

Annual
report
2023

Translation of the Estonian original

Beginning of the financial year:	1.1.2023
End of the financial year:	31.12.2023
Business name:	AS Trigon Property Development
Commercial Registry No:	10106774
Address:	Pärnu mnt 18, 10141, Tallinn
Phone:	+372 6679 200
Fax:	+372 6679 201
E-mail:	legal@trigonproperty.com
Website:	www.trigonproperty.com



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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 Nasdaq 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 Nordic Fibreboard LTD OÜ owns 17.88%. The shareholders of OÜ Pärnu Holdings are OÜ Stetind (50%) and Joakim Johan Helenius (50%).

Management Board's confirmation

The Management Board confirms that:

1. the management report presented on pages 4 to 12 presents a true and fair view of the business developments and results, as well as of the financial position of the Company, and includes a description of the main risks regarding the Company.
2. the accounting policies and the presentation of information of the 2023 financial statements of AS Trigon Property Development presented on pages 13 to 26 are in compliance with the International Financial Reporting Standards as adopted by the European Union;
3. the financial statements present a true and fair view of the financial position, the results of the operations and the cash flows of the Company;
4. the Company is a going concern.



Rando Tomingas

Member of the Management Board

28 March 2024

Management report

Overview of business areas

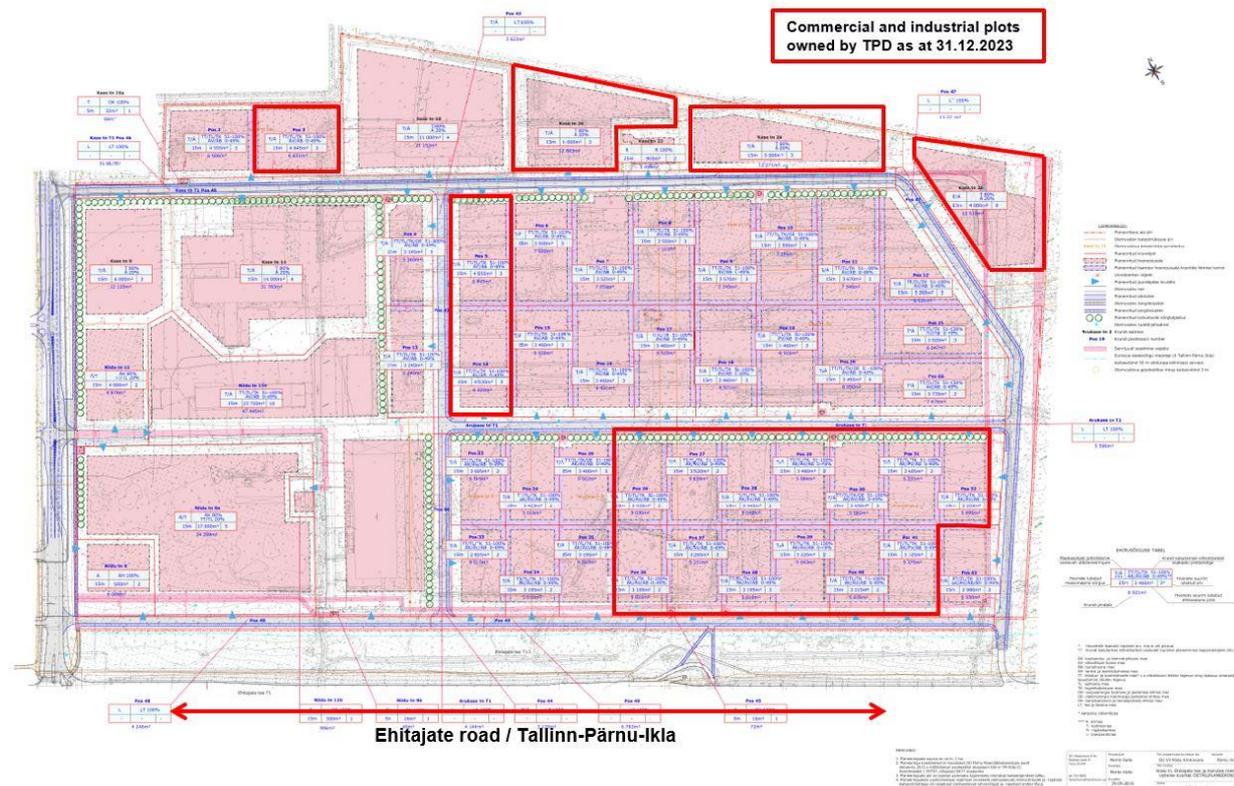
The main business activity of Trigon Property Development AS is real estate development. As at 31.12.2023, AS Trigon Property Development owned one development project with an area of 12.8 hectares in the City of Pärnu, Estonia. A commercial, industrial and logistics park is planned on this area. The 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. 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.



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Management

The law, the articles of association, the resolutions of the meetings of the shareholders and the Supervisory Board and the set targets are followed in 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. The powers of the Management Board of the Company are provided in the Commercial Code and are limited to the extent specified in the Company's Articles of Association. The members of the Management Board have no authority to issue shares. Members of the Management Board are appointed by the Company's Supervisory Board for three years. Members of the Management Board are appointed and recalled by simple majority voting of the Supervisory Board.

Economic environment

According to Statistics Estonia, the Estonian economy contracted by 3% last year. The recession has been broad-based. There was a continued decline in the energy sector, manufacturing, professional, scientific and technical activities, and transportation and storage. The construction sector was also a negative contributor, continuing the trend of the last year and a half.

