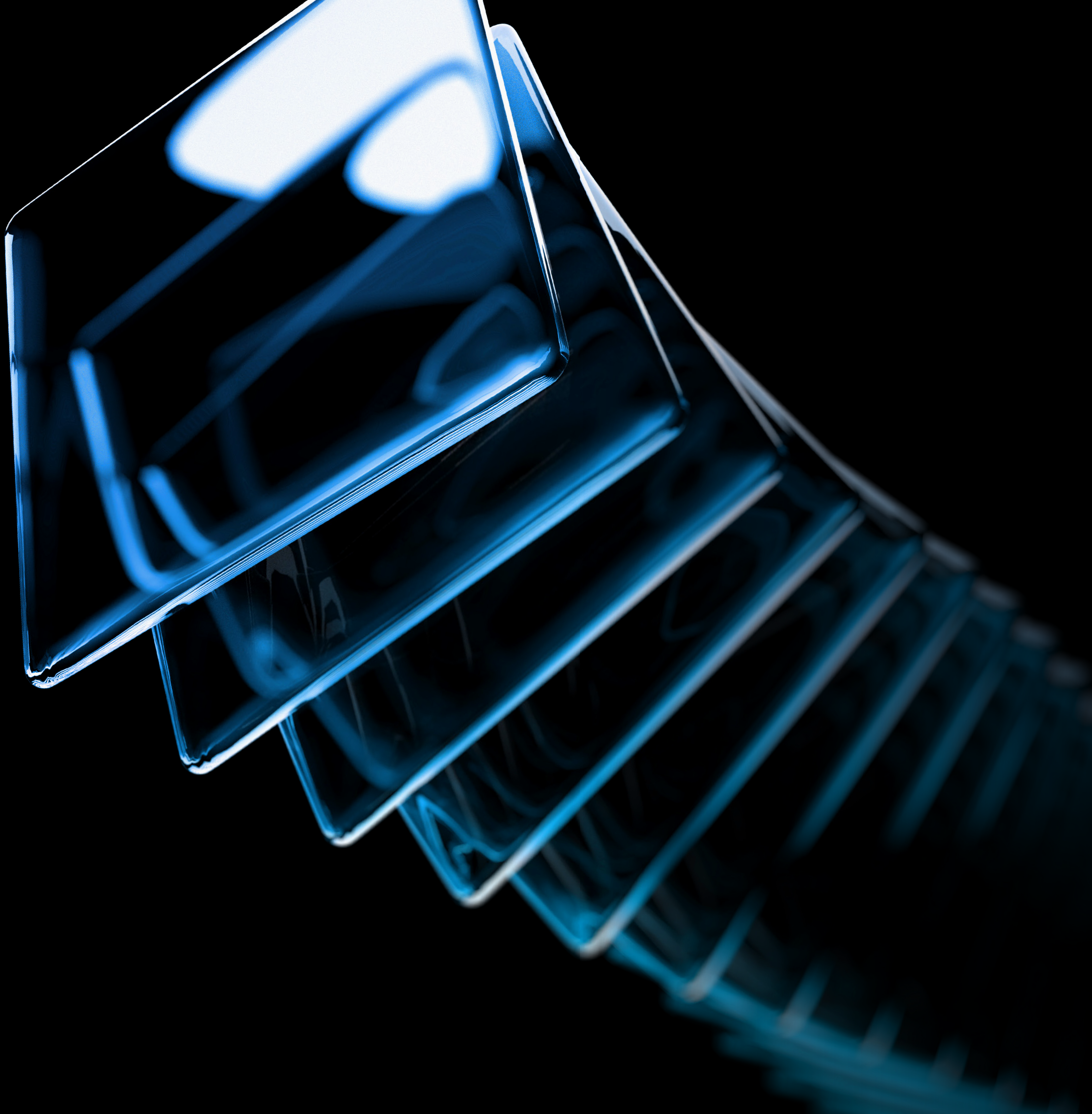


Diversified. Alternative. Investors.

2024 Annual Report

Tetragon Financial Group

Searching for intrinsic alpha – from returns in excess to risks taken.

At Tetragon, we seek to provide stable returns to investors across economic cycles and market conditions.

Tetragon is a Guernsey closed-ended investment group. Its non-voting shares are listed on Euronext in Amsterdam and also traded on the Specialist Fund Segment of the Main Market of the London Stock Exchange[1].

aic The Association of Investment Companies

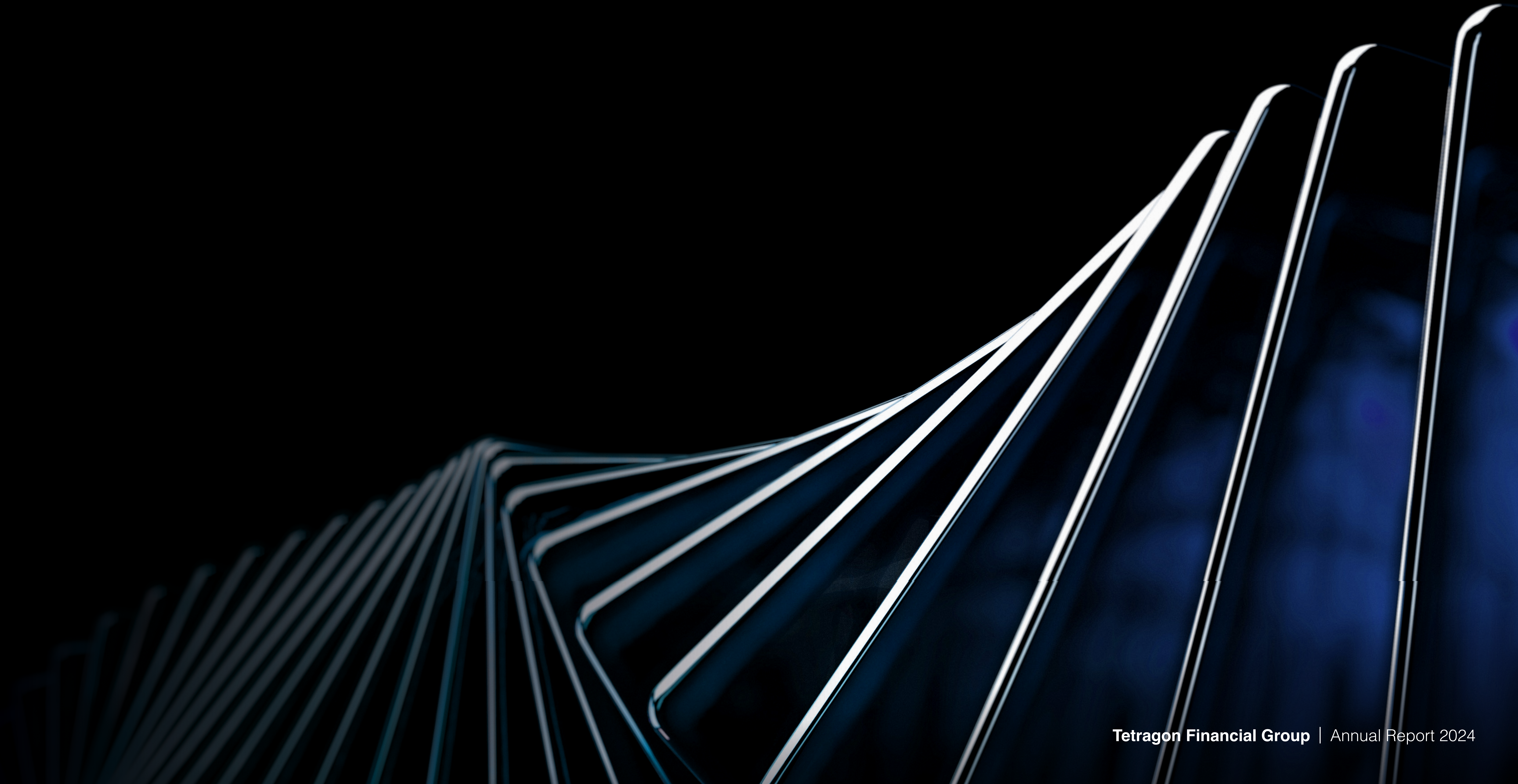
To view company updates visit:
www.tetragoninv.com

Tetragon's shares are subject to restrictions on ownership by U.S. persons and are not intended for European retail investors. These are described on our website. Tetragon anticipates that its typical investors will be institutional and professional investors who wish to invest for the long term and who have experience in investing in financial markets and collective investment undertakings, who are capable themselves of evaluating the merits and risks of Tetragon shares, and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment.

(1) Euronext in Amsterdam is a regulated market of Euronext Amsterdam. Tetragon's 'Home Member State' for the purposes of the EU Transparency Directive (Directive 2004/109/EC) is the Netherlands.

Snapshot

Clear focus.
Strong foundations.



2024 Snapshot

Distributable income. Capital appreciation.

Net asset value(1)

$3.2BN
31 December 2024

Ownership(2)

40.3%
Principal and Employee Ownership at 31 December 2024

NAV per share total return(3)

15.4%	9.1%	10.3%	10.8%	511%
2024 Full Year	5 Years Annualised	10 Years Annualised	Since IPO Annualised	Since IPO

Investment returns/return on equity(4)

14.6%	10-15%	11.4%
2024 Return on Equity	RoE Target	Annual Average Since IPO

Dividends

$0.11	$0.44	3.1%	(9.9)%
Q4 2024 Dividend Per Share	2024 Dividends Per Share	Dividend Yield(5)	Dividend 5-Year CAGR(6)

(1) (2) (3) (4) (5) (6) Please see important notes on page 6.

2024 Snapshot

2024 Performance summary

Figure 1

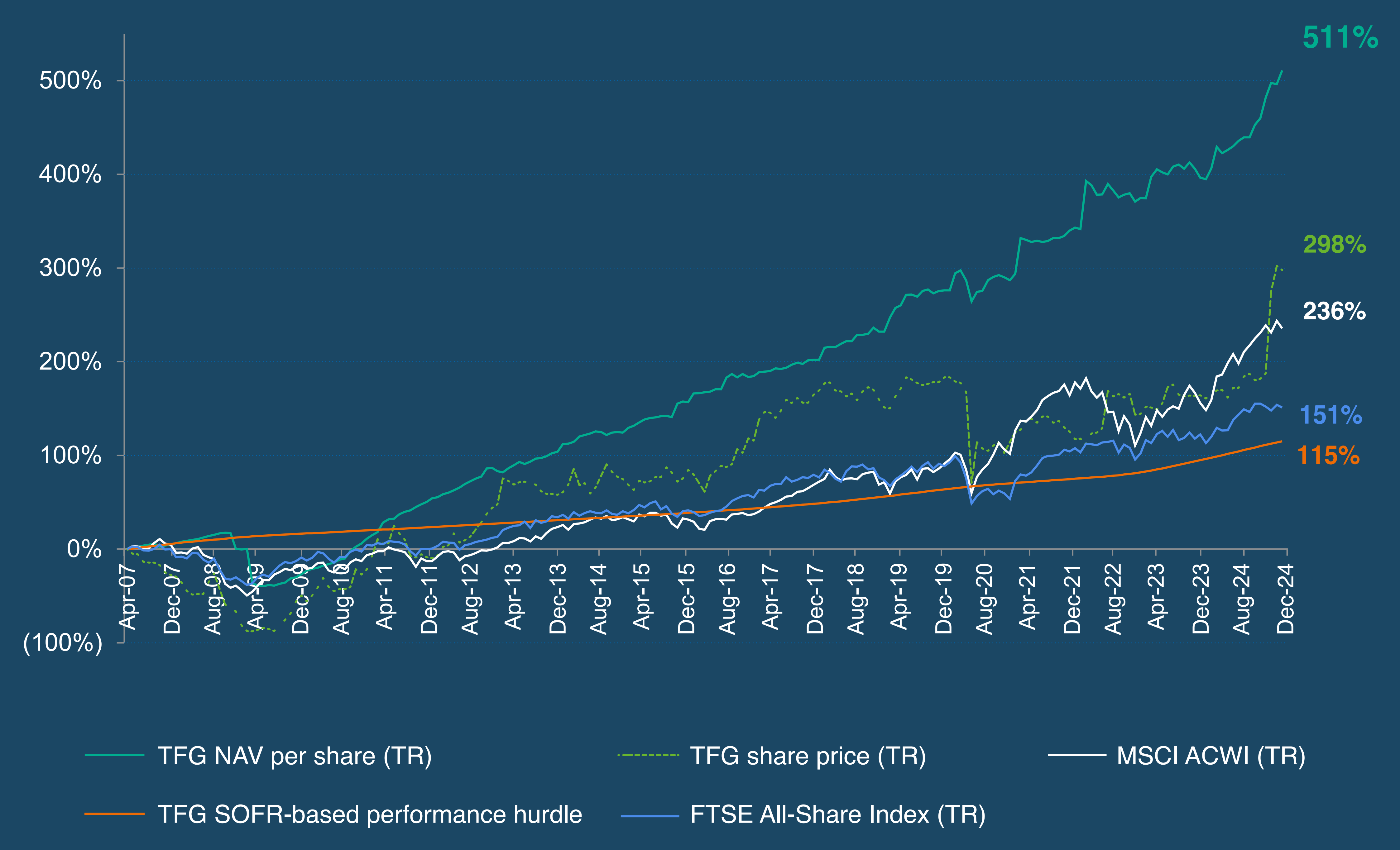
Tetragon Financial Group – Performance Summary

	31 Dec 24	31 Dec 23	Change
Net Assets	$3,173.0m	$2,825.4m	$347.6m
Fully Diluted NAV per share	$35.43	$31.13	$4.31
Share Price(1)	$14.00	$9.88	$4.12
Dividend (past 12 months)	**$0.44**	**$0.44**	**$0.00**
Dividend Yield	3.1%	4.5%	
Ongoing Charges(2)	1.72%	1.75%	
Principal & Employee Ownership	40.3%	39.2%	

	2024	2023
Investment Returns/Return on Equity(3)	**14.6%**	**5.5%**
NAV per share Total Return(4)	**15.4%**	**6.4%**
Share Price Total Return(5)	47.8%	7.3%
Tetragon Hurdle: SOFR +2.75%(6)	8.2%	8.2%
MSCI ACWI Index Total Return(7)	18.0%	22.8%
FTSE All-Share Index Total Return(7)	9.4%	7.7%

Figure 2

Tetragon's NAV per share Total Return and share price since IPO to 31 December 2024



(1) (2) (3) (4) (5) (6) (7) Please see important notes on page 6.

