

## **AS TRIGON ASSET MANAGEMENT**

**ANNUAL REPORT 2024**  
**(Translation of the Estonian original)**

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Beginning of the financial year	01.01.2024
End of the financial year	31.12.2024
Business name	AS Trigon Asset Management
Registration number	11339670
Address	Pärnu mnt 18, Tallinn, 10141, Eesti
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Fax number	(372) 6679 201
E-mail address	<a href="mailto:trigon@trigoncapital.com">trigon@trigoncapital.com</a>
Company website	<a href="http://www.trigoncapital.com">www.trigoncapital.com</a>
Main business activities	<ul style="list-style-type: none"> <li>- Management of Investment funds</li> <li>- Providing fund management services for funds that it does not manage itself</li> </ul>
Auditor	PricewaterhouseCoopers AS
Documents enclosed with the Annual Report	<p>Independent auditor's report</p> <p>Proposal for profit distribution</p> <p>Distribution of sales revenue according to EMTAK classification</p>

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### General information

AS Trigon Asset Management was established in 2007 and as at 31 December 2024 it manages three common equity funds: Trigon New Europe Fund, Trigon Dividend Fund and Trigon Russia Top Picks Fund. In addition, AS Trigon Asset Management manages common investment fund Luka Adriatic Property Real Estate Fund I, which was established in 2008, as well as provides investment management services under mandate agreements to other client portfolios.

The net asset value of the equity funds under management at the end of 2024 amounted to 330.9 million euros (at the end of 2023: 300.0 million euros).

The net asset value of the real estate fund under management at the end of 2024 amounted to 15.3 million euros (at the end of 2023: 15.4 million euros).

The total assets under management at the end of the year 2024 totaled 1,078.9 million euros (at the end of 2023: 901.4 million euros).

Net profit for the reporting period was 2,876 thousand euros (2023: 3,323 thousand euros).

Business activities of AS Trigon Asset Management are as follows:

- management of investment funds,
- fund management related services for funds it does not manage itself.

2024 turned out to be less vibrant in terms of economic momentum than initially hoped for. Key factors shaping the investment environment included the ongoing war in Ukraine, sticky inflation that prevented central banks from lowering rates as quickly or significantly as markets had hoped, and weak demand from Western Europe. These conditions undermined consumer confidence, leading to lacklustre spending and higher savings rates across the region. However, this undemanding baseline may set the stage for more favourable dynamics in 2025. On the geopolitical front, 2025 could bring greater clarity, as both sides of the war in Ukraine could for various reasons recognize the potential benefits of a cease-fire. CPI inflation should slowly but surely return to targeted levels, supported by smaller planned salary increases for 2025. The outlook for demand in Western Europe – especially the recovery of the industrial sector – remains more uncertain due to structural challenges. Nevertheless, a sharply lower Euribor should offer some relief and support economic activity.

In 2024, TRIGON – New Europe Fund delivered its 6th consecutive year of positive alpha relative to the fund's designated benchmark, the MSCI EFM CEEC ex Russia Index. The fund's A-unit and D-unit recorded gains of 16.7% and 15.9%, respectively, in euro terms, surpassing the 9.2% return of the fund's benchmark. Over 10-year and 15-year periods, the fund (D-unit) has delivered alpha (excess return) of 112% and 299%, respectively, when compared to the regional benchmark. Notably, these returns were achieved with lower volatility than the market. The fund ended the year with a volume of 318 million euros (294 million euros a year earlier).

Trigon Dividend Fund managed to deliver solid results in 2024, even after the record-breaking year of 2023. Despite the uncertainty in the global economy and geopolitics, the Trigon Dividend Fund provided its more than 1300 investors with a return of 12.2% in 2024. In comparison, the MSCI World High Dividend Yield Index rose by 15.4% in euro terms over the same period. Since the inception of Trigon Dividend Fund (28.02.2020), we have delivered a return of 93.6% to our investors in just under five years, translating to an average annual return (CAGR) of approximately 14.6%. By comparison, the global MSCI World High Dividend Yield Index has increased by 56.3% in euro terms over the same period, corresponding to an average annual return of 9.7%.

Trigon Russia Top Picks Fund unit net value calculation and trading of units was suspended on February 25, 2022, the day after the start of the war.