According to the Land Board of the Republic of Estonia, in 2023 a total of 51,107 property transactions were made, of which 40,584 were purchase-sale transactions. Compared to 2022, the number of transactions decreased by 29% in 2023, including the number of purchase and sale transactions by 16%. Decreased demand also affected the total amounts of financial capital involved in the real estate market, but price levels did not fall significantly against the background of decreased demand. The total value of transactions decreased by 17% compared to 2022, amounting to 5 billion euros. For comparison, the total value of real estate transactions made in 2021 was a record of nearly 6 billion euros, and an even earlier record dates back to 2006, when the real estate market turnover was 4.7 billion euros.

According to the Land Board of the Republic of Estonia, in 2023, there were 48 transactions of immovables without buildings with mixed, industrial and commercial land in Pärnu Country. The total transaction value reached EUR 5.9 million. The expected recovery of economic growth did not take place in 2023, but despite this, these indicators exceeded 2022 by 1 transaction and by as much as 2.4 million euros.

On the 24th of February 2022, Russia launched a full-scale military invasion and attack on Ukraine's independence. This was an escalation into the Russian hybrid war that began in early 2014 following the occupation and annexation of Crimea in the regions of eastern and south-eastern Ukraine. As of the date of this report, the military action in Ukraine has not yet had a material impact on the Company.

Financial ratios

EUR	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
Price-to-earnings (PE) ratio	-84.67	48.47
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/loss / total assets

Return on equity = net profit/loss / equity

Debt ratio = liabilities / total assets

Earnings per share = net profit/loss / 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 capitalization = closing price of the share * number of shares

Seasonality and the risks of the operating activities

The main business activity of the Company is real estate development, which by its nature is not significantly seasonal. Real estate development activities and the sale of development properties depend largely on the economic environment, which means that the operating activities are cyclical and highly correlated with the business cycle developments. The positive economic environment is expected to increase the demand for investment property of Trigon Property Development AS and potentially increase the value of these assets over time. The risk to the Company is that the economic environment will persist or turn even more negative, which could potentially result in decreased demand for and value of the assets of the Company.

The Company's assets are accounted for in euros, settlements are also in euros, the shares are listed and traded in euros. Thus, there are no risks regarding foreign exchange rates and stock exchange rates. However, the risks which are or may be considered as most important by the assessment of the Company are described in note 3. The Company's financial risks are managed separately and a comprehensive overview of their hedging and mitigation principles and means is provided in note 3 to the financial statements.

Environmental and social impacts

The development activities of the Company, based on the valid detailed planning, have no significant impact on the environment regarding environmental protection. Development activities follow the environmental conditions set out in the detailed planning as well as relevant recommendations. Development activities are based on an environmentally friendly production. The direction taken is the development of lighter activities with a business property function, which according to the Company's estimates, improve the region's quality of life, including the access to services and has a positive impact both socially and environmentally.

Share

Since 5 June 1997, the shares of Trigon Property Development AS have been listed on the Nasdaq Tallinn. 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.

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Direct ownership of the members of the Management and Supervisory Boards as at 31.12.2023:

- Joakim Johan Helenius - does not hold any shares
- Torfinn Losvik - does not hold any shares
- Aivar Kempfi - does not hold any shares
- Rando Tomingas - does not hold any shares

Joakim Johan Helenius has indirect ownership through the companies Pärnu Holdings OÜ, NFB Pärnu Holdings, Nordic Fibreboard LTD OÜ OÜ and Rubus Capital OÜ. Torfinn Losvik has indirect ownership the companies Pärnu Holdings OÜ and Nordic Fibreboard LTD OÜ. Rando Tomingas has indirect ownership through the company Nordic Fibreboard LTD OÜ.

Through Stetind OÜ Torfinn Losvik owns indirectly shares of Pärnu Holdings OÜ and Nordic Fibreboard LTD OÜ, owning 957,643 Trigon Property Development AS shares (2022: 1,114,116 shares).

Joakim Johan Helenius owns shares indirectly, through Pärnu Holdings OÜ, NFB Pärnu Holdings OÜ, Nordic Fibreboard LTD OÜ ja Rubus Capital OÜ owning 1,270,614 Trigon Property Development AS shares (2022: 1,114,116 shares).

Through Triangel Kapital OÜ Rando Tomingas owns indirectly shares of Nordic Fibreboard LTD OÜ, owning 6,574 Trigon Property Development AS shares (2022: 6,574 shares).

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



The distribution of the 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	1,143	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

No specific control rights have been granted to the shareholders. There are no restrictions in voting rights stipulated in the articles of association that would be different from the law; there are no preference shares.

The Company does not have a separately approved dividend policy; therefore the distribution of the profit takes place in accordance with the Commercial Code and the articles of association whereby the General Meeting of the Company decides on the distribution of profit and the payment method.

Personnel

AS Trigon Property Development had no employees as at 31 December 2023 and as at 31 December 2022. There were no labor costs in 2023 and 2022.

Corporate Governance Report

General

Corporate Governance Code, (the Code) is a set of guidelines and advisable rules recommended to be followed in terms of management and control primarily by listed companies whose shares have been admitted to trading on a regulated market operating in Estonia.