2024 Snapshot

Notes

Page 4

(1) The value of Tetragon's assets, less any liabilities, as at 31 December 2024. Source: Tetragon.

(2) Shareholdings at 31 December 2024 of the principals of Tetragon's investment manager and employees of TFG Asset Management, including all deferred compensation arrangements (other than with respect to shares that are subject to performance criteria). Please refer to page 69 for more details of these arrangements. Source: Tetragon.

(3) NAV per share Total Return to 31 December 2024, for the last year, the last five years, the last ten years, and since Tetragon's initial public offering in April 2007. NAV per share Total Return is determined in accordance with the "NAV total return performance" calculation as set forth on the Association of Investment Companies (AIC) website. Tetragon's NAV per share Total Return is determined for any period by calculating, as a percentage return on the Fully Diluted NAV per share (NAV per share) at the start of such period, (i) the change in NAV per share over such period, plus (ii) the aggregate amount of any dividends per share paid during such period, with any dividend deemed reinvested at the NAV per share at the month end date closest to the applicable ex-dividend date (i.e. so that the amount of any dividend is increased or decreased by the same percentage increase or decrease in NAV per share from such ex-dividend date through to the end of the applicable period). NAV per share is calculated as Net Assets divided by Fully Diluted Shares Outstanding. Please refer to Figure 12 for further details.

(4) Average RoE is calculated from Tetragon's IPO in 2007. Tetragon seeks to deliver 10-15% RoE per annum to shareholders. Over longer time horizons, Tetragon's returns will most likely reflect sensitivity to the underlying short-term risk-free rate regime. Therefore after periods of transition to high-SOFR environments, Tetragon should achieve higher sustainable returns; after periods of transition to low-SOFR environments, Tetragon should achieve lower sustainable returns.

(5) The dividend yield represents the last four quarterly dividends divided by the TFG NA share price at 31 December 2024. The latest declared dividend is included in the calculation.

(6) The five-year Compound Annual Growth Rate (CAGR) figure is at 31 December 2024. The latest declared dividend is included in the calculation.

Page 5

(1) Based on TFG.NA.

(2) Annual calculation as at 31 December 2024. The ongoing charges figure is calculated as defined by the AIC, and comprises all direct recurring expenses to Tetragon expressed as a percentage of average Net Assets, including the annual management fee of 1.5%.

(3) Please see Note 4 for page 4.

(4) Please see Note 3 for page 4.

(5) 2024 total shareholder return, defined as share price appreciation including dividends reinvested, as sourced from Bloomberg.

(6) Cumulative return determined on a quarterly compounding basis using the actual Tetragon quarterly incentive fee SOFR-based hurdle rate. In the period from IPO to June 2008 this was 8%; July 2008 to June 2023, this was three-month USD LIBOR rate on the first day of each calendar quarter, plus a spread of 2.647858%; thereafter, the hurdle rate has been determined using the three-month term SOFR rate on the first day of each calendar quarter, as sourced from Bloomberg, plus a spread of 2.747858%.

(7) Any indices and other financial benchmarks are provided for illustrative purposes only. Comparisons to indices have limitations because, for example, indices have volatility and other material characteristics that may differ from the fund. Any index information contained herein is included to show general trends in the markets in the periods indicated, is not meant to imply that these indices are the only relevant indices, and is not intended to imply that the portfolio or investment was similar to any particular index either in composition or element of risk. The indices shown here have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely-recognised indices. The volatility of the indices may be materially different from the individual performance attained by a specific investor. In addition, the fund's holdings may differ significantly from the securities that comprise the indices. The "MSCI ACWI Index" refers to the MSCI All Country World Index (USD) which captures large and mid-cap representation across 23 developed markets and 24 emerging market countries. With 2,647 constituents, the index covers approximately 85% of the global investable equity opportunity set. Further information relating to the index constituents and calculation methodology can be found at www.msci.com/acwi. The FTSE All-Share Index represents 98-99% of U.K. market capitalisation and is the aggregate of the FTSE 100, FTSE 250 and FTSE Small Cap indices. Further information relating to the index constituents and calculation methodology can be found at https://www.lseg.com/en/ftse-russell/indices/uk.

Letter to our shareholders

Long-term capital. Creating opportunities.

Fellow shareholders:

As diversified, alternative investors, our investment objective continues to be to generate distributable income and capital appreciation. We do this by seeking to generate stable returns across economic cycles and market conditions.

Tetragon delivered an investment Return on Equity (RoE) of 14.6%, within our RoE target of 10-15%; a NAV per share total return of 15.4%; and declared 44.0 cents of dividends per share for the year – a yield of 3.1%. Tetragon's share price total return was 47.8% in 2024, and the company repurchased $25 million of its shares through a tender offer.

Letter to our shareholders

2024 performance was mainly driven by investments in Equitix, Ripple Labs Inc., and funds managed by Hawke's Point.

2024 performance summary

Performance was mainly driven by three investments:

- Firstly, TFG Asset Management's investment in Equitix, a leading international investor, developer and fund manager in infrastructure, was the strongest positive contributor in 2024 with a gain of approximately $279 million and remains the largest position. The company continues to grow and also had strong cash distributions during the year. TFG Asset Management's assumed ownership level increased from approximately 75% to 81.48% as described in Tetragon's 30 September 2024 Monthly Factsheet. In addition, there was an increase in observable market comparables.
- Secondly, Tetragon's investment in Ripple Labs, a top U.S. enterprise blockchain company which supports the XRP cryptocurrency ledger, gained over $150 million in 2024 due to favourable developments in the cryptocurrency regulatory landscape and tender offers conducted by the company.
- And thirdly, investments in funds managed by Hawke's Point, TFG Asset Management's resource finance business, generated a gain of $126 million led by their largest strategic investment, an Australian gold mining, exploration and development company.

These three investments exemplify our diversified approach and our focus on identifying attractive alternative investment strategies that may be more likely to have low correlation to markets and to each other.

Please refer to the Investment Review section for more detailed commentary on Tetragon's investments during 2024.

2024 market context

Despite pockets of turbulence in 2024, a "soft landing" narrative continued to unfold in the United States across three key areas:

- Economic growth: real GDP grew at 2.8% annualised, above long-term trend.
- Inflation: both Headline and Core CPI rose approximately 3% in 2024. Although both remain vexingly above the Fed's 2% target, there has been clear progress since Headline CPI peaked at over 9% annualised in mid-2022.
- Jobs: the labour market softened gradually, with unemployment rising from January's low of 3.7% to stabilise between 4.1% to 4.2% in the second half of the year. Measures of tightness such as job openings per seeker and "Quits" rate returned to pre-pandemic levels.

Equitix:

+$279M

2024 performance

Ripple Labs Inc.:

+$153M

2024 performance

Hawke's Point funds and co-investments:

+$126M

2024 performance

Letter to our shareholders

As the risks posed by moderating inflation and rising unemployment became increasingly balanced, the Fed announced an initial "jumbo" 50 basis point cut in September designed to stabilise the labour market against further deterioration. This reinforced a global monetary easing cycle that had started several months prior with cuts by the Swiss National Bank, Bank of Canada, European Central Bank and the Bank of England, driving many markets to new highs. Risk appetite in the United States was further boosted by hopes of stimulus and deregulation following Donald Trump's "red sweep" election victory in November.

The S&P 500 defied cautious early year forecasts to rise 25.0%(1), posting new all-time highs 57 times throughout the year. Following a 26.3% increase in 2023, this marked the first time since 1998 that the index rose over 25% for two consecutive years. Performance was again buoyed by the AI-exposed "Magnificent 7", which rose an average of 60.5% and contributed over half of the S&P's gains for the second year in a row.(2) The index's exposure to these seven stocks rose from 28.0% to 33.5% by year end, further fuelling concerns about market concentration in the AI theme. Global equities followed suit, with the MSCI ACWI Local index rising 20.7%, and new all-time highs posted for the FTSE 100 (+9.6%), DJ Stoxx 600 (+8.8%), and even the Nikkei 225 (+21.3%)(3) which finally surpassed its 1989 peak.

The U.S. treasury yield curve was volatile in 2024, with monthly fluctuations in inflation and unemployment data driving expectations that the Fed could deliver anywhere between one to seven 25 basis point cuts over the year. As the Fed began cutting rates in September, longer-term interest rates defied historical precedent: instead of falling like in most previous cut cycles, the U.S. 10-year yield rose 92 basis points to end the year at 4.57%. This steepening was driven by concerns that "higher for longer" rates were required to bring lingering inflation back to 2%, and that Trump's potential tax cuts and tariffs could further worsen U.S. fiscal deficits (which averaged over 6% in 2024). Although shorter-maturity treasuries posted positive returns in 2024, the steepening of the yield curve led to losses further out the curve with the U.S. 10-year treasury total returns falling 1.7%. The U.S. dollar mirrored the 10-year treasury yield's movements throughout the year, ultimately appreciating 7.1% due to tariff expectations, domestic stock market outperformance, and higher relative yields attracting international capital flows.

While U.S. credit spreads narrowed towards long-term lows, index returns were mixed: high yield indices gained 8.2% on the year, but the steepening yield curve proved to be a headwind to the more rate-sensitive investment grade index which gained 1.3%. Floating rate loans outperformed, with the Morningstar Leveraged Loan Index(4) generating a 9.0% total return.

Other assets also performed strongly, with gold prices rallying 27% due in part to strong central bank buying and concerns about global debt burdens. Cryptocurrency markets were boosted first by the approval of spot ETFs for Bitcoin and Ethereum, and again by Trump's victory promising a friendlier regulatory regime. The two largest tokens, Bitcoin and Ethereum, rose 120.5% and 46.6% respectively in 2024, and XRP, the cryptocurrency affiliated with Ripple, rose 238.4%.

In 2024, Tetragon delivered a +14.6% net return on equity, with gross returns of +19.2% broadly keeping pace with the +20.7% return for the MSCI ACWI Local Index(5) (which represents the performance of the MSCI ACWI Index if there were no foreign exchange fluctuations, similar to a portfolio with currency hedges, and with dividends reinvested, gross of any taxes). Over the time that Tetragon has been trading as a publicly-listed company, our NAV per share total return of 511% has demonstrated our ability to compound investment growth and return value to shareholders; this compares to the MSCI ACWI Local Index returning 273% over the same period.(6)

2025 outlook

Although the improved "soft landing" backdrop in 2024 drove another year of outlier returns across many asset classes, it also heightened the potential impact of factors threatening to destabilise the multi-year rally. At the end of the year the S&P 500 was valued at 21.6x forward earnings, far above the 2010-2019 average of 15.2x. This re-rating has been driven by the extraordinary rise of several key companies driving AI adoption; however, the resulting concentration has also increased market fragility as revealed by the turmoil surrounding the release of a potentially disruptive Chinese AI competitor, DeepSeek, in January 2025.