As at the end of the year, trading of fund units was still suspended, as trading of Russian shares is prohibited for non-resident, including funds from Estonia. The fund's actual structure is a so-called euro fund (or UCITS-type fund), which means, among other things, that under normal circumstances, sales and purchase transactions of the Fund's units are open to investors on a daily basis and information and reports about the Fund are published regularly. Due to the current situation, the Fund's activities have been completely frozen, including the inability to make transactions and publish reports and information according to the usual standard, meaning there is no legal clarity for unitholders. In addition, the suspension of unit transactions in the Fund is intended to be a temporary measure, and the Financial Supervision Authority has also referred to this. At this point, unit transactions have been suspended for over 2 years. Accordingly, the clearer solution for unit holders is the liquidation of the Fund.

On October 31, 2024 the fund management company AS Trigon Asset Management submitted an application to the Financial Supervisory Authority to obtain a liquidation permit for the Trigon Russian Top Picks Fund.

### Owners of the Company and staff salaries

In 2024, the Management Board members of AS Trigon Asset Management were Mehis Raud and Jelena Rozenfeld. The members of the Supervisory Board are Joakim Johan Helenius, Lenno Link and Kairi Ratas. The majority shareholder of AS Trigon Asset Management (63.77% of the share capital) is AS Trigon Capital, Mehis Raud personally and through OÜ Fero Invest owns 29.82%, Jelena Rozenfeld owns 5.55%, Mihkel Välja owns 0.58% and Joakim Helenius owns 0.28% of the shares. As at the end of year 2024, Trigon Asset Management AS had 9 employees (2023: 9). The overall staff salaries including social tax and unemployment insurance tax expense of the Company amounted to 628 thousand euros in 2024 (2023: 475 thousand euros), of which salaries paid to Management Board members including social tax and unemployment insurance tax expense accounted for 201 thousand euros (2023: 163 thousand euros). The Company did not pay additional compensation for participation in governing bodies to Management and Supervisory Board members.

The Management Board of AS Trigon Asset Management proposes to the shareholders to distribute dividends in the amount of 2,900 thousand euros in 2025. Corporate income tax arising from the dividends amounts to 818 thousand euros.

### Social responsibility and sustainability

AS Trigon Asset Management is a member of the United Nations Principles for Responsible Investment (UNPRI) programme from 2018. AS Trigon Asset Management follows the principles and practices of responsible investment in managing funds.

Taking sustainability into account in investment analysis and in decision making is essential to facilitate long-term returns on investments in funds.

When evaluating companies and the potential of their stocks, both financial and sustainability factors are taken into consideration. In its evaluation of the sustainability criteria, AS Trigon Asset Management applies the method of negative screening. The investments exclude stocks of companies in several fields of activity and the companies that do not comply with international standards. The investment team of AS Trigon Asset Management continuously monitors and analyses the existing stock portfolio and companies of potential interest to evaluate their fit in the portfolio based on the principles of sustainable investing.

When managing funds and mandates as well as making investments, the following factors are taken into consideration, among others:

- environmental aspects (e.g., environmental and climate impact of companies)
- social aspects (e.g., human rights, workers' rights, equal opportunities, work practices)
- corporate governance aspects (e.g., shareholders' rights, remuneration of management and anti-corruption issues).

The principles of sustainable investing are disclosed on the AS Trigon Asset Management website.

## Climate strategy

Trigon Asset Management aims to contribute to the positive development of society and the environment, committing to reducing climate risks and creating opportunities to transition to a more climate friendly life. Consequently, the company has adopted two main goals in terms of climate change:

1. The main goal is to achieve the highest possible level of efficiency in all its daily activities, with an emphasis on environmental protection and to minimize the impact of its business activities on the environment.  
Therefore, we follow the principles of responsible work and environmental protection both in shaping the values of our employees as well as in our daily activities:
  - ✓ We reduce waste generation and promote separate collection of waste by type
  - ✓ We avoid and reduce the use of paper and promote paperless document circulation and the use of digital signatures.
2. Trigon Asset Management using owner influence excludes shareholdings if they involve confirmed sustainability risks and whose activities, we consider to be harmful to society or to the environment.

## Future developments

AS Trigon Asset Management will continue managing the existing funds in 2025. AS Trigon Asset Management will remain focused on managing Central and Eastern Europe mandates and sees room for growth in the number of clients in this business segment.