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It is the duty of the Management Board of Trigon Property Development AS to organise the internal control and risk management of the Company in a manner that ensures the accuracy of the published financial reports. The purpose of the internal control and risk management systems connected with the financial reporting process is to ensure harmonised and trustworthy reporting of the Company's financial performance in conformity with the applicable laws, regulations and adopted accounting policies.

The Company's financial area together with accounting and management reporting is the area of responsibility of the Management Board of Trigon Property Development AS who is responsible for the identification and assessment of risks in financial reporting, arranging the principles in relation to financial reporting, organising the tools that are required for accounting.

The Company's financial processes and reports are subject to an annual financial audit, conducted generally by an auditor selected by the Supervisory Board and approved by the general meeting. Auditors are appointed to perform a single audit or for a specific term.

The listed companies must comply with the Code starting from 1st of January 2006 ("comply or explain" principle).

The Code regulates, among other matters, the convening and the procedure of the General Meeting of Shareholders; requirements for the compositions, duties and activities of the Management and Supervisory Board, disclosure requirements and financial reporting.

As the principles set out in the Code are merely just recommendations by nature, a company is not obligated to comply with all of them. However it shall explain in the Corporate Governance Report the reasons of its non-compliance.

AS Trigon Property Development (TPD) follows the laws and legal regulations in its business activities. As a public company, TPD is guided by Nasdaq Tallinn requirements and the principle of equal treatment of shareholders and investors. Therefore, TPD largely follows the guidelines of the Code.

The Code is available: <http://www.nasdaqbaltic.com/files/tallinn/bors/press/HYT.pdf>

General Meeting of Shareholders

The highest governing body of TPD is the general meeting of shareholders (General Meeting). According to the Commercial Code and the Code, TPD convenes the General Meeting by publishing the respective notice via Nasdaq Tallinn, on the web page of TPD and in a national daily newspaper. The following is published simultaneously: General Meeting agenda approved by the Supervisory Board, draft resolutions in regard to each item on the agenda, documents to be submitted for exercising voting rights and other essential information. The notice and aforementioned information is published both in Estonian and in English. The ordinary General Meeting is held once a year. The management board may call extraordinary General Meetings in the cases set out in the law.

On 21.06.2023, an ordinary General Meeting was held, where 57.10% of votes represented by shares were present. The General Meeting approved the 2022 Annual report, profit distribution proposal, election of auditor for the year 2023 and changes of the Supervisory Board. The general meeting of AS Trigon Property Development decided to elect Aivar Kempri as a new member of the Supervisory Board starting from 21.06.2023 for the next five (5) years.

TPD herein presents the requirements of the Code for the General Meeting using a "comply or explain" principle i.e. explains the requirements of the Code that were partly or wholly not complied with in 2023.

Article 1.3.1: The Chairman of the Supervisory Board and members of the Management Board cannot be elected as Chair of the General Meeting.

The shareholders elected the member of Management Board Rando Tomingas to chair the ordinary General Meeting held on the 21st of June in 2023, because the member of the Management Board has the best overview of the company's activities and the every-day manager of the company would ensure the most efficient and smooth course of the meeting.

Article 1.3.2: All Members of the Management Board, the Chairman of the Supervisory Board and if possible, the members of the Supervisory Board and at least one of the auditors shall participate at the General Meeting.

The member of the Management Board, chairman of the Supervisory Board (Joakim Helenius) and a second member of the Supervisory Board (Torfinn Losvik) participated in the ordinary General Meeting held on 21.06.2023. An auditor and a third member of the Supervisory Board were not present at the meeting. The Supervisory Board is convinced that the presence of two members is sufficient. No auditors were present at the meeting as the Management Board did not consider it necessary for the auditors attend, as there were no items on the agenda which the Management Board or Supervisory Board could not answer and which would have required a comment specifically from the auditor. At the same time, TPD had agreed with the auditors that they will be available via phone should the shareholders wish (for example, ask questions). Shareholders had no questions to the auditors.

Article 1.3.3: The Company shall make participation in the General Meeting possible by means of communications equipment (Internet) if the technical equipment is available and where doing so is not too cost prohibitive for the Issuer.

TPD did not make participation in the General Meeting possible by means of communications equipment since no such technical solutions are available to TPD and none of the shareholders have ever asked for a possibility to participate by means of communications equipment.

Considering the aforementioned description of the ordinary General Meeting held in 2023, TPD has largely complied in 2023 with the Code in informing the shareholders, convening and holding the general meeting.

Supervisory Board

Supervisory Board plans the activities of TPD, guides and supervises the Management Board. TPD Supervisory Board comprises 3 members, according to the Articles of Association, up to 7 members may be elected to the Supervisory Board. No remuneration was paid to Supervisory Board members in 2023, therefore no relevant information is available for disclosure. During 2023, the members of the Supervisory Board did not have any conflicts of interest related to the management of TPD and their other business activities.

TPD herein presents requirements of the Code using a “*comply or explain*” principle.

Article 3.2.2: At least half of the members of the Supervisory Board of the Issuer shall be independent. If the Supervisory Board has an odd number of members, then there may be one independent member less than the number dependent members.

Two members of the Supervisory Board couldn't be considered as independent in 2023 in the meaning of the Code. Joakim Johan Helenius and Torfinn Losvik are the members of the Management Board of OÜ Pärnu Holdings, the shareholder owning 39.22% of all shares of TPD, and Torfinn Losvik is a member of the Management Board of Nordic Fiberboard AS, the shareholder owning 17.88% of all shares of TPD. Regardless of the above, TPD is in the opinion that there is no basis for emergence of conflict of interest and taking into account the background and experience of the current Supervisory Board members there are no shortcomings in the activities of the Supervisory Board.