At a macroeconomic level, uncertainty around Trump's economic policies has the potential to deepen U.S. deficits, curtail international trade via tariffs, reignite inflation, and drive "bond vigilantes" to demand higher rates. Beyond the unresolved regional conflicts in Ukraine and the Middle East, global political temperatures have risen as South Korea briefly declared martial law and incumbent parties faced steep losses in the United States, United Kingdom, France, Canada, India, Germany and Japan to name a few.

These risks are real, but they are also accompanied by economic tailwinds driven by government deregulation and reform, above-trend growth in the United States, and the potentially immense productivity and innovation gains promised by AI adoption.

NAV Total Return in 2024

15.4%

Return on Equity in 2024

14.6%

Dividends in 2024

$0.44

Letter to our shareholders

Tetragon portfolio performance notes

Return on Equity. Tetragon's gross RoE was +19.2% in 2024 (+14.6% net), as compared to +20.7% for the MSCI ACWI Local Index. Over the last five years, Tetragon's annualised gross RoE was +12.6% (+8.6% net) compared to +11.7% for the MSCI ACWI Local Index.(7)

Volatility. The volatility of Tetragon's gross RoE was 6.4% for 2024 (or 5.2% on the basis of its net RoE) and 10.0% for the last five years (or 8.1% on the basis of its net RoE). The volatility of the MSCI ACWI Local Index was 7.8% for 2024 and 15.8% for the last five years.

Sharpe Ratio. Tetragon's Sharpe Ratio was 2.18 on a gross basis (and 1.80 on a net basis) for 2024, versus 1.88 for the MSCI ACWI Local Index. On a five-year basis, Tetragon produced a Sharpe Ratio of 1.01 on a gross basis (and 0.77 on a net basis), versus 0.57 for the Index.(8)

Board matters

Dividends and share repurchases

The fourth quarter 2024 dividend was declared at 11.00 cents per share, bringing the full-year 2024 dividend to 44.00 cents per share.

Tetragon repurchased $25.1 million of its non-voting shares during 2024 via a tender offer. We are pleased that the Company has returned approximately $1.8 billion to investors through dividends and share repurchases since its initial public offering in 2007. Tetragon will continue to seek to return value to its shareholders, including through dividends and share repurchases.

Cash

Tetragon's cash at bank balance was $30.5 million as at 31 December 2024. After adjusting for known accruals and liabilities (short- and long-dated), its net cash balance was -$339.1 million. Tetragon has access to a credit facility of $400 million with a maturity date in July 2032. As at 31 December 2024, $300 million of this facility was drawn and this liability has been incorporated into the net cash balance calculation.

Conclusion

As previously mentioned, we continue to look to add new strategies and help individuals and teams to create successful asset management businesses by leveraging TFG Asset Management's operating infrastructure and shared strategic direction with Tetragon, who can support asset management businesses through co-investment and working capital.

As we discussed in our 2023 Annual Report and in a statement regarding press speculation, the strong performance of Equitix, as well as other businesses on the platform, has enhanced the attractiveness of individual business transactions and other strategic opportunities as important ways of realising the value inherent in TFG Asset Management. As such, the strategy for TFG Asset Management with respect to Equitix includes having engaged with strategic partners and financial advisors to explore options for executing on transactions or partnerships that would take advantage of this value enhancement. Although transactions such as these would inevitably have the effect of shrinking TFG Asset Management's portfolio of relatively mature market-leading businesses – and thus its aggregate AUM – they would enable TFG Asset Management to monetise the benefits of its success in growing successful asset management businesses. Indeed, our view is that one of the key metrics that underscores TFG Asset Management's success must be the returns achieved by successful dispositions of its private equity stakes in asset management companies.

We remain excited and highly selective about the emerging opportunities spanning private and convertible credit, litigation finance, asset management partnerships, cryptocurrencies and equity themes across technology, biotechnology, raw materials, equity capital markets and European event-driven strategies. As we have noted previously, Tetragon believes that times like these can set the stage for the next several years of strong returns.

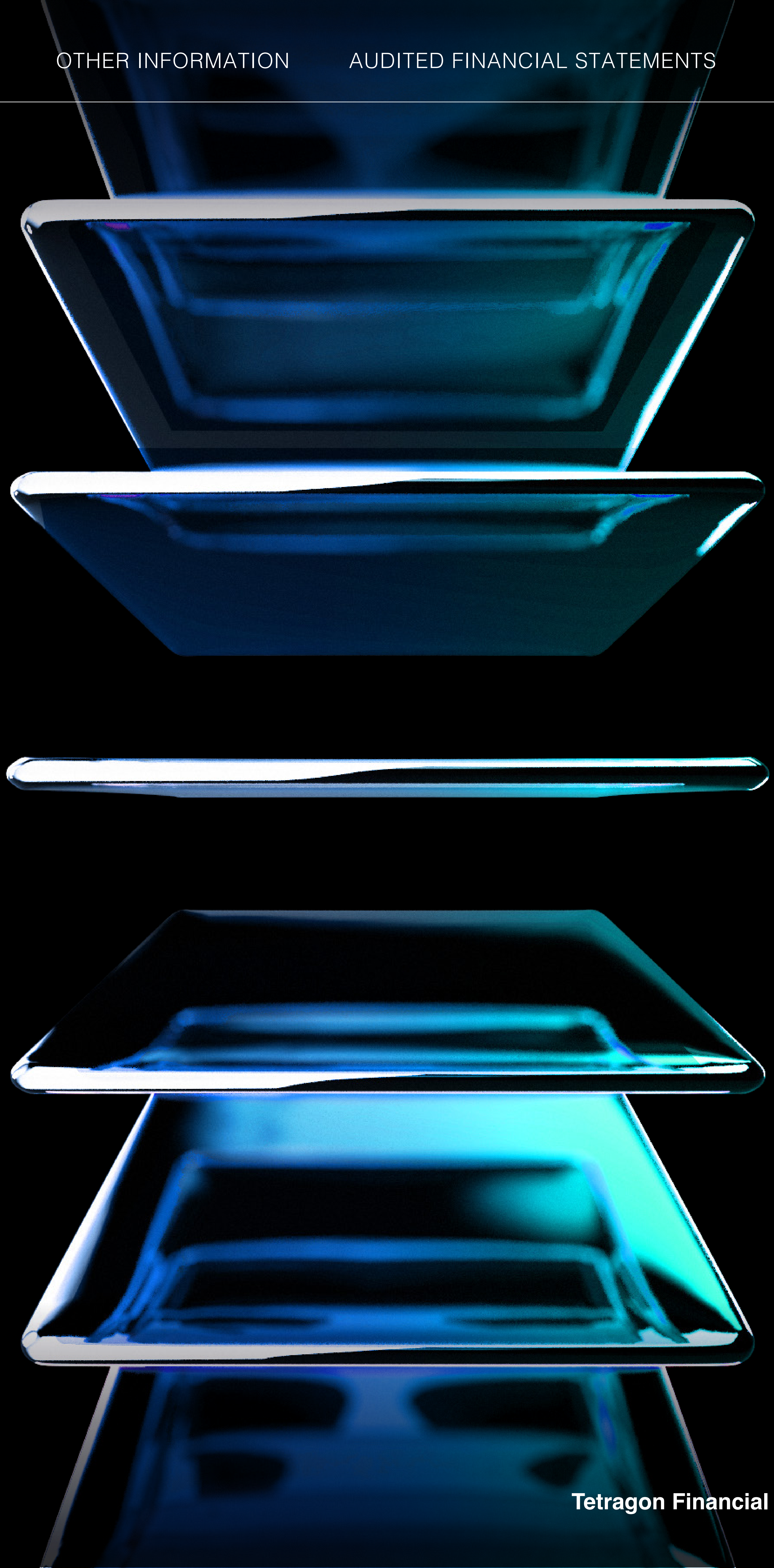
With Regards,

The Board of Directors
4 March 2025

(1) (2) (3) (4) (5) Source: Bloomberg. Please see note 7 on page 6 for important disclosures.
(6) We refer throughout this letter to the MSCI ACWI Gross Total Return Local Index, as the "MSCI ACWI Local Index". Source: Bloomberg. Please see note 7 on page 6 for important disclosures. Calculation start date is 30 April 2007.
(7) All statistics are calculated using monthly datapoints. Represents the performance of the ACWI Index if there were no foreign exchange fluctuations (similar to a portfolio with currency hedges), and with dividends reinvested, gross of any taxes. Source: Bloomberg.
(8) The risk-free rate used in the calculation of the Sharpe Ratio is the yield on 1-month U.S. Treasury bills.

Manager's review

This section includes commentary from Tetragon's investment manager and includes market context, our investment objective and strategy and key performance metrics.

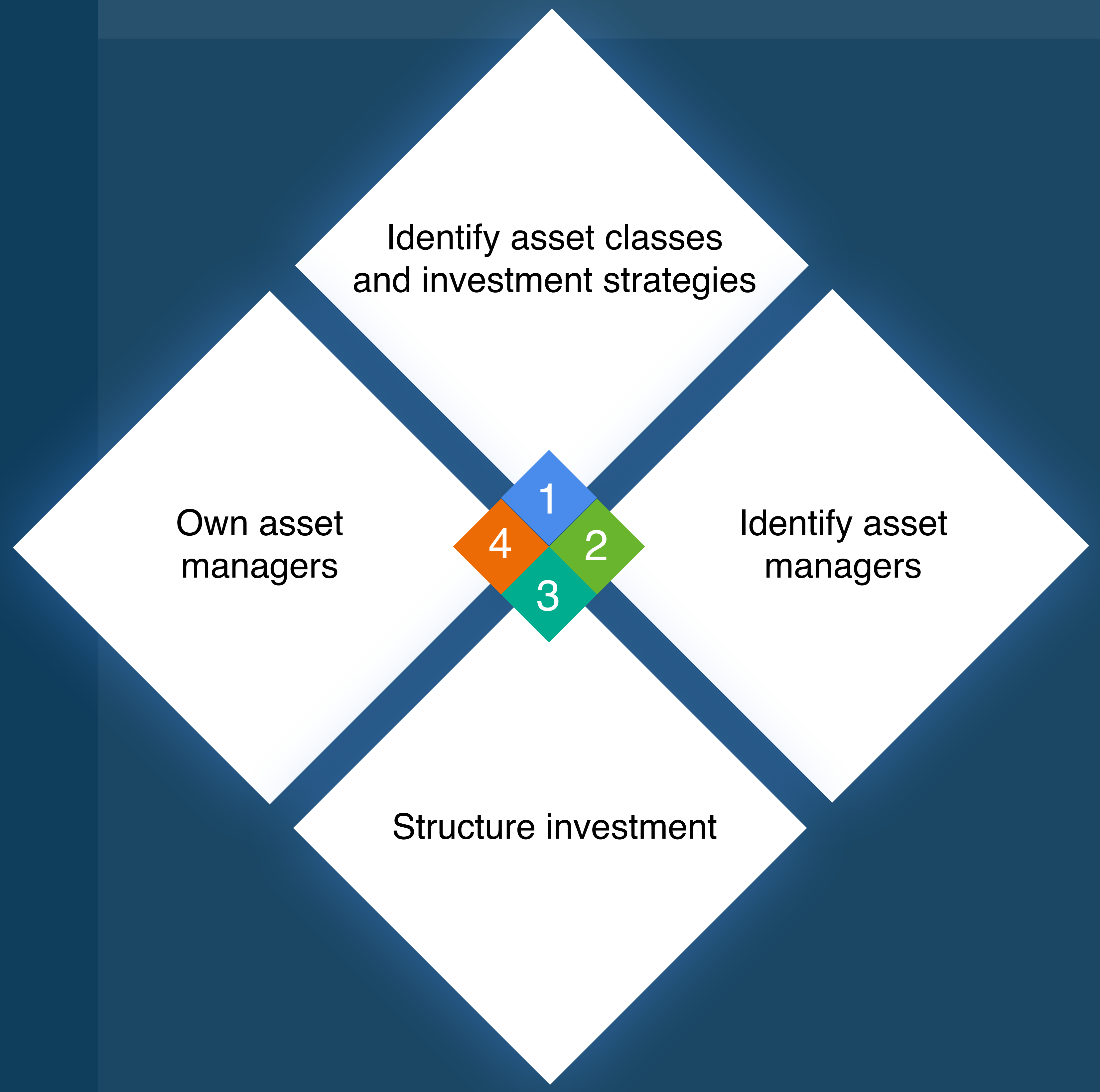


Manager's review

Investment objective & strategy

Tetragon's investment objective is to generate distributable income and capital appreciation.

Our investment strategy is as follows:



- Identify attractive asset classes and investment strategies.
- Identify asset managers that Tetragon Financial Management believes to be superior.
- Use Tetragon Financial Management's market experience to negotiate favourable terms for Tetragon's investments.
- Own, where appropriate, all or a portion of the asset management companies with which Tetragon invests in order to enhance the returns achieved on its capital.