Mehis Raud  
Member of the Management Board

## FINANCIAL STATEMENTS

### BALANCE SHEET

EUR	Note	31.12.2024	31.12.2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	2,090,957	2,011,975
Receivables and prepayments	3	1,534,094	1,598,892
<b>Total current assets</b>		<b>3,625,051</b>	<b>3,610,867</b>
<b>Financial investments</b>			
Units of managed funds	4	872,251	873,527
<b>Total financial investments</b>		<b>872,251</b>	<b>873,527</b>
<b>Non-current assets</b>			
Intangible assets		25,080	34,200
<b>Total non-current assets</b>		<b>25,080</b>	<b>34,200</b>
<b>TOTAL ASSETS</b>		<b>4,522,382</b>	<b>4,518,594</b>
<b>LIABILITIES AND EQUITY</b>			
Payables and prepayments	5	957,727	806,215
<b>Total liabilities</b>		<b>957,727</b>	<b>806,215</b>
<b>EQUITY</b>			
Share capital	8	152,819	164,004
Statutory reserve capital		15,978	15,978
Own shares	8	0	-100,000
Retained earnings		520,341	309,326
Profit for the period		2,875,517	3,323,071
<b>Total equity</b>		<b>3,564,655</b>	<b>3,712,379</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,522,382</b>	<b>4,518,594</b>

## INCOME STATEMENT

EUR

	Note	2024	2023
<b>Fee income</b>	<b>9</b>	<b>5,969,516</b>	<b>4,822,368</b>
<b>Fee expense</b>	<b>9</b>	<b>-1,345,183</b>	<b>-873,327</b>
<b>Financial income and financial expenses</b>			
Interest income		42,786	25,162
Change in value of financial investments		-1,276	271,266
Other financial income and financial expenses		9,778	-8
<b>Total financial income and financial expenses</b>		<b>51,288</b>	<b>296,420</b>
<b>Operating expenses</b>			
Miscellaneous operating expenses	<b>10</b>	-421,830	-277,256
Staff costs	<b>11</b>	-721,303	-550,062
Significant impairment of current assets	<b>12</b>	0	92,445
Other operating expenses		-185	-1,480
<b>Total operating expenses</b>		<b>-1,143,318</b>	<b>-736,353</b>
Depreciation and impairment of intangible fixed assets		-9,120	-9,120
<b>Profit before income tax</b>		<b>3,523,183</b>	<b>3,499,988</b>
Income tax	<b>8</b>	-647,666	-176,917
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>2,875,517</b>	<b>3,323,071</b>



## Notes to the financial statements

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### NOTE 1. Accounting policies

The financial statements of AS Trigon Asset Management have been prepared in accordance with Estonian financial reporting standard. The financial statements have also been prepared in accordance with the accounting policies of the parent company AS Trigon Capital (address: Pärnu mnt 18, 10141 Tallinn).

The financial statement 2024 have been prepared as abridged financial statements in accordance with the Accounting Standards Board's guideline 15 clause 59. These financial statements have been prepared under the historical cost convention, except for the cases described in the following accounting policies.

The 2024 year financial statements are presented in euros.

#### Financial assets

The company has the following financial assets: cash and cash equivalents (see also Cash and cash equivalents accounting policies), trade receivables (see also Receivables and prepayments accounting policies) and other receivables.

Purchases and sales of financial assets are recognized on the settlement date (i.e., on the day when company becomes owner of the financial asset purchased, or when claim of ownership of the financial asset sold has been lost). When recognizing financial assets at the time of purchase or sale at their fair value, the change in value is recognized between the transaction day and balance sheet daytime-frame as profit or loss, with similar process applied to other financial assets owned by the company. Cash and cash equivalents, trade receivable and other receivables (accrued income, issued loans and other short and long-term receivables), excluding receivables which were acquired for re-sale, are recognized at amortized cost. Amortized cost of short-term receivables is usually equal to nominal value (minus repayments and possible write downs). Hence, short-term receivables are recognized in the balance sheet in expected settlement value. To calculate amortized cost of long-term receivables, they are initially recorded at the fair value of expected cash flows, calculating interest income using internal interest method. Receivables acquired for resale are recognized at fair value.

At each balance sheet date, management evaluates if there are any events indicating potential impairment of receivables. If such events occur, financial assets are assessed as follows:

- (a) Financial assets carried at amortized cost (such as receivables and bonds held to maturity) are written down to their probable future recoverable value (discounted at the financial asset's initially fixed internal interest rate)
- (b) Financial assets carried at acquisition cost (shares and other equity instruments fair value of which cannot be reliably measured) are written down to their probable future recoverable value (discounted at the market rate of return for similar financial assets)
- (c) Financial assets at fair value are written down to their fair value. Fair value losses are recognized in the income statement as expense. Financial assets are recognized at fair value through equity revaluation reserve. If the value asset has decreased, then the negative amount reserve is recognized in the income statement as loss.