Management Board

According to the Articles of Association up to 7 members may be elected to the Management Board of TPD. In order to elect a member of the Management Board, his or her consent is required. According to the Articles of Association, a member of the Management Board shall be elected for a specified

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term of up to three years. Extension of the term of office of a member of the Management Board shall not be decided earlier than one year before the planned date of expiry of the term of office, and not for a period longer than the maximum term of office prescribed by the law or Articles of Association. Currently, the Management Board of TPD has one member. As of 05.06.2018 the Management Board member is Rando Tomingas.

The Management Board member has the right to represent TPD by himself. The Management Board member is not authorized to issue shares or decide the acquisition of own shares. Transactions which are beyond the scope of everyday economic activities may only be concluded by the Management Board with the consent of the Supervisory Board.

No remuneration was paid to Management Board member in 2023, therefore no relevant information is available for disclosure. No transactions with Management Board member or his related parties were executed. Management Board answers to and cooperates with the Supervisory Board, participates at the General Meetings, replies to shareholders' inquiries and runs TPD on a daily basis.

The following requirements in the Code for the Management Board were not complied with and below explanations are presented.

Article 2.2.1: The Management Board shall have more than one (1) member; a service contract shall be concluded with the member of the management board.

Rando Tomingas is the only member of the Management Board, but expansion of the Board is not ruled out in the future.

No service contract is concluded with Rando Tomingas since he is currently the only Member of the Management Board and is not receiving remuneration and his rights and obligations are stipulated by the law. In case more members of the Management Board are appointed, service contracts shall be concluded.

Publishing financial reports and other information

During 2023, TPD published quarterly interim reports and Annual Report for 2022. The Annual Report is audited by AS PricewaterhouseCoopers. The audit is done in compliance with international standards on auditing.

TPD herein presents the requirements of the Code which were not complied with using a "comply or explain" principle.

Article 5.2: The Issuer shall publish the disclosure dates of information subject to disclosure throughout a year at the beginning of the fiscal year in a separate notice, called a financial calendar.

TPD did not publish a separate financial calendar however information subject to disclosure was published not later than dates set by the law.

Article 5.6: The Company shall disclose the meetings with analysts and shall disclose the dates and places of presentations and press conference organized for analysts, investors and institutional investors on its website.

The Nasdaq Tallinn Regulations require that an issuer publishes all essential information through the stock exchange system. Only previously published information is discussed in meetings with analysts and press conferences and therefore TPD has foreseen no need to disclose a meetings schedule.

Article 6.1.1: Together with the annual report, the Supervisory Board shall make available to shareholders the written report concerning the annual report.

No report was published simultaneously with the notice of General Meeting; however, the shareholders may obtain the report by contacting the Management Board.

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Article 6.2.1: If there is a desire to appoint an auditor who has audited Issuers reports in previous financial year the Supervisory Board shall pass judgment on their work.

No judgment was published simultaneously with the notice of General Meeting. The Supervisory Board proposed to the General Meeting to continue with the same auditor and by that expressed its positive judgment about the auditor. At the General Meeting the Management Board member gave an overview about the auditor's work.

Remuneration report

This report provides an overview of the principles of remuneration and remuneration of the managers of Trigon Property Development AS.

The basic remuneration principles of Trigon Property Development AS were defined in 2007, according to which the remuneration paid to the members of the Company's management bodies, including members of the Management Board, is 0 euros.

A member of the Management board may be granted a performance pay by a resolution of the Supervisory board, the amount of which depends on the financial results of Trigon Property Development AS and the fulfilment of objectives previously agreed with the member of Management board.

In the last five financial years (2019-2023), the company did not pay a basic salary or performance fee to to the member of the Management Board, i.e. the basic salary and performance fee was 0 euros; including no basic salary or performance fee paid to the current Management Board member Rando Tomingas since 5.06.2018.

Financial Statements

Statement of financial position

<i>EUR</i>	31.12.2023	31.12.2022
Cash and cash equivalents	176,133	199,196
Trade and other receivables (note 5)	1,927	19,844
Inventories (note 6)	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 7)	21,099	18,798
Total current liabilities	21,099	18,798
Total liabilities	21,099	18,798
Share capital at book value (note 8)	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

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Statement of comprehensive income

EUR	2023	2022
Revenue (note 9)	26,580	614,480
Costs of goods sold (note 10)	-5,316	-283,685
Gross profit	21,264	330,795
Administrative and general expenses (note 11)	-55,006	-88,860
Operating profit/loss	-33,742	241,935
Financial income	1,330	65
PROFIT/LOSS BEFORE INCOME TAX	-32,412	242,000
Income tax expense (note 8)	0	-167,749
NET PROFIT/LOSS FOR THE FINANCIAL YEAR	-32,412	74,251
TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD	-32,412	74,251
Basic earnings per share (note 12)	-0.00720	0.01650
Diluted earnings per share (note 12)	-0.00720	0.01650

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Cash flow statement

EUR	2023	2022
Cash flows from operating activities		
Net profit/loss	-32,412	74,251
<u>Adjustments for:</u>		
Interest income	-1,330	-65
Operating profit/loss before changes in working capital:	-33,742	74,186
Change in receivables and prepayments related to operating activities (note 5)	17,917	146,982
Change in liabilities and prepayments related to operating activities (note 7)	2,301	-176,795
Change in inventories (note 6)	-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 8)	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

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Statement of changes in equity

<i>EUR</i>	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
Balance 31.12.2021	449,906	226,056	287,542	1,399,575	2,363,079
Dividends paid	0	0	0	-717,553	-717,553
Net profit for the financial period	0	0	0	74,251	74,251
Total comprehensive profit for the period	0	0	0	74,251	74,251
Balance 31.12.2022	449,906	226,056	287,542	756,274	1,719,778
Net loss for the financial period	0	0	0	-32,412	-32,412
Total comprehensive loss 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 8.