In addition, the current investment strategy is to continue to grow and diversify TFG Asset Management – as our diversified alternative asset management business – as well as to enhance the value of our asset management companies with a view to realising value from the enterprise.

Manager's review

The ways we invest

Our investment strategy leads us to invest in three primary ways.

Three ways of investing

1. Investments in managed funds

Internally-managed funds

We invest in a range of specialised funds managed by TFG Asset Management managers, with a view to obtaining diversified returns on favourable terms. In so doing, Tetragon aims to not only produce asset-level returns, but also to enhance these returns with capital appreciation and investment income from its ownership stakes in asset management businesses that derive income from external investors.

Externally-managed funds

We also invest with high-quality third-party managers in which we do not have an ownership stake, in order to access asset classes and investment strategies that we believe are attractive, and we look to create beneficial structures for these investments.

2. Ownership stakes in asset managers

One of Tetragon's largest investments is TFG Asset Management, which manages, oversees and supervises our ownership stakes in asset management companies.

TFG Asset Management enhances the value of each individual investment and the entity as a whole through a shared strategic direction and operating infrastructure – encompassing critical business management functions such as risk management, investor relations, financial control, technology, and compliance/ legal matters – while at the same time giving entrepreneurial independence to the managers of the underlying businesses.

Factors in building out TFG Asset Management

Considerations when evaluating the viability of a potential asset manager typically include performance track records, reputation, regulatory requirements, infrastructure needs and asset-gathering capacity. Potential profitability and scalability of the asset management business are also important considerations.

Additionally, the core capabilities, investment focus and strategy of any new business should offer a complementary operating income stream to TFG Asset Management's existing businesses. Tetragon looks to mitigate potential correlated risks across TFG Asset Management's investment managers by diversifying its exposure across asset classes, investment vehicles, durations and investor types, among other factors.

Manager's review

Alignment. Performance. Returns.

Our alpha-driven ecosystem generates ideas, expertise, insights and connections.

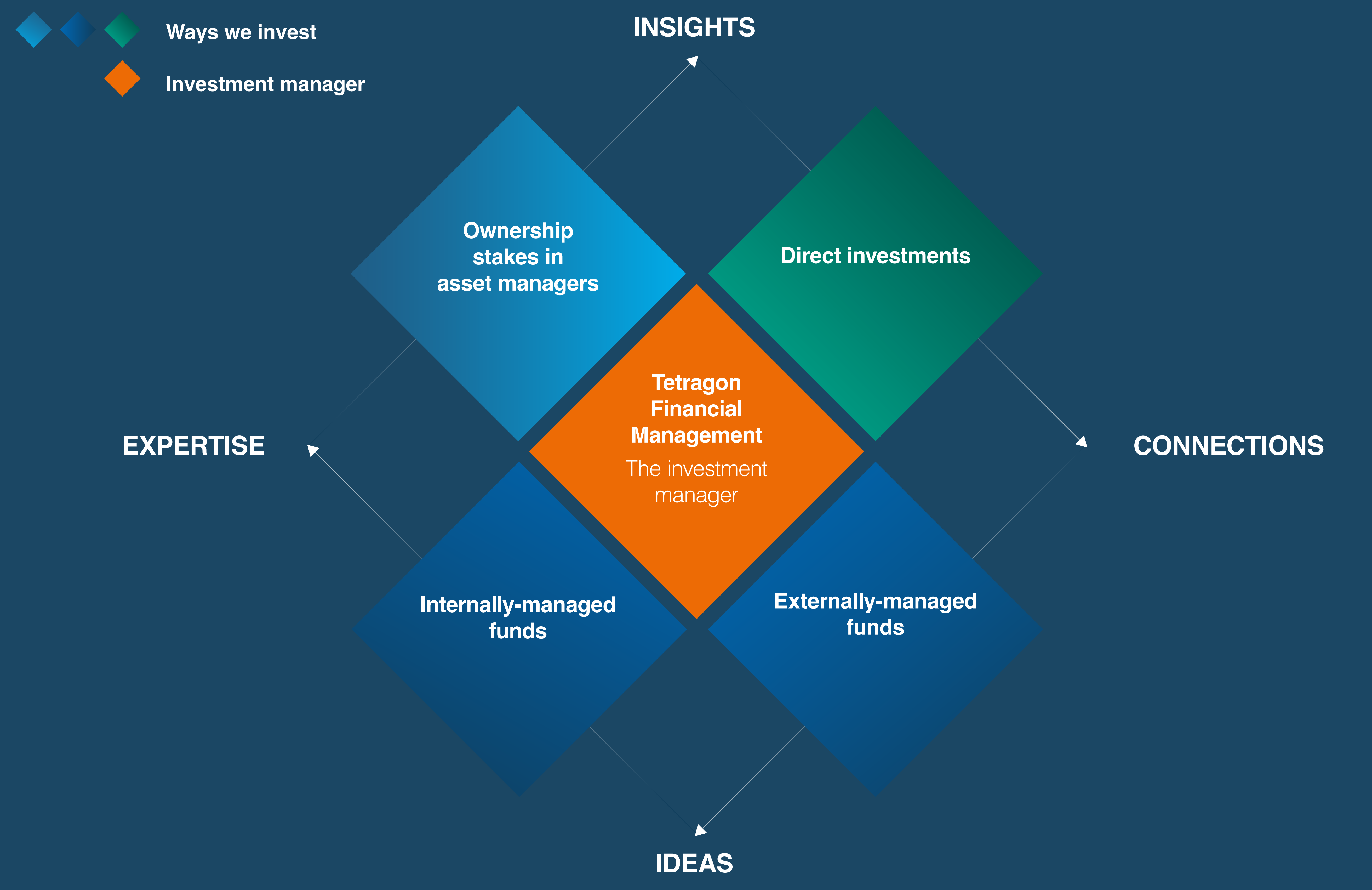
Longer-term investment strategy

Tetragon's longer-term investment strategy with respect to TFG Asset Management is to continue to enhance the value of its asset management companies, with a view to realising value from the enterprise. This may be through transactions relating to individual businesses within TFG Asset Management that would take advantage of this value enhancement or a strategic transaction at the TFG Asset Management level. Although transactions relating to individual businesses could shrink TFG Asset Management's portfolio of relatively mature market-leading businesses, they would enable it to monetise the benefits of its success in growing asset management businesses. In any event, TFG Asset Management will continue to leverage its operating infrastructure and shared strategic direction, with Tetragon looking to support investments through co-investment and working capital.

3. Direct investments

We make investments directly on our balance sheet. These investments reflect single-strategy ideas or idiosyncratic investments that we believe are attractive but may be unsuitable for an investment via TFG Asset Management vehicles. These investments tend to be opportunistic and with a catalyst.

Our alpha-driven ecosystem



Manager's review

Key performance metrics

Tetragon focuses on the following key metrics when assessing how value is being created for, and delivered to, Tetragon shareholders:

NAV per share

15.4%

2024 NAV per share total return

Return on Equity

14.6%

2024 Return on Equity

Dividends

$0.44

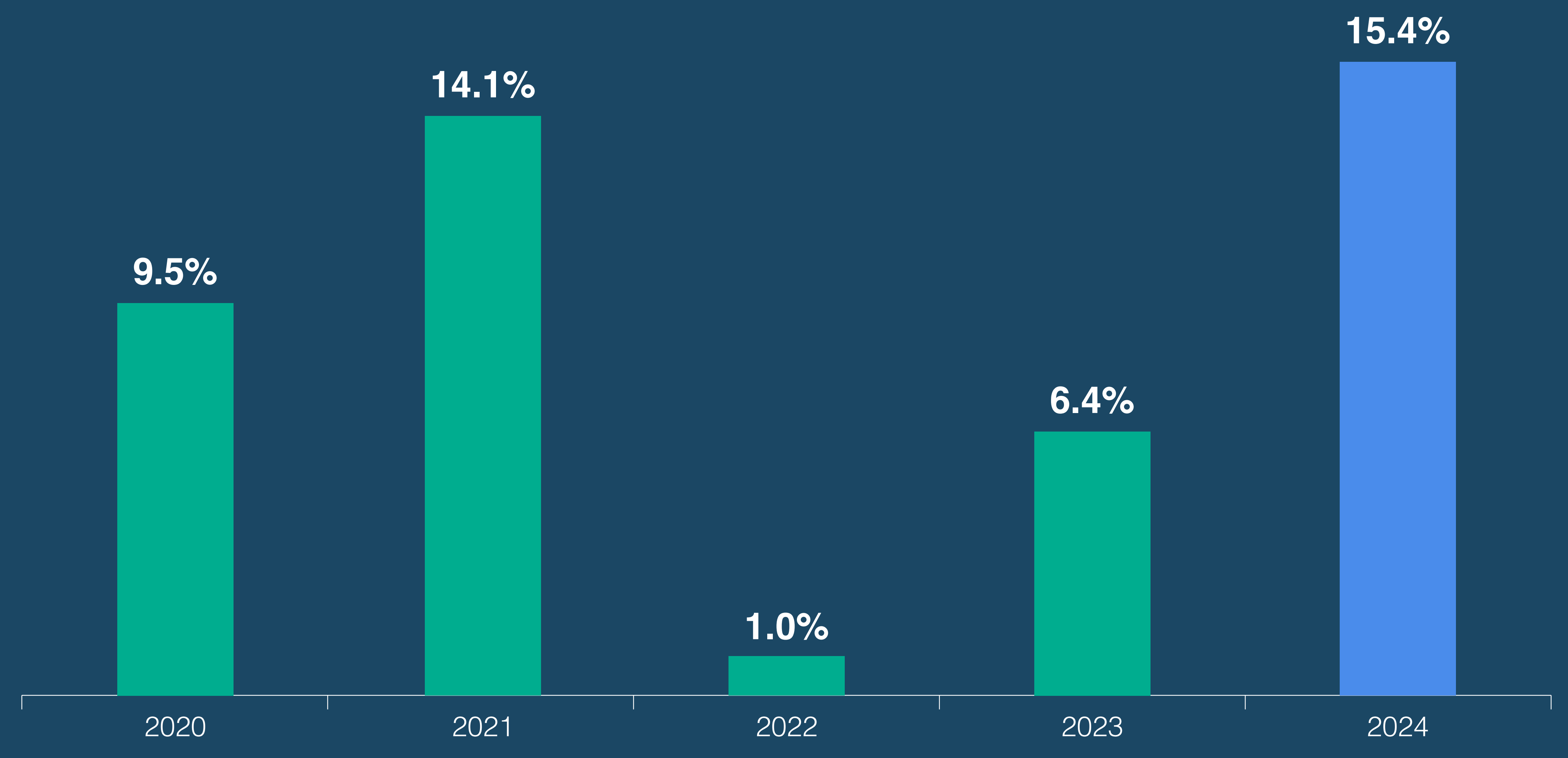
2024 Dividends per share

Figure 3

Fully diluted NAV per share

NAV per share total return 2020-2024

Fully diluted NAV per share (NAV per share) was $35.43 at 31 December 2024. NAV per share total return was 15.4% for 2024.



Manager's review

Key performance metrics

Figure 4

Investment returns / Returns on equity(1)

Return on equity 2020-2024

RoE for 2024 was 14.6%. Adjusted Earnings Per Share (EPS) for the period was $4.83.