Reversals of impairment:

- (a) If the previously discounted and adjusted financial asset value shall increase in the future, the previous discount is being voided to the sum which is the lowest or when (1) financial asset future price is lower than current value and (2) balance sheet residual value if previously no discounts were applied to the asset. Cancellation of discounts are recognized in the Income Statement.
- (b) For those financial assets which are recognized in the amount of their acquisition value, because of their fair value cannot be reliably measured, discounts are not voided.

(c) For changes in fair value of asset through equity reserve revaluation the cancellation of discount is being measured as follows: stocks and other equity instruments discount cancellation is recognized as increase in equity reserve capital; bonds and other debt instrument discount cancellation is recognized in the income statement.

### **Financial instruments**

Financial investments includes Units of funds managed by the management company. The measurement of units is based on the net asset value of these units on the balance sheet date. The net asset value is the fair value. Gains or losses arising from revaluation of investment funds' shares managed by the fund manager are recorded in the income statement as "Change in the value of financial investments". Upon realisation of securities the difference between the amounts received from the sale of securities and the fair value on the last balance sheet date is shown in the income statement as "Profit/ loss from sale of financial investments".

### **Cash and cash equivalents**

Cash and cash equivalents presented on the balance sheet line item include demand deposits and in the cash flow statement, include cash in hand, bank account balances and overnight deposits.

### **Recognition of foreign currency transactions**

All currencies other than the reference currency euro are considered foreign currencies. Foreign currency transactions are recorded at the official currency exchange rates quoted by the European Central Bank prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies (receivables and loans payable in cash) are translated into EUR at the official foreign currency exchange rates quoted by the European Central Bank prevailing at the balance sheet date. Gains and losses from conversion of foreign currencies are recorded in the income statement of the reporting period. Non-monetary financial assets and liabilities in foreign currency which are being measured at fair value (in case of fair value method recognized real estate investments; biological assets; short and long-term financial investments in stocks and other equity financial instruments, fair value of which can be reliably measured), are measured based on the foreign currency exchange rates of the European Central Bank prevailing at the transaction date. Non-monetary financial assets and liabilities in foreign currency which are not measured in fair value method (for example: prepayments, inventory at acquisition cost, tangible and intangible assets), are not subject to revaluation on the balance sheet date but are recognized at the European Central Bank rate of the date of acquisition of the asset or liability.

### **Receivables and prepayments**

Short-term receivables generated in the ordinary course of business are classified as trade receivables. Trade receivables are carried at amortized cost (original invoice amount less provisions made for impairment of these receivables). The impairment of the receivables that are individually significant (i.e., need for a write-down) is assessed individually for each customer, using the present value of expected future collectible amounts as the basis. For receivables which are individually not important and for which knowledge of discount does not exist, their discount is being valued in aggregate, using the previous year experience. The impairment of receivables is recognized in other operating expenses line item. The collection of the receivables that have previously been written down are accounted for as a reversal of the loss from doubtful receivables.

## Financial liabilities

All financial liabilities (supplier payables, accrued expenses, and other short-term borrowings) are initially recorded at cost, net of transaction costs incurred. They are subsequently measured at amortized.

The amortized cost of current financial liabilities generally equals their nominal value; therefore, current financial liabilities are carried in the balance sheet in their net redemption value. A financial liability is classified as short-term when it is due to be settled within 12 months after the balance sheet date or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Liabilities which payment date is longer than a year are recognized as long-term liabilities. For measurement of long-term financial liability adjusted acquisition value the acquisition cost is taken in fair value amount (reduced by the amount of transaction costs) and considering future periods interest using the internal interest method.

## Provisions and contingent liabilities

Present obligations arising from past events whose timing or amounts are uncertain are recognized as provisions. The provisions are recognized based on the management's estimates regarding the amount and timing of the expected outflows. A provision is recognized on the balance sheet in the amount, which according to the management is necessary at the balance sheet date for meeting the obligation arising from the provision or transfer to the third party. Other contingent liabilities where the realization is less probable than non-realization or related costs cannot be determined reliably, that in certain circumstances may become obligations, are disclosed in the notes to the financial statements as contingent liabilities.

## Revenue

Revenue is recognized on an accrual basis if revenue and transactions cost are determined reliably. Fee and commission income are recognized during the period of service. Revenue reflects the fees received from investments funds, fees for providing fund management services for funds that it does not manage and fees from other provided services. The management fee charged from the funds that are managed is calculated based on the terms and conditions of the respective fund prospectus.