The notes to the financial statements presented on pages 17-26 are an integral part of these financial statements.

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Notes to the financial statements

1 General information

AS Trigon Property Development (The Company) is active in real estate development. The Company is a limited liability company (Estonian: aktsiaselts) that is registered and located in Estonia. The registered address of the company is Pärnu Rd 18, Tallinn.

The Management Board of AS Trigon Property Development authorised these financial statements for issue on 28 March 2024. Pursuant to the Commercial Code of the Republic of Estonia, the financial statements are subject to approval by the Supervisory Board and the General Meeting of Shareholders. Shareholders may decide not to approve the annual report, which has been prepared by the management board and approved by the supervisory board, and may demand that a new annual report be prepared. The financial statements will be published through the electronic channels of Nasdaq Tallinn.

The 2022 financial statements of AS Trigon Property Development have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

The Company is 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 Nordic Fibreboard LTD OÜ owns 17.88%. The shareholders of OÜ Pärnu Holdings are OÜ Stetind (50%) and Joakim Johan Helenius (50%).

2 Material accounting policy information

The significant accounting principles used in the preparation of these financial statements and the most important accounting estimates and assumptions are described below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in accordance with IFRS requires management to make assumptions and judgements, which affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and the related assumptions are based on the historical experience and several other factors that are believed to be relevant and that are based on circumstances which help define principles for the evaluation of assets and liabilities and which are not directly available from other sources. Actual results may not coincide with these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is changed if it affects only the current period, or current and future periods, if the revision affects both current and future periods.

Management decisions and accounting estimates related to the application of IFRS that have a significant effect on the financial statements and that may be subject to adjustment are presented in Note 4.

2.2 Functional and presentation currency

The 2023 financial statements have been presented in euros (EUR). Functional currency of Company is euro.

2.3 Financial assets and liabilities

Classification

The Company classifies its financial assets in those to be measured at amortised cost measurement category. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

All Company's debt instruments are classified in amortised cost measurement category.

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/(expenses). Foreign exchange gains and losses and impairment losses are presented as separate line items in the statement of profit or loss.

As at 31 December 2023 and 31 December 2022, all the Company's financial assets were classified in this category.

Impairment

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

For trade receivables without a significant financing component the Company applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime

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credit losses from initial recognition of the receivables. The Company uses a provision matrix in which allowance for impairment losses is calculated for trade receivables falling into different ageing or overdue periods.

Financial Liabilities

All Companies' financial liabilities are recorded as "other financial liabilities at amortised cost". Financial liabilities (trade payables, borrowings etc.) are initially recognised at their fair value less any transactions costs. The items are subsequently measured at amortised cost, differences between acquisition costs (less transaction costs) and redemption costs are recognised during the loan period, using effective interest rate method.

Financial liabilities is classified as current, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.4 Inventories

If separate inventory items are clearly distinguishable from each other, then the expensing of their costs shall be based on costs incurred specifically for the acquisition of each separate item (individual cost method). If separate inventory items are not clearly distinguishable from each other, then weighted average cost formula shall be used.

The costs incurred in connection with real estate development are recognised as inventories. Depending on the stage of completion of the project, the costs are recognised either as work in progress or finished goods. A completed real estate property is sold either in parts (by houses, apartments, office spaces, etc.) or as a whole. Revenue is recognised as income from the sale of goods (Note 9). Upon the sale of real estate properties the group and the acquirer enter into a notarially certified agreement for transferring the property, and a respective entry is made in the land register.

2.5 Provisions and contingent liabilities

The provisions are recognised based on the management's (or independent experts') estimates regarding the amount and timing of the expected outflows. When measuring provisions, risks and uncertainties are taken into consideration. Provisions are discounted when time value of money has significant impact and future events are taken into consideration, however no profits are recorded from disposal of assets. The increase in the provision due to passage of time is recognised as interest expense.

Other commitments that in certain circumstances may become obligations, but it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability are disclosed in the notes to the financial statements as contingent liabilities.

A provision for expenses yet to be incurred and invoices not yet received is formed for sold land plots, which is recognised as an expense in the income statement and as a liability in the statement of financial position.

2.6 Corporate income tax

According to the Income Tax Act of Estonia, the annual profit earned by entities is not taxed in Estonia. Corporate income tax is paid on dividends, fringe benefits, gifts, donations, reception fees, non-business related disbursements and adjustments of the transfer price. Since 01.01.2015, the tax rate on the net dividends paid out of retained earnings is 20/80. In certain circumstances, it is possible to distribute dividends without any additional income tax expense. The corporate income tax arising from the payment of dividends is accounted for as a liability and as an income tax expense in the period in which dividends are declared, regardless of the actual payment date or the period for which the dividends are paid. An income tax liability arises at the 10th day of the month following the payment of dividends.