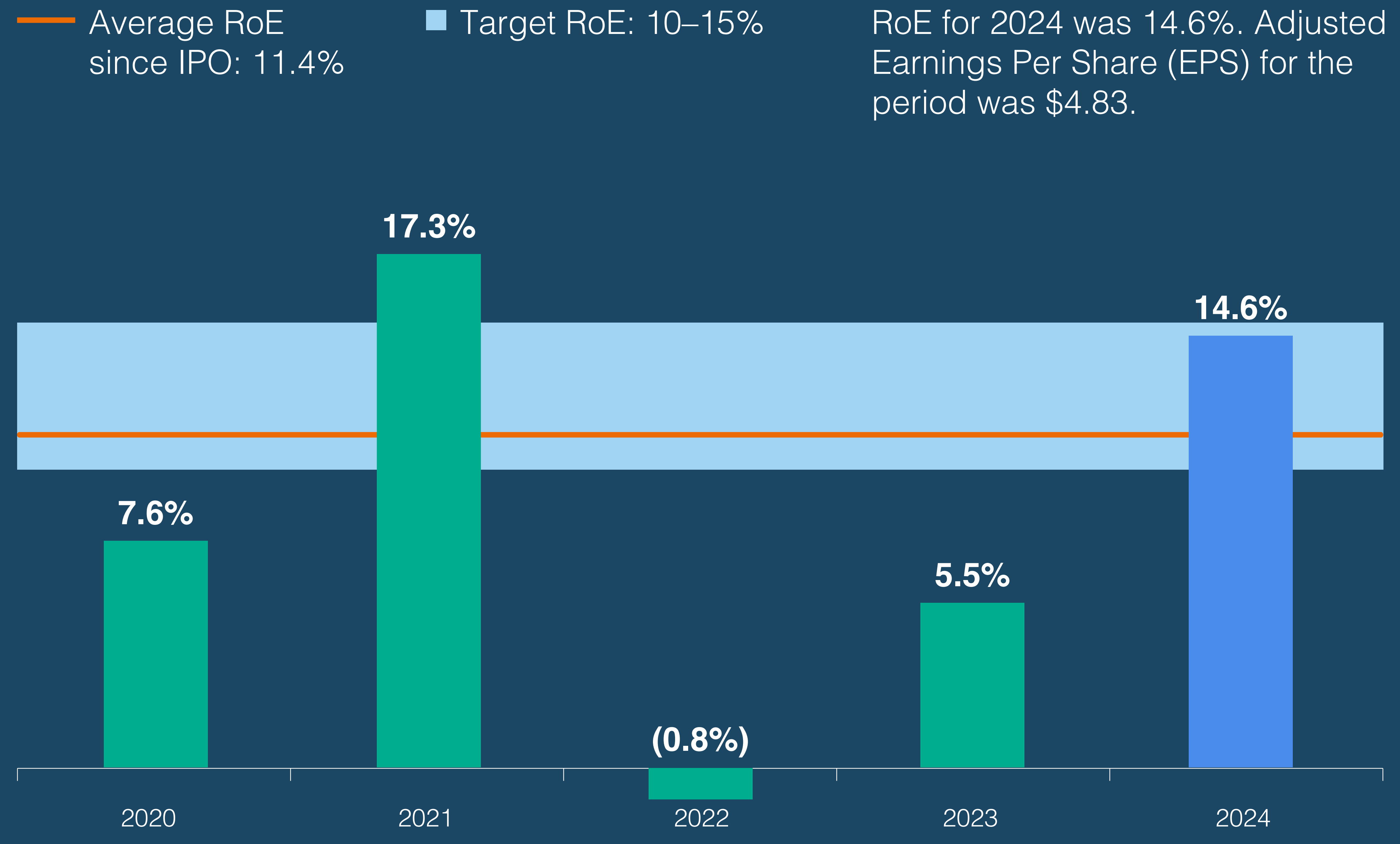
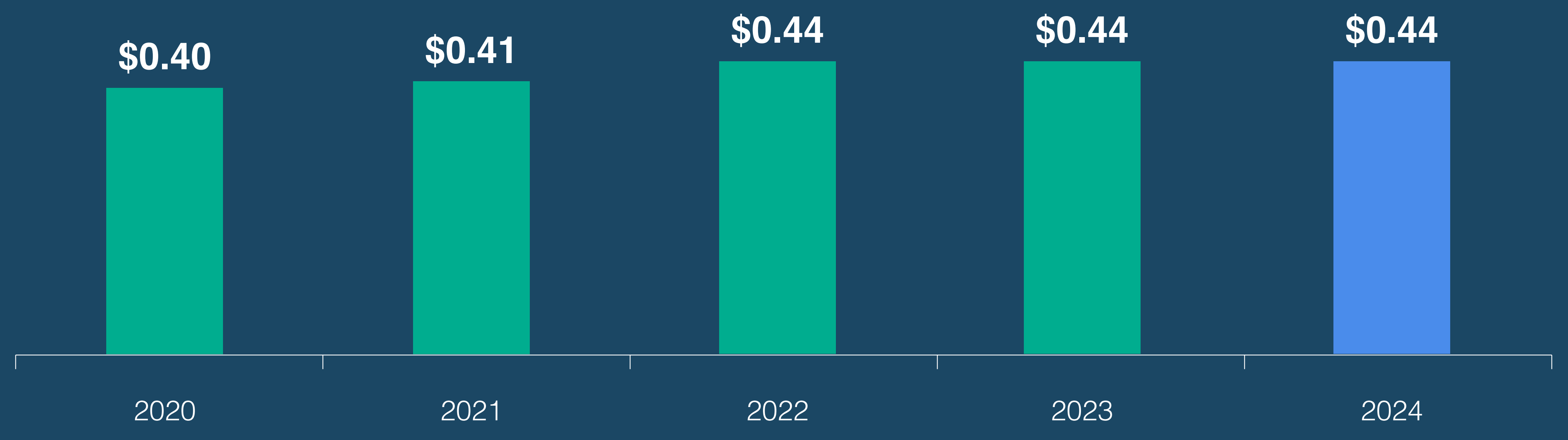


Figure 5

Dividends per share (DPS)

Dividend per share comparison 2020–2024

Tetragon declared a Q4 2024 dividend of $0.11 per share, for a full-year dividend payout of $0.44 per share. The cumulative DPS declared since Tetragon's IPO is $9.0475.



(1) Average RoE is calculated from Tetragon's IPO in 2007. Tetragon seeks to deliver 10-15% RoE per annum to shareholders. Over longer time horizons, Tetragon's returns will most likely reflect sensitivity to the underlying short-term risk-free rate regime. Therefore, after periods of transition to high SOFR environments, Tetragon should achieve higher sustainable returns; after periods of transition to low-SOFR environments, Tetragon should achieve lower sustainable returns.

Manager's review

Our impact

Tetragon in our communities

Through the Tetragon in the Community initiative across both our London and New York offices we seek to partner with local organisations from our communities. We support both financially and by volunteering our time.

In London, we continued our partnership with the primary school across the road from our office, Holy Trinity, which serves some of the most disadvantaged children in our London borough. Every year, to coincide with the Chelsea Flower Show, many shops and businesses in our area decorate the front of their buildings as part of a competition for charity run by our London office landlord, Cadogan. Following on from our work sponsoring the Holy Trinity gardening club, this year we worked with the school to sponsor their entry into Chelsea in Bloom; this was the first time the school had ever been able to participate. Our sponsorship enabled the school to collaborate with a local artist to facilitate workshops for the children and help them design and build their display.

Manager's review

Our impact (continued)

Our New York office again took part in a volunteer day in collaboration with Children's Aid, a NYC organisation whose focus is children living in poverty. A team visited one of their Early Childhood Projects in Washington Heights, volunteering in classrooms and putting arts and craft skills to good use. Another team visited the Fairmont Neighbourhood School located in the Bronx to work on a beautification and gardening project where they helped with cold frame construction, seed starting and setting up drip irrigation lines and sign painting.

TFG Asset Management was once again the proud sponsor of One Young World's Entrepreneur of the Year Award 2024. Stephen Prince, CEO of TFG Asset Management, chaired this year's judging panel, before presenting the award live at the One Young World Summit 2024 in Montreal. As a global community for young leaders, One Young World identifies, connects and promotes the future generation of leaders, empowering them to build a sustainable future. The annual Summit, which brings together bright young leaders from 190+ countries, provides an opportunity for these individuals to come together to confront the biggest challenges facing society today. The Entrepreneur of the Year award celebrates trailblazing entrepreneurs under the age of 35 who are addressing important global issues and inspiring others with their leadership.

Manager's review

Our impact (continued)

ACASTA

Acasta Partners welcomed an inaugural cohort of students for the Acasta Insights Program. In cooperation with the Eastside Young Leaders' Academy, City of London School for Girls, American School in London, and Twyford School, nine students aged 16 to 18 joined the Acasta team in the Tetragon offices for a week. The team produced a bespoke curriculum to give the students an overview of the workings of an asset management business; they covered investing, all the functions that go into supporting a fund, and explored the world of finance more broadly.

Find out more at **www.acasta.com**

equitix

This year, the Equitix annual charity drinks event raised funds to support three headline charities: Zarach, a national charity whose mission is to eradicate bed poverty for primary school-aged children; SNAP (Special Needs Action Project) Inverness – a charity which supports children and young adults with additional support needs in the Scottish Highlands, and Primrose Bank Community Association – a community centre in the heart of Oldham that offers educational, health and wellbeing courses and a central hub for the local community. Equitix also held its inaugural cricket tournament for Chance to Shine, which seeks to inspire young people through cricket. A marathon walk in Norfolk in September raised further funds for a local Durham charity, Willowburn Hospice.

Manager's review

Risk management

Factors that Tetragon monitors with respect to portfolio risk management:(i)

Below are certain factors that Tetragon monitors with respect to portfolio risk management.

1

- Trades done in the month
- Settlement
- Counterparty
- Legal
- Regulatory/ compliance
- Finance/tax

2

- Concentration limits
- Equity exposure
- Risk limits
- CLO credit metrics
- FX exposure
- Scenario analysis
- Interest rate sensitivity
- Tail hedge monitor

3

- Key financial highlights
- NAV bridge
- Investment P&L by asset class
- Valuation
- Allocation shifts (additions/ disposals)

4

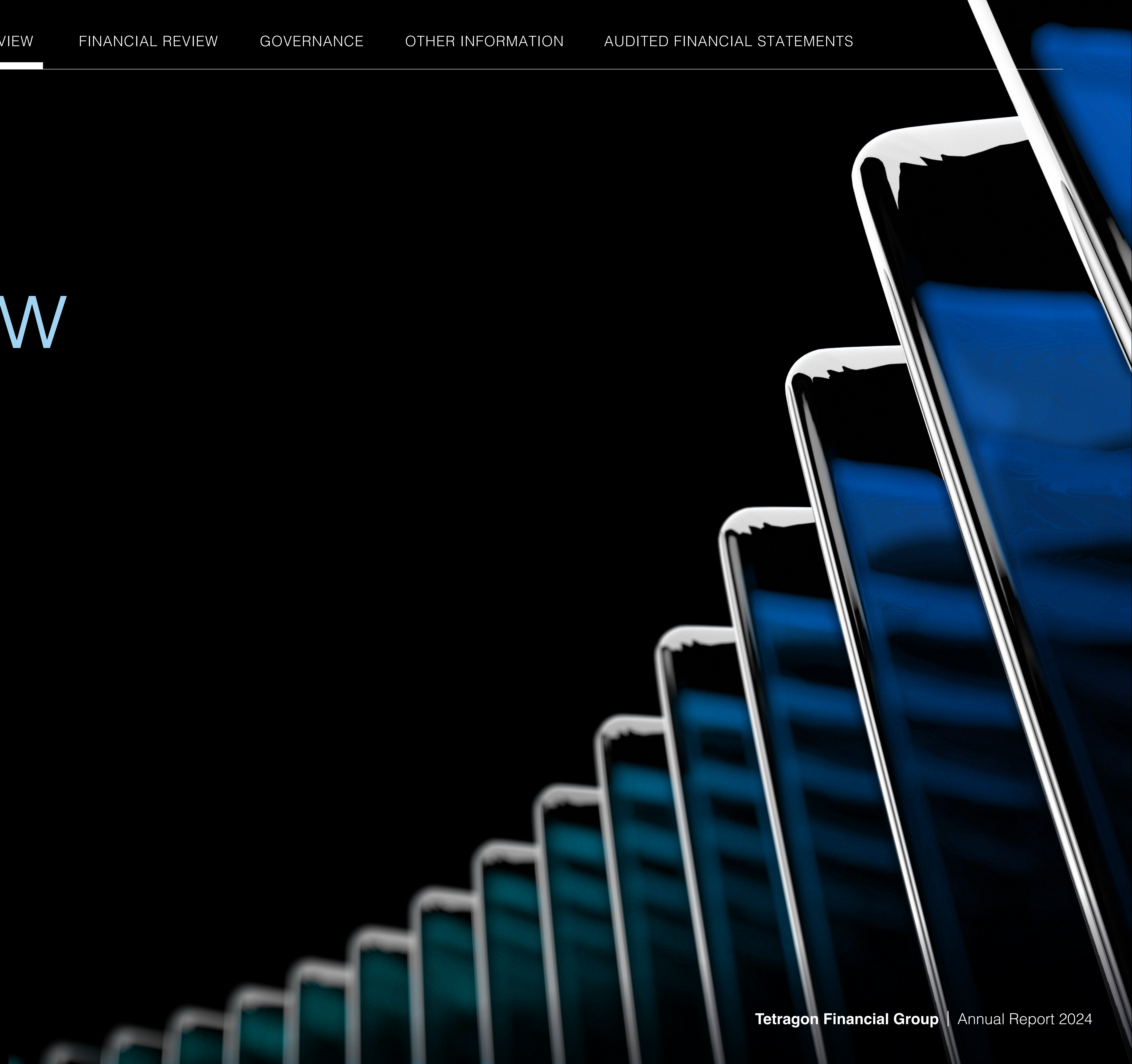
- Portfolio cash flow forecast
- Duration profile
- Cash versus debt
- Leverage facilities
- Borrowing covenants
- Short-term cash management
- Remaining third-party commitments
- Exogenous uses of cash (capital call and FX margining scenarios)

(i) These are some of the key risk management functions. However, they may not be the only risk management factors or functions that are considered.