Investment funds' maximum fees are outlined in the funds' terms and conditions, which are registered by Financial Supervision Authority. According to management's decision, AS Trigon Asset Management may charge lower fees than indicated in the terms and conditions. Aforementioned fees are disclosed in funds' prospectuses and are the following:

### Fees from investment funds

Luka Adriatic Property Real Estate Fund I: Management fee is 25 thousand euros per annum and is paid out on the following month of the accounting month. In case of the share subscription the fund manager charges subscription fee. The maximum amount of the subscription fee is 1% from net value of the share. Fund management company may reduce or amend subscription fees.

Trigon - New Europe Fund. The management fee is calculated daily at a rate of 0.75%-2% (depending on the class of the unit) on the market value of the Fund's assets on an annual basis and is paid to the fund management company once a month.

The Management Company has the right to receive a performance fee from Trigon New Europe Fund Class B unit based on the return of fund. The Management Company has the right to receive a performance fee if the return on the net asset value of the Class B Unit from the beginning of the year exceeds the return of MSCI EFM CEEC ex Russia Net Return from the beginning of the year. The performance fee rate is 15% from the increase of net asset value. The performance fee is calculated and paid out once a year.

Trigon Dividend Fund. The management fee is calculated daily at rate of 0%-2% (depending on the class of the unit) on the market value of the Fund's assets on an annual basis and paid to the fund management company once a month. The Management Company has the right to receive a performance fee based on the performance of all Trigon Dividend Fund classes. In the case of Class C and Class D Units, the rate of performance fee is 15% of the increase of the unit's net asset value. In the case of Class eQ, management company is entitled to a performance fee if the net asset value of the unit exceeds the highest end-of-month level in the history plus the required minimum return (3.5% on an annual basis). The performance fee is calculated and paid once a month.

Trigon Russia Top Picks Fund. The management fee is calculated daily at a rate of 0.75-2% of the market value of the Fund's assets on an annual basis, management fee is paid to the Management Company once a month. The Management Company is entitled to receive a performance fee based on the performance of fund. The Fund Management Company is entitled to the performance fee if the net asset value of a Class eQ unit exceeds its highest month-end net asset value plus the required minimum return (3.5% on an annual basis). The Fund Management Company is entitled to the performance fee if the rate of return of a Class D unit based on its net asset value exceeds the MSCI Russia Daily Net TR EUR rate of return starting from the beginning of the year. The rate of the performance fee for Class eQ unit is 15% and for Class D and Class E units 20% of the increase in the net asset value, which exceeds the highest historical month-end net asset value plus the required minimum return. The performance fee is calculated and paid once a month.

The service cost includes expenses incurred to obtain service fee income, including expenses related to the purchase of fund units and securities portfolio management services.

## Taxation

According to the Estonian Income Tax Act, the annual profit of the company 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 01.01.2025, the tax rate on the net dividends paid out of retained earnings is 22/78. From 2019, it was possible to apply tax rate of 14/86 to dividend payments. The more beneficial tax rate could 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 was the first year to be taken into account and in 2024, the more favourable tax rate could be used for the last time.

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.

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 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 Note 7 to the financial statements.

## Related parties

Related parties are parties that have significant control over the company or significant influence over the other party's business decisions in accordance with the Accounting Standard Board guideline 2 "Requirements for Presentation in the Financial Statements" definition. Related parties are not only defined by the legal form of transactions and relationships but their actual substance.

## NOTE 2. Cash and Equivalents

EUR	31.12.2024	31.12.2023
Bank account	65,740	41,758
Cash	217	217
Deposits	2,025,000	1,970,000
<b>Cash and cash equivalents in total</b>	<b>2,090,957</b>	<b>2,011,975</b>

## NOTE 3. Receivables and prepayments

EUR	Note	31.12.2024	31.12.2023
Trade receivables		760,785	983,438
Receivables from related parties	12	713,983	563,952
Other receivables		20,482	22,335
Prepaid value added tax		11,393	11,350
Prepayments		27,451	17,817
<b>Total receivables and prepayments</b>		<b>1,534,094</b>	<b>1,598,892</b>

See Note 12 for write-downs in respect of receivables from related parties.

## NOTE 4. Financial investments

EUR	Units of managed funds
<b>31.12.2022</b>	<b>0</b>
Additions (at cost)	602,261
Change in fair value	271,266
<b>31.12.2023</b>	<b>873,527</b>
Change in fair value	-1,276
<b>31.12.2024</b>	<b>872,251</b>

In 2023, accumulated management fee of Luka Adriatic Property Real Estate Fund was converted into additional fund units, see Note 12.