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Due to the peculiarity of the taxation system, the companies registered in Estonia do not have any differences between the tax bases of assets and their carrying amounts and hence, no deferred income tax assets and liabilities arise. A contingent income tax liability which would arise due to the payment of dividends out of retained earnings is not reported in the statement of financial position. The maximum income tax liability which would accompany the payment of dividends out of retained earnings is disclosed in the notes to the financial statements.

From 2019, it is possible to apply tax rate of 14/86 to dividend payments. The more beneficial tax rate can be used for dividend payments in the amount which extends up to the average income-taxed dividend of the previous three financial year. When calculating the average dividend payment of three preceding years, 2018 will be the first year to be taken into account.

2.7 Revenue

A completed real estate property is sold either in units or as a whole. Revenue is recognised as income from the sale of goods. Upon the sale of real estate properties, the group and the acquirer enter into a notarised agreement for transferring the property, and a respective entry is made in the land register.

Financing component

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Company does not adjust any of the transaction prices for the time value of money.

2.8 Cash flow statement

The cash flow statement is prepared using the indirect method.

Investment and financial activities cash flow statement is prepared using the direct method.

2.9 Statutory reserve capital

Statutory reserve capital is formed from annual net profit allocations, also from other allocations which are transferred according to law or articles of association. The amount of reserve capital is stipulated in the articles of association and it cannot be less than one-tenth of the share capital. During each financial year, at least one-twentieth of the net profit shall be entered into the reserve capital. Increasing the statutory reserve capital from annual net profit allocations shall be finished if the reserve capital reaches to the amount that is stipulated in the articles of association.

Statutory legal reserve may be used to cover a loss, or to increase share capital. Payments shall not be made to shareholders from statutory legal reserve.

2.10 *New International Financial Reporting Standards, amendments to existing standards and the interpretations of the standards by International Financial Reporting Interpretations Committee (IFRIC)*

Certain new international financial reporting standards, amendments and interpretations of existing standards entered into force as of January 1, 2023 or become mandatory for the Company in later reporting periods. The standards that came into effect on January 1, 2023 did not have a significant impact on the Company, except for the amendment to IAS 1 in terms of accounting policies, which the Company adopted, which changed the content and title of Appendix 2 "Summary of significant accounting policies" by replacing it with the name "Material accounting policy information". The change was not accompanied by changes in the accounting principles themselves, they only affected the accounting principles disclosed in certain cases. The amendments to the standards, which will come into effect for reporting periods beginning on or after January 1, 2024, include amendments to the standard IAS 1 Presentation of Financial Statements. The Company estimates that the potential or actual impact of implementing these changes is not material.

3 Financial risk management

3.1 Financial risks and their management

In its daily operations, the Company is exposed to different kinds of financial risks: market risk (including foreign exchange risk, price risk, interest rate risk, fair value interest rate risk), credit risk and liquidity risk. Financial risk is related to the following financial instruments: trade receivables, cash equivalents, trade payables, other liabilities, loans payable. Accounting principles that are used to account for these assets and liabilities have been disclosed in the note 2. Risk management is executed by the Management and coordinated by the Supervisory Board.

(a) **Market risk**

(i) Foreign exchange risk

Foreign exchange risk is the Company's risk of incurring major losses due to exchange rate fluctuations. Company's monetary assets, other assets and liabilities are nominated in euros.

(ii) Price risk

The Company is not exposed to the price risk with respect to financial instruments.

(iii) 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.

(b) **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as prepayments and customer receivables, including outstanding receivables and committed transactions. The Company's policy is to collaborate only with institutions whose main investors are internationally known financial organisations. As at 31 December 2023 and 31 December 2022 the cash of the Company was deposited in Swedbank (credit rating Aa3 by Moody's Investor Service). Prepayments to the Tax Authority are considered non-credit risk bearing. Receivables from customers are considered short-term in nature and management monitors the collection of these receivables. Trade receivables have not been guaranteed with additional collateral as is customary in the industry. As at the date of the statement of financial position, the Company's exposure to credit risk is 176,133 euros (31.12.2022: 199,196 euros). By the time of compiling these financial statements the trade receivables have been paid and, as a result, as at 31.12.2023 are not bearing credit risk.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial as at 31 December 2022 and 31 December 2023.

In general, receivables that are overdue for more than 180 days are considered unlikely to be collected, unless the Company has sufficient assurance that the receivable will be received or a payment schedule has been agreed for the receivables.

The loss allowance for receivables as at 31 December 2023 and 31 December 2022 was determined immaterial.

(c) **Liquidity risk**

In order to finance potential investment needs in 2023 and 2022, the Company sold part of the property owned by the Company.

Accounts receivable and cash in bank balance as at 31.12.2023 will secure the settlement of liabilities at due date and will support the development of property.

As at 31 December 2023, the Company has current liabilities in the amount of 21,099 euros (31.12.2022: 18,798 euros). Company had no non-current liabilities.