Investment review

This section covers details on Tetragon's investment performance during 2024.

We focus our time, energy and capital on alternative assets. We do so because we believe that investing in alternatives delivers stable returns to investors across credit, equity, interest rate and inflation cycles.



Investment review

Positive performance returns in 2024

Tetragon's Fully Diluted NAV per share increased from $31.13 per share to $35.43 per share year over year. Meaningful contributors to performance in 2024 were the investments in "private equity in asset management companies", and the "private equity and venture capital" segment.

Tetragon's NAV at the end of the year stood at $3.17 billion, compared to $2.83 billion a year ago. A detailed performance review of each asset class follows beginning on page 27.

Private equity in asset management companies

+$300M

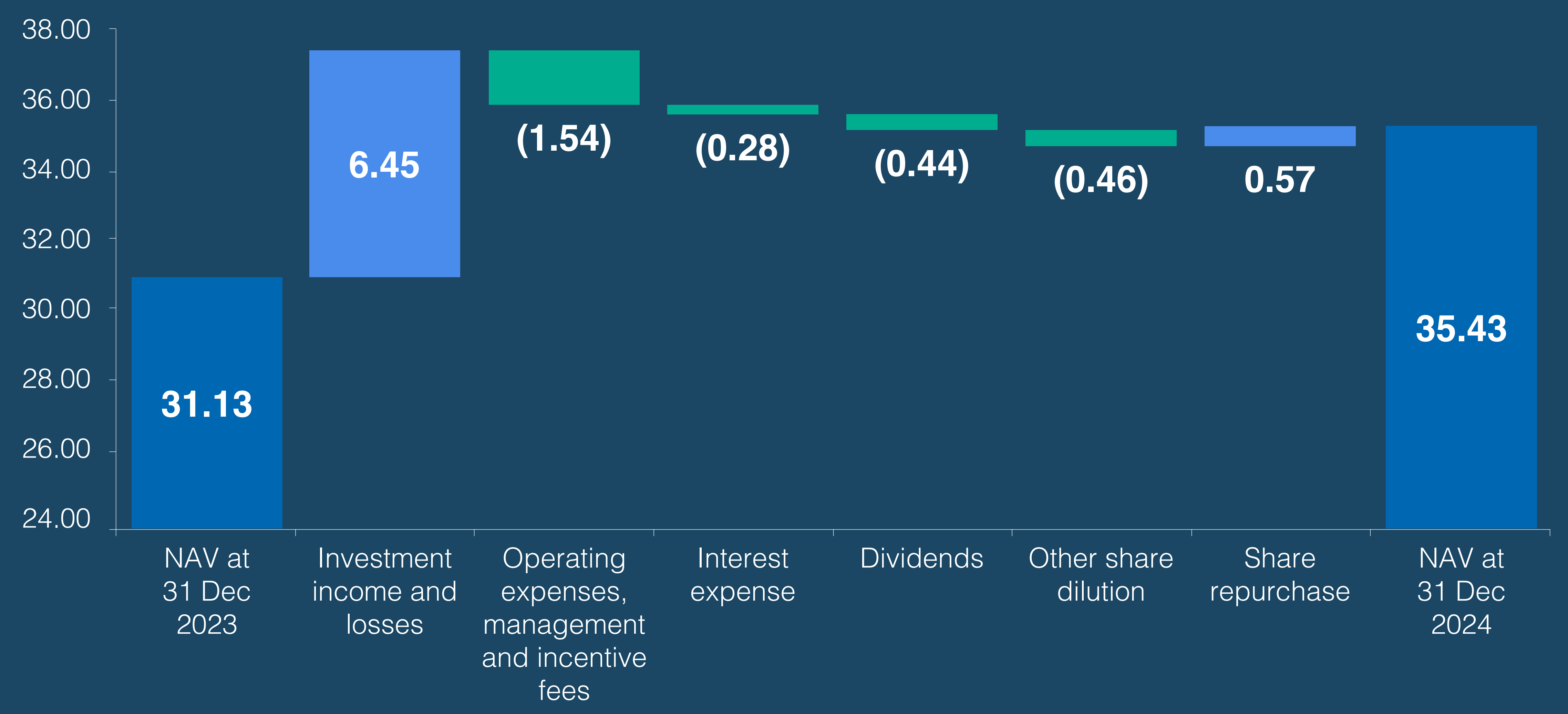
Gains in the year

Investment review

Tetragon's Fully Diluted NAV per share increased from $31.13 per share at 31 December 2023 to $35.43 per share at 31 December 2024.

Figure 6

Year-on-year NAV per share progression (USD)[i]



Progression from 31 December 2023 to 31 December 2024 is an aggregate of each of the 12 months' NAV progressions. All the aggregate monthly Fully Diluted NAV Per Share movements in the table are determined by reference to the fully diluted share count at the start of each month.

Figure 7

Net asset breakdown summary

The table shows a breakdown of the composition of Tetragon's NAV at 31 December 2023 and 31 December 2024, and the factors contributing to the changes in NAV over the period. All figures below are in millions of U.S. dollars.

Asset classes	NAV at 31 Dec 2023	Additions[i]	Disposals/ Receipts[i]	Gains/ Losses	NAV at 31 Dec 2024
Private equity in asset management companies	1,345.4	43.1	(115.5)	299.8	1,572.8
Event-driven equities, convertible bonds and other hedge funds	572.5	5.8	(25.5)	32.6	585.4
Bank loans	244.2	12.0	(74.3)	(16.1)	165.8
Real estate	147.7	19.3	(19.0)	(18.0)	130.0
Private equity and venture capital	509.4	74.4	(81.7)	284.5	786.6
Legal assets	37.5	10.2	(0.5)	4.3	51.5
Other equities and credit[ii]	212.2	165.1	(145.1)	(12.2)	220.0
Net cash[iii]	(243.5)	-	(95.9)	0.3	(339.1)
Total	**2,825.4**	**329.9**	**(557.5)**	**575.2**	**3,173.0**

(i) Any gains or losses on foreign exchange hedging instruments attributable to a particular strategy or sub-asset class have been included in "additions" or "disposals/receipts" respectively. For example, where a hedging gain or loss is made, this will result in either cash being received or paid, or cash being receivable or payable, which is equivalent to a receipt or disposal.

(ii) Assets characterised as "other equities and credit" consist of investment assets held directly on the balance sheet. For certain contracts for difference (CFD), gross value or required margin is used. Under IFRS, these CFDs are held at fair value which is the unrealised gain or loss at the reporting date. Payments and receipts on the CFDs have been netted off against each other.

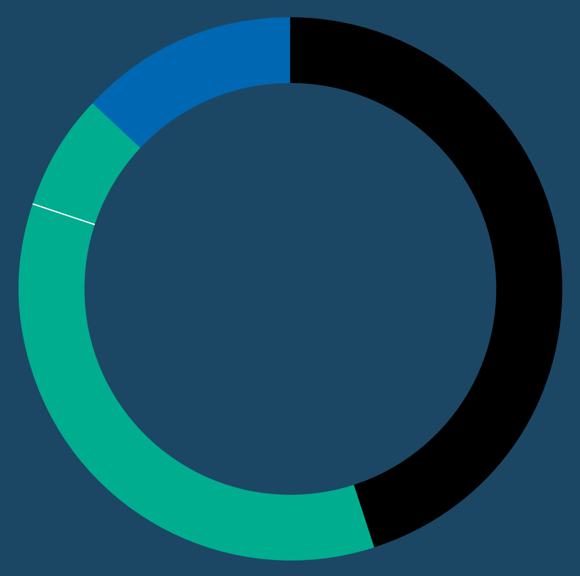
(iii) Net cash consists of: (1) cash held directly by Tetragon, (2) excess margin held by brokers associated with assets held directly by Tetragon, (3) cash held in certain designated accounts related to Tetragon's investments, some of which may only be used for designated purposes without incurring significant tax and transfer costs, and (4) adjusted for all other assets and liabilities at the reporting date including any drawn amounts on the revolving credit facility.

Investment review

Net asset composition summary

Figure 8

Invested in three ways



- **GP** **45%**
- **LP internal** **35%**
- **LP external** **6%**
- **Direct** **14%**

Net asset breakdown as at 31 December 2024

- **Private equity in asset management companies** 45%
- **Event-driven equities, convertible bonds other hedge funds** 17%
- **Bank loans** 5%
- **Real esate** 4%
- **Private equity and venture capital** 22%
- **Legal assets** 1%
- **Other equities and credit** 6%

Net asset breakdown as at 31 December 2023

- **Private equity in asset management companies** 44%
- **Event-driven equities, convertible bonds other hedge funds** 19%
- **Bank loans** 8%
- **Real esate** 5%
- **Private equity and venture capital** 16%
- **Legal assets** 1%
- **Other equities and credit** 7%

Investment review

Detailed investment review

Figure 9

Top 10 holdings by value as of 31 December 2024

	Holding	Asset class	Value ($ millions)	% of Investments
1	Equitix	Private equity in asset management company	922.4	**26.3%**
2	Westbourne River Event Fund - Low Net	Event-driven equities	306.5	**8.7%**
3	BGO	Private equity in asset management company	290.2	**8.3%**
4	Ripple Labs Inc. - Series A & B Preferred Stock	Private equity and venture capital	242.1	**6.9%**
5	LCM	Private equity in asset management company	223.6	**6.4%**
6	Hawke's Point Fund 1	Private equity and venture capital	192.2	**5.5%**
7	Westbourne River Event Fund - Long Bias	Event-driven equities	157.3	**4.5%**
8	Banyan Square Fund 1	Private equity and venture capital	139.3	**4.0%**
9	Acasta Global Fund	Convertible bonds and credit	93.0	**2.6%**
10	Public U.S. equity	Other equities	89.0	**2.5%**
	Total			**75.7%**

Investment review

Detailed investment review

Figure 10

Detailed investment review

Figure 10 breaks out more detail showing the effects of capital flows and performance gains and losses on the NAV of each asset class during 2024; more detailed commentary for each asset class follows.

Asset classes (all in $M)	NAV at 31 Dec 2023	Additions	Disposals/ Receipts[i]	Gains/ (Losses)[i]	NAV at 31 Dec 2024	% of investments
Private equity in asset management companies						
Equitix	737.6	-	(93.8)	278.6	922.4	26.3%
BGO	270.5	-	(16.7)	36.4	290.2	8.3%
LCM	258.5	-	-	(34.9)	223.6	6.4%
Platform and other asset managers	78.8	43.1	(5.0)	19.7	136.6	3.9%
Event-driven equities, convertible bonds and other hedge funds						
Westbourne River Event Fund - Low Net	302.5	-	-	4.0	306.5	8.7%
Westbourne River Event Fund - Long Bias	144.1	4.3	-	8.9	157.3	4.5%
Acasta funds	106.6	-	(25.0)	15.5	97.1	2.8%
Other hedge funds	19.3	1.5	(0.5)	4.2	24.5	0.7%
Bank loans						
U.S. CLOs	133.2	7.3	(37.3)	(13.5)	89.7	2.6%
Tetragon Credit Partners funds	111.0	4.7	(37.0)	(2.6)	76.1	2.2%
Real estate						
BGO Europe funds and co-investments	41.3	12.7	(7.8)	(0.7)	45.5	1.3%
BGO U.S. funds and co-investments	46.1	1.3	(0.8)	(18.4)	28.2	0.8%
BGO Asia funds and co-investments	22.4	5.0	(10.4)	4.4	21.4	0.6%
Other real estate	37.9	0.3	-	(3.3)	34.9	1.0%
Private equity and venture capital						
Hawke's Point funds and co-investments	116.7	3.8	(48.1)	126.0	198.4	5.6%
Banyan Square funds	127.0	49.0	(14.2)	0.6	162.4	4.6%
Other funds and co-investments	154.0	16.6	(4.2)	4.5	170.9	4.9%
Direct	111.7	5.0	(15.2)	153.4	254.9	7.3%
Legal assets						
Contingency Capital funds	37.5	10.2	(0.5)	4.3	51.5	1.5%
Other equities and credit[ii]						
Other equities	196.5	165.1	(125.7)	(15.9)	220.0	6.3%
Other credit	15.7	-	(19.4)	3.7	-	0.0%
Cash						
Net cash[iii]	(243.5)	-	(95.9)	0.3	(339.1)	
Total	**2,825.4**	**329.9**	**(557.5)**	**575.2**	**3,173.0**	**100.0%**

i Any gains or losses on foreign exchange hedging instruments attributable to a particular strategy or sub-asset class have been included in "additions" or "disposals/receipts" respectively. For example, where a hedging gain or loss is made, this will result in either cash being received or paid, or cash being receivable or payable, which is equivalent to a receipt or disposal.