## NOTE 5. Payables and prepayments

EUR	Note	31.12.2024	31.12.2023
Payables to suppliers		786,011	565,122
Payables to employees	11	76,969	154,964
Tax payables	6	21,241	18,547
Other payables		73,506	67,582
<b>Total payables and prepayments</b>		<b>957,727</b>	<b>806,215</b>

## NOTE 6. Tax liabilities

EUR	31.12.2024	31.12.2023
Personal income tax	7,020	5,797
Special income Tax	260	621
Social tax	12,441	10,880
Unemployment insurance tax	874	722
Contribution to mandatory pension	646	527
<b>Total tax liabilities</b>	<b>21,241</b>	<b>18,547</b>

See also note 5.

## NOTE 7. Contingent liabilities

EUR	31.12.2024	31.12.2023
Contingent liabilities		
Possible dividends	2,900,000	3,023,240
Income tax on possible dividends	817,949	647,666
<b>Contingent liabilities in total</b>	<b>3,717,949</b>	<b>3,670,906</b>

In accordance with the Income Tax Act, a company registered in Estonia does not pay the income tax on the earned profit, but on the distributed dividends or on the income distributed in any other form. Income tax is also to be paid on any payments made from the equity, which exceed the monetary and non-monetary deposits into the equity.

According to the amendment to the Income Tax Act, a more favorable tax rate will apply to dividends paid regularly from 2019 onwards. The general tax rate on dividends and other profit provisions is 20%. Profits distributed in a calendar year that are less than or equal to the average distributed profits of the previous three calendar years are taxed at a rate of 14%. The first year for calculating the three - year average dividend is 2022. As a result, in 2024, a part of the profit distributed in the calendar year was taxed at a lower rate, which was the average of the previous three calendar years' profit. Since 01.01.2025, the tax rate on the net dividends paid out of retained earnings is 22/78.

A contingent income tax liability which would arise due to the payments from the equity is not recognized in the balance sheet. Income tax expenses arisen from distributed dividends or other equity reduction-related payments are at the moment recognized in the income statement as an expense.

In accordance with the additional equity requirements established on the fund managers by the Financial Supervision Authority of the Republic of Estonia, at the balance sheet date it is possible to pay out dividends to the owners from retained earnings in the amount of 2,900,000 euros (31 December 2023: 3,023,240 euros). The corresponding income tax would amount to 817,949 euros (31 December 2023: 647,666 euros).

The tax authorities may at any time inspect the books and records within 5 years after the reported tax year and may impose additional tax assessments and penalties. No tax control was carried out in the Company in 2024 and 2023. The Company's Management is not aware of any circumstances which may give rise to a potential material liability in this respect.

For the reporting period, AS Trigon Asset Management has one case pending with Olympic Entertainment Group AS ("OEG"):

#### Contingent assets

Statement to determine fair compensation to the shareholders of Olympic Entertainment Group AS ("OEG"). It is a non-action procedure in which the court accompanied all minority shareholders of OEG from whom the shares were taken over during the mandatory takeover bid in October 2018, as petitioners. AS Trigon Asset Management represents, inter alia, the funds it manages in this action. This procedure has no negative effect on the financial statements of AS Trigon Asset Management. The general meeting of OEG approved the decision to approve the takeover of the shares owned by the minority shareholders of OEG by Odyssey Europe AS in exchange for financial compensation of 1.40 euros per share. The application pending before the court has been filed for the protection of the rights of minority shareholders and to obtain fair compensation for OEG shares. The petitioners, including Trigon Asset Management AS, find that 1.40 euros per share is clearly incorrect and too low. The financial impact on Trigon Asset Management amounts to a total of around 20,000 euros for the expenses of the law firm, most of which will be borne by Trigon New Europe Fund. However, if the application is ultimately satisfied and the court determines a higher compensation, OEG will presumably reimburse all the applicants' procedural costs.

After the sessions in 2024, the Court of First Instance decided that a fair compensation was EUR 1.90 per share plus the amount of interest accumulated. According to the decision, the costs would be borne by the opposing party. As of the end of 2024, the application is in the Tallinn Circuit Court. See also Appendix 8.

### NOTE 8. Share capital

EUR	31.12.2024	31.12.2023
Share capital	152,819	164,004
Number of ordinary shares (pcs)	742,977	798,900
Nominal value of shares (ordinary shares)	0.20	0.20
Number of preferred shares (pcs)	862	862
Nominal value of shares (preferred shares)	4.90	4.90

The parent company of the AS Trigon Asset Management is AS Trigon Capital. As at 31 December 2019, the share capital of AS Trigon Asset Management consisted of 798,900 registered shares with a nominal value of 0.20 euros and the total share capital was 159,780 euros. In 2020, 55,923 shares were repurchased, as a result of which AS Trigon Asset Management owns its own shares. Own shares do not provide shareholder rights.