Liquidity analysis

EUR

At 31 December 2023	1-3 months	4-12 months	1-5 years	Total
Financial assets				
Cash	176,133	0	0	176,133
Trade and other receivables	0	0	0	0
Total financial assets	176,133	0	0	176 133
Liabilities				
Trade and other payables	21,099	0	0	21,099
Total liabilities	21,099	0	0	21,099

EUR

At 31 December 2022	1-3 months	4-12 months	1-5 years	Total
Financial assets				
Cash	199,196	0	0	199,196
Trade and other receivables	2,080	0	0	2,080
Total financial assets	201,276	0	0	201,276
Liabilities				
Trade and other payables	20,970	0	0	20,970
Total liabilities	20,970	0	0	20,970

3.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce financial liabilities. Neither the Company's owners or the management has set any specific requirements for its capital management or expectations for shareholder return. Company's equity is strong enough, to ensure the financing of potential development activities, if it's necessary.

At the date of the annual report 2023, the Company was leading only the equity as the Company's capital and there were no changes in the capital requirements. Quantitative data about capital and the changes are to be seen in the statement of changes in owners' equity. The Company does not have any other capital requirements beyond the general requirements of the Commercial Code. The respective requirements are not violated during the reporting period or during the comparison period.

3.3 Fair value of financial assets and financial liabilities

The Company's management estimates that the fair values of the assets and liabilities denominated in the statement of financial position at amortised cost do not differ significantly from their carrying values as at 31 December 2023 and 31 December 2022.

4 Critical accounting estimates and prerequisites

Management judgements and prerequisites are reviewed on an ongoing basis and they are based on historical experience and other factors such as forecasts of future events which are considered reasonable under current circumstances.

Management makes estimates and prerequisites concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Inventories are valued separately by individual objects. For each object costs are compared with expected income. If the property's costs exceed the expected revenue to be generated from the realisation of the project (net realisable value), the company shall write down assets in the amount by which the costs exceed income. Due to the volatility of the construction market and low liquidity of the real estate market, determination of the net realisable value of the assets depends largely on management estimates. At the end of financial year the management assesses whether allowances on inventories should be made, as at 31.12.2023 no allowances have been made on inventories.

5 Trade and other receivables

EUR	31.12.2023	31.12.2022
Trade receivables	0	2,080
Tax prepayments	1,927	17,764
TOTAL	1,927	19,844

6 Inventories

	EUR
Balance as at 31.12.2021	1,452,989
Inventories	66,547
Balance as at 31.12.2022	1,519,536
Inventories	10,869
Balance as at 31.12.2023	1,530,405

No inventories were written down in 2023 and 2022.

7 Trade and other payables

EUR	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

Payables balance includes unpaid invoices to related parties, which are disclosed in Note 14.

8 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 (31.12.2022 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 the 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 the 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 member Joakim Johan Helenius have indirect ownership through company OÜ Pärnu Holdings, NFB Pärnu Holdings OÜ, Nordic Fibreboard LTD OÜ ja Rubus Capital OÜ. Supervisory Board member Torfinn Losvik have indirect ownership through company Pärnu Holdings OÜ ja Nordic Fibreboard LTD OÜ.

9 Sales revenue

<i>EUR</i>	2023	2022
Gain on sales by geographical location		
Estonia	26,580	614,480
Total sales to EU member States	26,580	614,480
Gain on sales by operating activities		
Sale of real estate	26,580	614,480
Total gain on sales	26,580	614,480

(Note 2.7)

10 Costs of goods sold

<i>EUR</i>	2023	2022
Land and buildings	5,316	283,685
TOTAL	5,316	283,685

11 Administrative and general expenses

<i>EUR</i>	2023	2022
Security transactions and stock exchange fees	8,690	10,690
Advertising	696	1,392
Accounting service	3,240	3,240
Consulting (Note 14)	17,000	32,190
Selling expenses	532	13,889
Auditing	19,160	17,420
Land tax	4,934	5,353
Legal expenses	491	4,227
Other	264	458
TOTAL	55,006	88,860

In 2023 and 2022, the average number of employees was 0. Audit fees contain only fees for auditing the annual report. Consulting fees includes consulting services and sales advice costs. Consultancy fees includes consulting services purchased from related parties (note 14).

12 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
Price to earnings ratio (P/E)	-84.67	48.47
Closing price of the share of AS Trigon Property Development on Tallinn Stock Exchange	0.61	0.800

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Basic earnings per share have been calculated on the basis of the net profit for the period and the number of shares. Diluted earnings (loss) 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.

13 Segment report

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.

14 Related party transactions

The following parties are considered to be related parties:

- Pärnu Holdings OÜ and owners of the company with significant influence;
- Members of 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 Nordic Fibreboard LTD OÜ owns 17.88%. The shareholders of OÜ Pärnu Holdings are OÜ Stetind (50%) and Joakim Johan Helenius (50%).

In 2023 and 2022, no remuneration has been paid to the Management or Supervisory board members. There are no potential liabilities to the members of the Management Board and the Supervisory Board or severance pay granted to them.

In 2023 the 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). (Note 7 and 11).

Trigon Property Development AS has purchased accounting and consulting services from related parties.

15 Contingent liabilities

The tax authorities may at any time inspect the books and records within 5 years subsequent to the reported tax year, and may impose additional tax assessments and penalties to the Company. Tax audits were not conducted in 2023 and 2022. The Company's management is not aware of any circumstances, which may give rise to a potential material liability in this respect.

16 Events after the balance sheet date

There are no post balance sheet events to report.



Independent Auditor's Report

To the Shareholders of AS Trigon Property Development

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of AS Trigon Property Development (the "Company") as at 31 December 2023, and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 28 March 2024.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

During the period from 1 January 2023 to 31 December 2023, we have not provided any non-audit services to the Company.