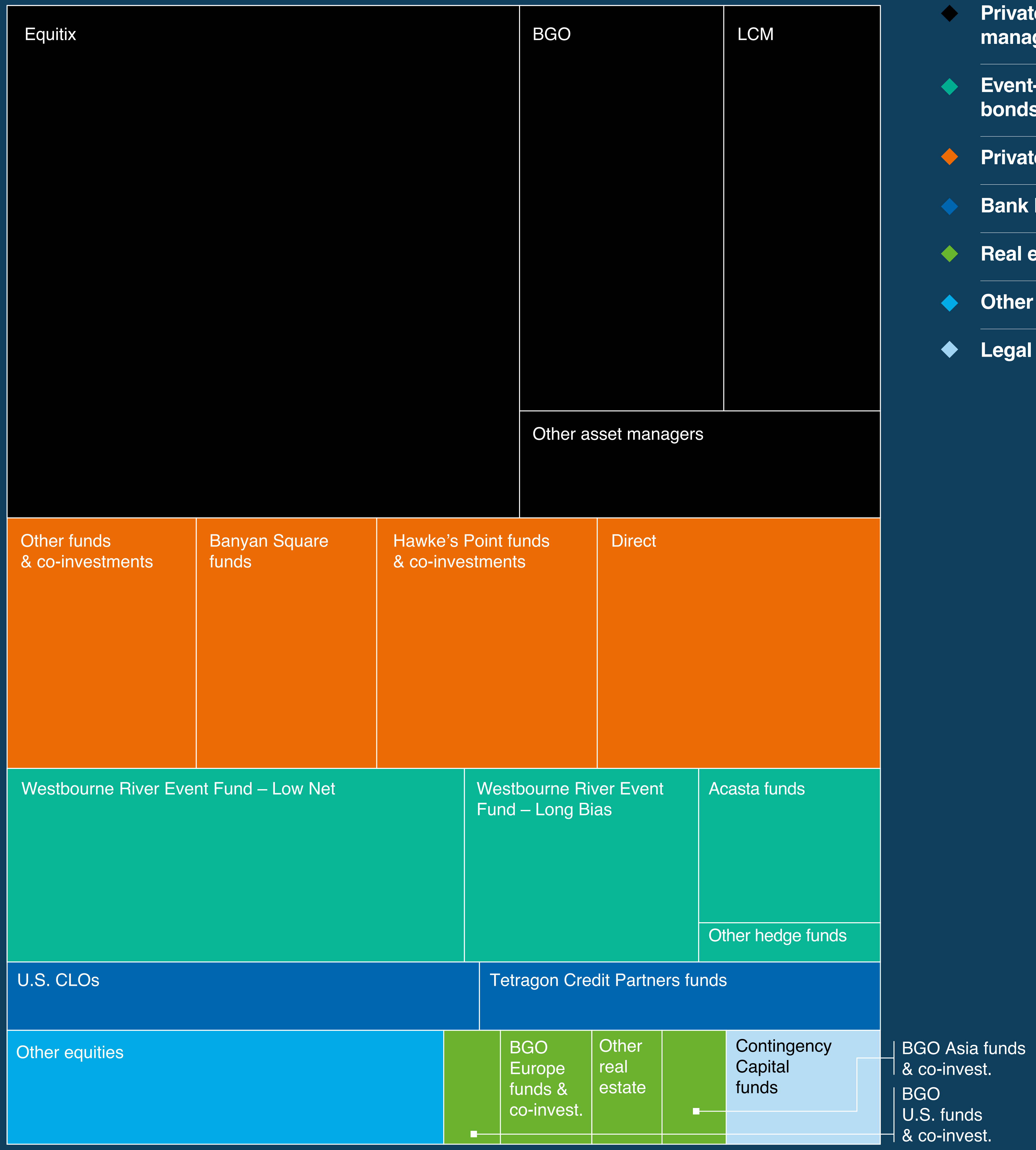
ii Assets characterised as "other equities and credit" consist of investment assets held directly on the balance sheet. For certain contracts for difference (CFD), gross value or required margin is used. Under IFRS, these CFDs are held at fair value which is the unrealised gain or loss at the reporting date. Payments and receipts on the CFDs have been netted off against each other.

iii Net cash consists of: (1) cash held directly by Tetragon, (2) excess margin held by brokers associated with assets held directly by Tetragon, and (3) cash held in certain designated accounts related to Tetragon's investments, some of which may only be used for designated purposes without incurring significant tax and transfer costs, and (4) adjusted for all other assets and liabilities at the reporting date including any drawn amounts on the revolving credit facility.

Investment review

Net asset breakdown summary at 31 December 2023

Net asset breakdown summary at 31 December 2024



- **Private equity in asset management companies**
- **Event-driven equities, convertible bonds + other hedge funds**
- **Private equity and venture capital**
- **Bank loans**
- **Real estate**
- **Other equities and credit**
- **Legal assets**

Investment review

Detailed investment review

Private equity investments in asset management companies

TFG Asset Management is Tetragon's diversified alternative asset management platform. It enables Tetragon to produce asset level returns on its investments in managed funds on the platform, and to enhance those returns through capital appreciation and investment income from its ownership stakes in the asset management businesses. The combination of relatively uncorrelated businesses across different asset classes and at different stages of development under TFG Asset Management is also intended to create a collectively more robust and diversified business and income stream.

As at 31 December 2024, TFG Asset Management comprised LCM, BGO, Westbourne River Partners, Acasta Partners, Equitix, Hawke's Point, Tetragon Credit Partners, Banyan Square Partners and Contingency Capital. This segment recorded an investment gain of $299.8 million in 2024 driven by gains in Equitix.

Equitix: Equitix is an integrated core infrastructure asset management and primary project platform, with a sector focus on social infrastructure, transport, renewable power, environmental services, network utilities and data infrastructure. Tetragon owns 81.48% of the company. Tetragon's investment made a gain of $278.6 million in 2024, driven by a combination of (a) higher valuation as the business continued to deliver against its business plan, and an increase in the observable market multiple from 9.5x to 10.75x, (b) dividend income received by Tetragon of $87.7 million, and (c) an increase in the assumed ownership level from 75% to 81.48%.

BGO: BGO is a real estate-focused principal investing, lending and advisory firm. During 2024, distributions to Tetragon totalled $16.7 million, reflecting a combination of fixed quarterly contractual payments and variable payments. The gain on the investment was $36.4 million in 2024. The valuation of BGO is on a discounted cash flow basis with an assumed exit upon exercise of a call/put option in 2026/2027. The main drivers of the gain were (a) unwinding of discount and a reduction in discount rate, and (b) an increase in the value of expected carried interest in addition to actual payments received from the BGO funds.

LCM: LCM is a bank loan asset management company. LCM manages loan assets through Collateralised Loan Obligations (CLOs), which are long-term, multi-year investment vehicles. During the period, its AUM decreased by 18%, reflecting amortisation of existing deals. LCM issued two new deals and reset/refinanced four deals during the year. Tetragon's investment in LCM made a loss of $34.9 million as the valuation reflected the impact of the reduction in the AUM.

Tetragon's investment in Equitix made a gain of $279 million in 2024.

Platform and other asset managers: TFG Asset Management's other asset managers consist of Westbourne River Partners, a European event-driven equity investing business; Acasta Partners, a manager of open-ended hedge fund and managed account vehicles, employing a multi-disciplinary approach; Tetragon Credit Partners, a structured credit investing business focused on primary CLO control equity as well as a broader series of offerings across the CLO capital structure; Hawke's Point, an asset management business that provides strategic capital to companies in the mining and resource sectors; Banyan Square Partners, a private equity firm focused on non-control equity investments; and Contingency Capital, a global asset management business focused on credit-oriented legal assets investments. The collective gain on Tetragon's investments in these managers was $19.7 million during 2024. Most of the gain was attributable to Acasta Partners and Contingency Capital, driven by performance of the funds, and capital raised during the year. During 2024, Contingency Capital launched Fund II and established an evergreen vehicle to bring its aggregate AUM to $1.2 billion.

Please see Note 4 in the 31 December 2024 Tetragon Financial Group Limited Audited Financial Statements for further details on the basis for determining the fair value of TFG Asset Management. Additionally, for further colour on the underlying performance of the asset managers, please see Figure 18 for TFG Asset Management's *pro forma* operating results and associated commentary.

See page 33 for notes.

TFG Asset Management

+$300M

2024 performance

Investment review

Detailed investment review

Event-driven equities, convertible bonds and other hedge funds

Tetragon invests in event-driven equities and convertible bonds and credit through hedge funds. At 31 December 2024, these investments are primarily through hedge funds managed by Acasta Partners and Westbourne River Partners. Investments in these funds generated a gain of $32.6 million during 2024.

Westbourne River Partners funds: The Westbourne River Event Fund – Low Net focuses on event-driven investing in European small and mid-cap equities to pursue what it believes are more attractive and less-followed opportunities seeking to deliver uncorrelated alpha. The Low Net product has targeted net exposure of between 0-30%. Tetragon's investments in this fund recorded a gain of $4.0 million during the period. Net performance for the fund was +1.3% for 2024 in its flagship share class.

The Westbourne River Event Fund – Long Bias: this fund follows the same strategy as the Low Net vehicle, but has targeted net exposure of approximately 75%. Tetragon's investment generated a gain of $8.9 million during 2024. Net performance for the fund was +9.0% for 2024 in its flagship share class.

Acasta Partners funds: The Acasta Global Fund pursues a multi-disciplinary approach to investing, employing niche strategies to profit over economic and risk cycles. The fund invests opportunistically across the credit universe with a particular emphasis on convertible securities, special situations, instruments trading at stressed or distressed levels, metals and mining capital structures including related commodities, and in volatility driven strategies. Acasta Partners also manages the Acasta Energy Evolution Fund, a portfolio targeted at opportunities driven by the transition of energy to renewable resources, and the resulting impact on metals and mining companies and associated commodities.

Tetragon's investment in Acasta funds generated a gain of $15.5 million during 2024. Net performance in the Acasta Global Fund was +14.3% for its flagship share class, compared to the HFR RV Fixed Income-Convertible Arbitrage Index which returned +10.9% during the period.[(1)] Tetragon reduced its holding in Acasta Global Fund by $25 million during the year.

The fund was nominated for the 13th time since its inception in 2009 for the 2024 ***With Intelligence*** **EuroHedge Award** in the Volatility & Options category; it has won a **EuroHedge Award** five times.[(2)]

Other hedge funds: Investments in other hedge funds had a gain of $4.2 million during 2024.

The Acasta Global Fund was nominated for the 13th time since its inception in 2009 for the 2024 *With Intelligence* EuroHedge Award in the Volatility & Options category.

Bank loans

Tetragon continues to invest in bank loans through CLOs primarily by taking majority positions in the equity tranches. Tetragon's CLO portfolio recorded a loss of $16.1 million during 2024. Tetragon made new U.S. CLO investments indirectly via the Tetragon Credit Partners platform. We continue to view CLOs as attractive vehicles for obtaining long-term exposure to the leveraged loan asset class.

U.S. CLOs: Directly-owned U.S. CLOs lost $13.5 million during 2024. This performance was driven by realised and unrealised losses on certain older-vintage loan exposures offset by higher expected forward risk-free rates which may increase the cash flow generation ability of CLO equity. During 2024, investments in this segment generated $37.3 million in cash proceeds. In 2024, Tetragon made new investments in minority equity tranches of LCM 41 and LCM 42 which are new issue CLOs managed by LCM[(3)].

Tetragon Credit Partners Funds[(4)]: TCI II, TCI III, and TCI IV are CLO investment vehicles established by Tetragon Credit Partners, a 100%-owned subsidiary of TFG Asset Management. During 2024, Tetragon's investments in funds managed by Tetragon Credit Partners generated $37.0 million in cash distributions and a loss of $2.6 million. Performance was negatively impacted by realised and unrealised losses on certain older-vintage loan exposures, offset by higher expected forward risk-free rates, which may increase the cash flow generation of newer-vintage CLO equity, and realised gains on an asset sale in TCI III in early 2024.

Hedge funds

+$33M

2024 performance

Bank loans

-$16M

2024 performance

Investment review

Detailed investment review

Real estate

BGO Europe, U.S. and Asia funds and co-investments: Tetragon holds most of its investments in real estate through BGO-managed funds and co-investment vehicles. The majority of these vehicles are private equity-style funds concentrating on opportunistic investments targeting middle-market opportunities in the United States, Europe and Asia, where BGO believes it can increase value and produce positive unlevered returns by sourcing off-market opportunities where it sees pricing discounts and market inefficiencies. This segment had a net loss of $14.7 million in 2024, due to losses in the U.S. investments.