On July 25, 2024, General Meeting of shareholders decided to cancel own shares with a nominal value of EUR 11,185. The reduction of the share capital was entered in the Commercial Register on December 02, 2024.

In December 2020, the shareholders of AS Trigon Asset Management decided to issue share options to key employees. According to the decision, employees participating in the option program can acquire up to



1,000 Company preference shares against a financial contribution corresponding to their nominal value. An option agreement was concluded with each key employee with a three-year period that entitles the employee to subscribe for a certain number of preference shares during the subscription period beginning after the three-year period. Share options cannot be exchanged, transferred, pledged, or encumbered, unless the Supervisory Board agrees to transfer the share option to another employee. The share option agreement expires upon termination of the employment contract. In 2023, according to the company's option program 862 series B preferred shares were issued.

As at 31 December 2024, the share capital of AS Trigon Asset Management is 152,819 euros (31.12.2023 164,000 euros).

According to the articles of association, the minimum size of the share capital of AS Trigon Asset Management is 125,000 euros and the maximum size is 500,000 euros. In 2024, dividends in the amount of 3,023,240 euros were paid, income tax from dividends amounted to 647,666 euros. The Company's retained earnings as at 31 December 2024 amounted to 3,395,858 euros (31 December 2023: 3,632,397 euros). For further details on payment of probable dividends, see note 7.

#### NOTE 9. Fee income and expense report

EUR	2024	2023
Fee income by geographical location		
Estonia	109,959	152,537
Other European countries	5,341,357	3,931,806
Countries outside Europe	518,200	738 025
<b>Total fee income</b>	<b>5,969,516</b>	<b>4,822,368</b>
Fee income by operating activities		
Management fee	1,529	11,644
Success fee	742,320	904,370
Management fee for mandate-based management of other investment funds	5,225,667	3,906,354
<b>Total fee income</b>	<b>5,969,516</b>	<b>4,822,368</b>
<b>Fee expense</b>		
Investment fund commission expense	-1,345,183	-873,327
<b>Total fee expense</b>	<b>-1,345,183</b>	<b>-873,327</b>

#### NOTE 10. Miscellaneous operating expenses

EUR	2024	2023
Other sales expenses	4,254	4,217
Information expenses	79,892	78,834
Business trip expenses	50,346	40,486
Legal consultations	49,680	49,680
Advertising and representation costs	120,175	6,054
Rental fees	65,920	61,920
Depository fees	11,962	10,723
Other purchased goods and services	39,601	25,342
<b>Total miscellaneous operating expenses</b>	<b>421,830</b>	<b>277,256</b>



Other sales expenses in the amount of 4,254 (2023: 4,217) euros comprise of contractual equity fund's costs related to marketing outside Estonia. Other purchased goods and services in the amount of 39,601 (2023: 25,342) euros include various operating expenses such as additional expenses related to the rented office space, postal services, membership fees, telecom costs, fees to Financial Supervisory Authority, audit costs, IT-services, and acquired small equipment.

In determining the minimum amount of own funds, the following line items from the income statement are considered to be the fixed overheads of the Fund Management Company – Miscellaneous operating expenses, Staff costs, Other operating expenses, Other financial income and expenses less calculated bonus (Note 11).

#### NOTE 11. Staff costs

EUR	2024	2023
Salaries	469,761	354,892
Social taxes	158,610	119,701
Calculated bonus (including social tax)	65,000	50,000
Vacation reserve	25,758	332
Fringe benefits	2,174	25,137
<b>Total staff costs</b>	<b>721,303</b>	<b>550,062</b>

#### Remuneration principles

Management and employees of Trigon Asset Management get monthly fixed basic salary. Key employees are paid an additional performance fee. The fixed salary is the main part of the salaries of all employees and is based on the fixed salary agreement. Fixed salary is determined individually for each employee, considering his or her role and responsibilities, position, achievements, and conditions of the labor market. Variable salary depends on employee's individual results as well as the result of the whole company. In addition, sales bonus is paid to employees, who are directly involved with in gaining new clients. Such performance fees are in line with the results, are assessed separately case by case and are not determined as a fixed amount.

The management company bases its remuneration principles on the principle of proportionality. The Management Company has not implemented severance pay or non-monetary benefits.

The average number of employees in Trigon Asset Management (including board members) in the reporting year was 9 (2023: 9). The total amount of salaries (including taxes) calculated for employees during the reporting period was 628,371 euros (2023: 474,593 euros). During the reporting period, the remuneration (including taxes) of the members of the Management Board was 200,871 euros (2023: 162,523 euros). No remuneration has been paid to the members of the Supervisory Board for their participation in the Supervisory Board (Note 5 and 12).