AS PricewaterhouseCoopers
Tatari 1, 10116 Tallinn, Estonia; License No. 6; Registry code: 10142876
T: +372 614 1800, www.pwc.ee

Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

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Our audit approach

Overview

Materiality Overall Company materiality is EUR 17 thousand, which represents approximately 1% of Company's total assets.

Key audit matters ● Key audit matter relates to the accounting of inventories.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Management Board made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall Company materiality	EUR 17 thousand.
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How we determined it	Approximately 1% of Company's total assets.
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Rationale for the materiality benchmark applied	We have applied this benchmark, as we considered total assets that mainly consist of property developments recognised as inventories to be key performance indicator that determines the Company's value and is monitored by management and investors.
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Translation note:

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><i>Accounting of inventories</i></p> <p>(refer to Note 2 'Material accounting policy information – subsection 2.4 'Inventories' and Note 6 'Inventories' for further details)</p> <p>As at 31 December 2023, the Company's statement of financial position includes property developments recognised as inventories in the amount of EUR 1.53 million.</p> <p>Inventories are carried at the lower of cost and net realisable value.</p> <p>With property prices following the economic cycle and exhibiting substantial fluctuation over time, net realisable value of the property for resale recognised as inventories needs to be carefully monitored against the carrying amount. Should the net realisable value of a property fall below its carrying amount, a write-down to net realisable value is necessary. Determining the net realisable value of property requires estimates of the expected selling price and the cost to complete the development of the property.</p> <p>Due to magnitude, the accounting of inventories is considered a key audit matter.</p>	<p>We assessed whether the Company's accounting policies in relation to inventories are in compliance with IFRS.</p> <p>We assessed the management's expertise to perform valuation of property. The management is experienced in property valuation and the outcomes of completed development projects have usually met the profitability estimates.</p> <p>We assessed whether the principles for determining the cost of inventories are reasonable per each property.</p> <p>We assessed the inputs used in the valuation analysis prepared by management. For inputs based on estimates, like sales price, we assessed the reasonableness by comparing them with available market information.</p> <p>We conducted substantive audit procedures to verify the carrying amount of inventories. We selected a sample of inventory acquisitions and performed substantive procedures that included, but were not limited to:</p> <ul style="list-style-type: none">• reconciling the inventory acquisition costs with underlying documents;• testing the correct periodisation of inventory acquisition costs. <p>We also assessed the appropriateness of disclosures provided in the annual report in respect of inventories.</p>

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Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises the brief description, the Management Board's confirmation, the Management report, the Remuneration report, the profit distribution proposal, signatures of the Management Board and the Supervisory Board to the 2023 annual report, AS Trigon Property Development sales revenue according to the EMTAK 2008 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the Management report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the financial statements and is prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia.

In accordance with the Securities Market Act of the Republic of Estonia with respect to the Remuneration Report, our responsibility is to consider whether the Remuneration Report includes the information in accordance with the requirements of Article 135³ (3) of the Securities Market Act of the Republic of Estonia.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management report for the financial year for which the financial statements are prepared is consistent, in all material respects, with the financial statements; and
- the Management report has been prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia; and
- the Remuneration Report has been prepared in accordance with Article 135³ (3) of the Securities Market Act of the Republic of Estonia.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the presentation of financial statements with the requirements of the European Single Electronic Format ("ESEF")

The European single electronic reporting format has been applied by the management of the Company to the Company's financial statements to comply with the requirements of Article 3 of Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). These requirements specify the Company's obligation to prepare its financial statements in a XHTML format. We confirm that the European single electronic reporting format of the financial statements for the year ended 31 December 2023 complies with the ESEF Regulation in this respect.

Appointment and period of our audit engagement

We were first appointed as auditors of AS Trigon Property Development, as a public interest entity, for the financial year ended 31 December 2006. Our appointment has been renewed by tenders in the intermediate years, representing the total period of our uninterrupted engagement appointment for AS Trigon Property Development, as a public interest entity, of 18 years. In accordance with the Auditors Activities Act of the Republic of Estonia and the Regulation (EU) No 537/2014, our appointment as the auditor of AS Trigon Property Development can be extended for up to the financial year ending 31 December 2025.

AS PricewaterhouseCoopers

Lauri Past
Certified auditor in charge, auditor's certificate no. 567

Liina Nöörleid
Auditor's certificate no. 686

28 March 2024
Tallinn, Estonia

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Profit distribution proposal

The Management Board of Trigon Property Development AS proposes to the General Meeting of Shareholders to add the net loss in the amount of 32,412 euros to accumulated profit.



Rando Tomingas

Member of the Management Board

Signatures of the Management Board and the Supervisory Board to the 2023 Annual report

The Management Board has prepared the Company's Annual Report for 2023, which consists of the management report, remuneration report, financial statements, accompanied by the independent auditor's report, and profit distribution proposal.



Rando Tomingas

Member of the Management Board

The Supervisory Board has reviewed the Annual Report prepared by the Management Board and approved it for presentation at the General Meeting of Shareholders.

Torfinn Losvik

Member of the Supervisory Board

Signed digitally

Joakim Helenius

Member of the Supervisory Board

Signed digitally

Aivar Kemp

Member of the Supervisory Board

Signed digitally

AS Trigon Property Development sales revenue according to the EMTAK 2008

EMTAK	Main activity	2023	2022
68101	Buying and selling of own real estate	26,580 euros	614,480 euros
	Total sales revenue	26,580 euros	614,480 euros