares or 7.53% (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 31 December 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>	IV Q 2023	IV Q 2022	12 M 2023	12 M 2022
Gain on sales by operating activities				
Sale of real estate	0	0	26,580	614,480
Total gain on sales	0	0	26,580	614,480

Note 7 Costs of goods sold

<i>EUR</i>	IV Q 2023	IV Q 2022	12 M 2023	12 M 2022
Land and buildings	5,316	5,527	5,316	283,685
TOTAL	5,316	5,527	5,316	283,685

Note 8 Administrative and general expenses

<i>EUR</i>	IV Q 2023	IV Q 2022	12 M 2023	12 M 2022
Security transactions and stock exchange fees	1,989	3,266	8,690	10,690
Advertising	0	0	696	1,392
Accounting service	810	810	3,240	3,240
Consulting (note 11)	4,450	5,500	17,000	32,190
Selling expenses	0	850	532	13,889
Auditing	19,140	17,400	19,160	17,420
Land tax	1,234	1,338	4,934	5,353
Legal expenses	104	0	491	4,227
Other	8	271	264	458
TOTAL	27,735	29,435	55,006	88,860

Note 9 Earnings per share

<i>EUR</i>	2023	2022
Weighted average number of shares	4,499,061	4,499,061
Basic earnings per share (basic EPS)	-0.00720	0.01650
Diluted earnings per share	-0.00720	0.01650
Book value of the share	0.38	0.38
Closing price of the share of AS Trigon Property Development on Tallinn Stock Exchange	0.61	0.800

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 31.12.2023, 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 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 2023 Company bought services from the companies under the control of the Members of the Supervisory Board in the amount of 3,240 euros (2022: 5,040 euros).