#### NOTE 12. Related parties

Following entities are considered as related parties:

- Parent company AS Trigon Capital as well as other companies belonging to the parent company consolidation group;
- Owners with significant influence;
- Members of the Management and Supervisory Board as well as the companies controlled by them;
- Members of Management and Supervisory Board of AS Trigon Capital;
- Close family members of the abovementioned persons as well as their affiliated companies;

- Funds under management of AS Trigon Asset Management: Luka Adriatic Property Real Estate Fund I, Trigon New Europe Fund, Trigon Dividend Fund, Trigon Russia Top Picks Fund.

As at 31 December 2024, the owners of Trigon Asset Management AS are AS Trigon Capital with a 63.78% shareholding, OÜ Fero Invest with a 29.82% shareholding, Jelena Rozenfeld with a 5.55% shareholding, Mihkel Välja 0.58% shareholding and Joakim Helenius 0.28% shareholding.

Related party balances:

EUR	2024	2023
Receivables and prepayments		
Parent company	63,438	63,438
Managed investment funds	650,540	500,514
<b>Total receivables and prepayments</b>	<b>713,978</b>	<b>563,952</b>

The volumes of transactions with related parties in 2024 and 2023 are as follows:

EUR	2024	2023
Operating expenses		
Parent company	99,870	61,920
<b>Total</b>	<b>99,870</b>	<b>61,920</b>

As at 31 December 2016, the current account of AS Trigon Asset Management was included in the AS Trigon Capital group current account. In the first quarter of 2017, the current account of Trigon Asset Management was excluded from the Trigon Capital group current account and the respective amount was offset with the purchase price of a transaction under common control in the total amount of 2,966,480 euros. As at 31 December 2023, AS Trigon Asset Management accounted for interest in amount of 63,438 euros as a receivable from the parent company of the consolidation group.

In 2024, AS Trigon Asset Management received management fees, success fees, issue and redemption fees and investment management fees in the amount of 4,307,970 euros from the funds managed by itself (2023: 3,218,392 euros). As at 31 December 2024, the receivables of AS Trigon Asset management from the managed funds for the above-mentioned fees, which are recorded in the balance sheet as trade receivables, amounted to 650,540 euros (31 December 2023: 500,514 euros).

#### Management remuneration

Remuneration (including taxes) paid to the executive management amounted to 200,871 euros (2023: 162,523 euros). No additional considerations were paid to members of the Management Board and Supervisory Board for participation in the governing bodies. No severance pay is provided for members of the Management and the Supervisory Board under employment contracts. For further information, see note 11.

#### Impairments

In 2022, the outstanding management fees of Luka Adriatic Property Real Estate Fund were written down in a net amount of 9,248 euros, which is recognized in the income statement under Significant impairment of current assets. The net amount of the discount includes interest income in the amount of 41,617 euros, less the discount at a discount rate of 10% in the amount of 50,865 euros. When making the write-down, it was considered that receivables arising from the management fees will be realized within 1 year. As at 31 December 2022, the discounted receivable of AS Trigon Asset Management against the managed Luka Adriatic Property Real Estate Fund was in the amount of 499,400 euros.

In 2023, the uncollected discount of Luka Adriatic Property Real Estate Fund I for previous periods was cancelled and as at 31 December 2023, the claim has been converted into Fund units.

## Signatures of the Management Board for Trigon Asset Management AS annual report 2024

The Management Board of AS Trigon Asset Management has prepared the annual report of year 2024, which consists of the management report and financial statements, accompanied by independent auditor's report and proposal for profit distribution, and presented these to the shareholders for approval. By signing the annual report, the members of the Management Board confirm its responsibility for the data represented therein.

/signed/

Mehis Raud  
AS Trigon Asset Management  
Member of the Management Board

/signed/

Jelena Rozenfeld  
AS Trigon Asset Management  
Member of the Management Board

Tallinn, 6<sup>st</sup> of February 2025

## Proposal for profit distribution

The Management Board of Trigon Asset Management AS proposes to the General Meeting of Shareholders to distribute 2024 profit as follows:

<b>EUR</b>	<b>31.12.2024</b>
Dividends	2,875,517
Add to retained earnings	0

## Revenue allocation according to EMTAK classification

Revenue of AS Trigon Asset Management according to EMTAK classification:

EMTAK	Activity	2024	2023
66301	Funds management	5,969,516	4,822,368
<b>Total</b>		<b>5,969,516</b>	<b>4,822,368</b>