Other real estate: In addition to the commercial real estate investments through BGO-managed real estate funds, Tetragon also has investments in commercial farmland in Paraguay managed by a specialist third-party manager in South American farmland. This investment generated an unrealised loss of $3.3 million after a third-party revaluation in 2024.

Resource finance investments managed by Hawke's Point generated a gain of $126.0 million, primarily driven by increased production and expanding margins at one of its Australian gold project investments.

Private equity and venture capital

Tetragon's private equity and venture capital investments comprise several types of investments: (1) Tetragon's investments in Hawke's Point funds and co-investments; (2) investments in Banyan Square Partners funds; (3) private equity investments with third-party managers; and (4) direct private equity investments, including venture capital investments. This segment was the second-largest positive driver of performance during the year, generating gains of $284.5 million.

Hawke's Point: Tetragon's resource finance investments managed by Hawke's Point generated a meaningful gain of $126.0 million during 2024, primarily driven by increased production and expanding margins at one of its Australian gold project investments as a new mine hit steady state. This was supported by ongoing developmental progress and an accretive acquisition at its Canadian nickel and copper project investment. Tetragon invested an additional $3.8 million into Hawke's Point funds and received distributions of $48.1 million during the period.

Banyan Square Partners: In 2024, most of Banyan Square's portfolio companies achieved solid operating results, with a continued focus on profitability. The investment generated a gain during the period of $0.6 million. Banyan Square's positions include investments across application software, infrastructure software and cybersecurity. During 2024, Banyan Square launched Fund 2, which currently has three positions.

Other funds and co-investments: Investments in externally-managed private equity funds and co-investment vehicles in Europe and North America made gains of $4.5 million in 2024, spread across 38 different positions.

Direct: This category produced gains of $153.4 million during the year, related to positive performance in the investment in Ripple Labs Inc. While the SEC continues to appeal 2023's ruling, November's election of President Trump drove favourable developments in the crypto regulatory landscape including the resignation of SEC Chair and Ripple adversary Gary Gensler. Additionally, in August 2024 Ripple was assessed a penalty far below the amount sought by the SEC.

Real estate

-$18M

2024 performance

Private equity and venture capital

+$285M

2024 performance

Investment review

Detailed investment review

Legal assets

Tetragon makes investments in legal assets through vehicles managed by Contingency Capital. Tetragon has committed capital of $60 million to Contingency Capital Fund I, $40.4 million of which has been called to date, including $8.4 million during 2024. A gain of $4.3 million was generated from this investment. Contingency Capital has almost fully invested Fund I. It held a first close for a new evergreen fund in June and a first close of Fund II in H2 2024; Tetragon committed capital of $10 million in Fund II. The performance of the Contingency Capital Fund I portfolio continues to be above underwritten projections and performance targets, and the performance of such portfolio remains uncorrelated to the public equity and debt markets.

Other equities and credit

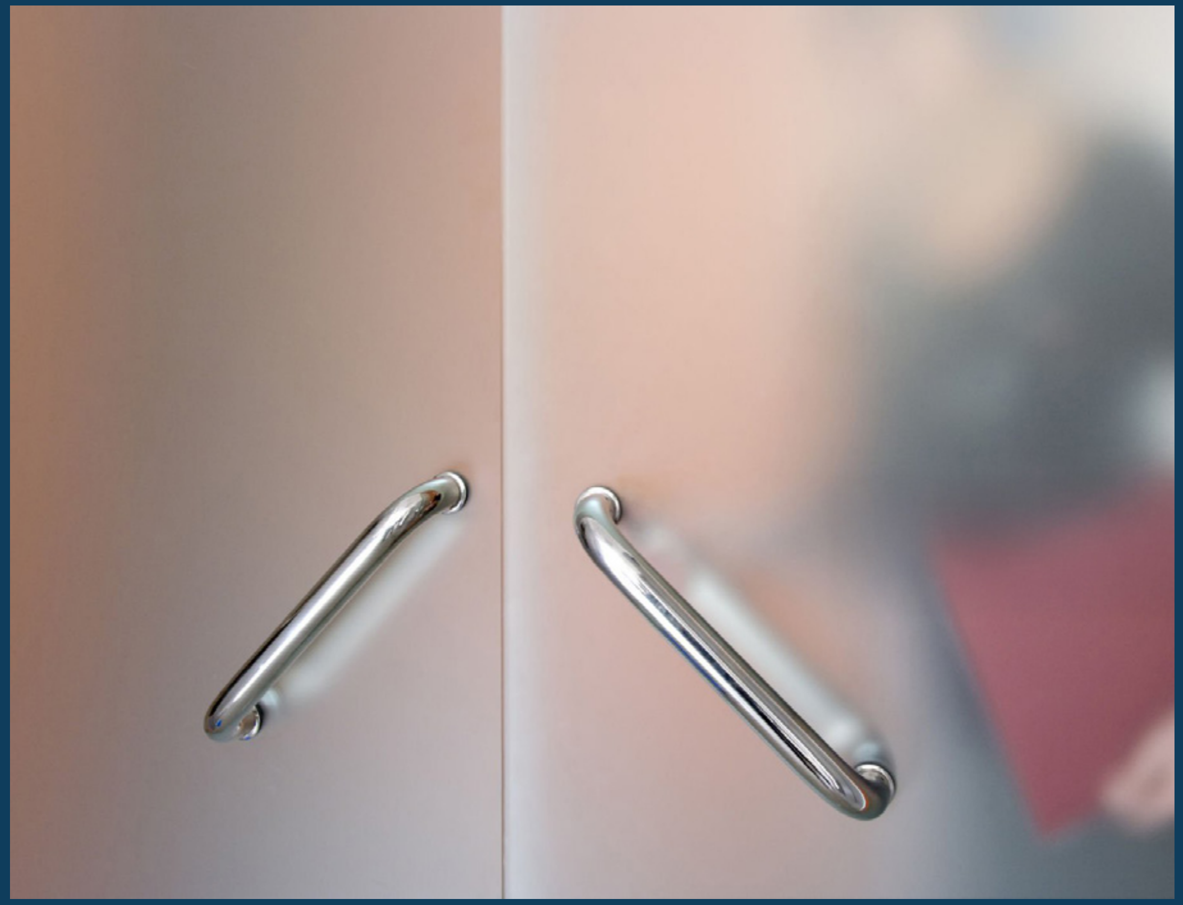
Tetragon also makes investments directly on its balance sheet reflecting single strategy ideas: either co-investing with some of its underlying managers or simply idiosyncratic investments which it believes are attractive but may be unsuitable for an investment via TFG Asset Management vehicles. These investments tend to be opportunistic and with a catalyst. We believe that the sourcing of these investments has been facilitated by the managers on the TFG Asset Management platform as well as third-party managers with whom Tetragon invests. We also believe this ability to invest flexibly is a benefit of Tetragon's structure.

This segment generated a loss of $12.2 million during 2024. While most of the positions contributed gains, this was outweighed by negative contributions from two positions that had been positive drivers in 2023. The first, a biotech company, retraced as comparable peers reported mixed trial data / results in the first half, diminishing market enthusiasm for its autoimmune therapy. The second, a leader in AI-assisted workflow automation, fell in the second quarter due to a CEO change and market disappointment over a reduction of forward sales guidance. As we see the CEO change as welcome news, we used this as an opportunity to materially increase our stake throughout the year. During 2024 we added seven positions and exited four, including our sole credit position.

Cash

Tetragon's cash at bank balance was $30.5 million as of 31 December 2024. After adjusting for known accruals and liabilities (short- and long-dated), its net cash balance was -$339.1 million. Tetragon has access to a credit facility of $400 million with a maturity date in July 2032. As of 31 December 2024, $300 million of this facility was drawn and this liability has been incorporated into the net cash balance calculation.

The company actively manages its cash levels to cover future commitments and to enable it to capitalise on opportunistic investments and new business opportunities. During 2024, Tetragon used $329.5 million of cash to make investments, $42.6 million to repurchase its shares[5] and $21.7 million to pay dividends. $461.6 million of cash was received as distributions and proceeds from the sale of investments. Future cash commitments are $80.8 million, comprising: investment commitments to private equity funds of $30.3 million; Contingency Capital funds of $28.5 million; BGO funds of $20.7 million; and Tetragon Credit Partners funds of $1.3 million.



Direct private equity investments generated a gain of $153 million during 2024, related to positive performance in the investment in Ripple Labs Inc.

Legal assets

+$4M

2024 performance

Other equities and credit

-$12M

2024 performance

Investment review

Notes

(1) The indices shown here have not been selected to represent appropriate benchmarks to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognised indices. The volatility of the indices may be materially different from the individual performance attained by a specific investor. In addition, Tetragon's holdings may differ significantly from the securities that comprise the indices. You cannot invest directly in an index. The HFRI Convertible Arbitrage Index (Bloomberg Code: HFRICAI) is compiled by HFR Hedge Fund Research Inc. Further information relating to index constituents and calculation methodology can be found at www.hfr.com/.

(2) The Acasta Global Fund was nominated for the 2024 *With Intelligence* EuroHedge Award in the Volatility & Options category; there were four other nominees for this award. The With Intelligence EuroHedge Award is organised by With Intelligence. To be considered for an award, funds must submit performance data to the HFM Database and have at least a 12-month track record history. Winners are decided using an established methodology based upon a combination of Sharpe ratios and returns over the relevant time period. To qualify for nominations, funds must achieve annualised returns higher than the median returns for their peer groups – and they must also be within 10% of their high-water marks that were set before the start of the performance period under review. The winners are those funds that meet the relevant criteria, and which achieve the highest returns among the nominated funds – so long as they are also within 25% of the best Sharpe ratios within their nominated peer groups. Further information about the award, including nomination and winning criteria, is available at https://awards.withintelligence.com/eurohedgeawards/en/page/criteria#list-your-data.

(3) Based on the most recent trustee reports available as of 31 December 2024. Throughout this report, we refer to overcollateralisation or "O/C" tests, which are CLO-specific tests that measure the par amount of underlying CLO collateral (adjusted in certain cases for defaults or other "stressed" asset types) against the par value of the rated CLO debt tranches. The failure of an overcollateralisation test generally results in the temporary cessation of cash flows to the CLO's equity tranche.

(4) TCI II refers to Tetragon Credit Income II L.P., TCI III refers to Tetragon Credit Income III L.P., and TCI IV refers to Tetragon Credit Income IV L.P.

(5) $42.6 million includes $25.1 million of shares purchased through the tender offer and $17.5 million of shares purchased from subsidiaries or affiliates to facilitate the payment of withholding taxes on equity-based share payments.

Investment review

Further portfolio metrics - exposures at 31 December 2024

Figure 11

By geography

- **Europe** 49%
- **Asia Pacific** 8%
- **Latin America** 1%
- **North America** 42%

Currency exposure:

Tetragon is a U.S. dollar-based fund and reports all its metrics in U.S. dollars. During 2024, all investments denominated in other currencies were hedged to U.S. dollars, except for some of the GBP-denominated exposure in Equitix.

By exposure

- **Westbourne River Partners** 14%
- **LCM** 9%
- **BGO(i)** 11%
- **Acasta Partners** 4%
- **External(ii)** 6%
- **Direct balance sheet(ii)** 14%
- **Equitix(iii)** 26%
- **Tetragon Credit Partners(i)** 3%
- **Hawke's Point(i)** 6%
- **Banyan Square(ii)** 5%
- **Contingency Capital** 2%

By investment

- **GP** 45%
- **LP internal** 35%
- **LP external** 6%
- **Direct** 14%

(1) Assumptions for "By geography":
- Event-driven equities, convertible bonds, other hedge funds, private equity and venture capital, legal assets and other equities and credit investments are based on the geographies of the underlying portfolio assets.
- U.S. CLOs and Tetragon Credit Partners funds (bank loans) are treated as 100% North America.
- LCM, Tetragon Credit Partners, Banyan Square Partners, and Contingency Capital (TFG Asset Management) are treated as 100% North America.
- BGO (TFG Asset Management) is treated as 24% Europe, 66% North America, and 10% Asia-Pacific.
- Acasta Partners (TFG Asset Management) is treated as 80% Europe and 20% North America.
- Westbourne River Partners and Equitix (TFG Asset Management) are treated as 100% Europe.
- Hawke's Point (TFG Asset Management) is treated as 100% Asia-Pacific.

(2) Assumptions for "By exposure":

(i) Exposure represents the net asset value of the private equity position in the relevant asset management company and the investments in funds/accounts managed by that asset management company.

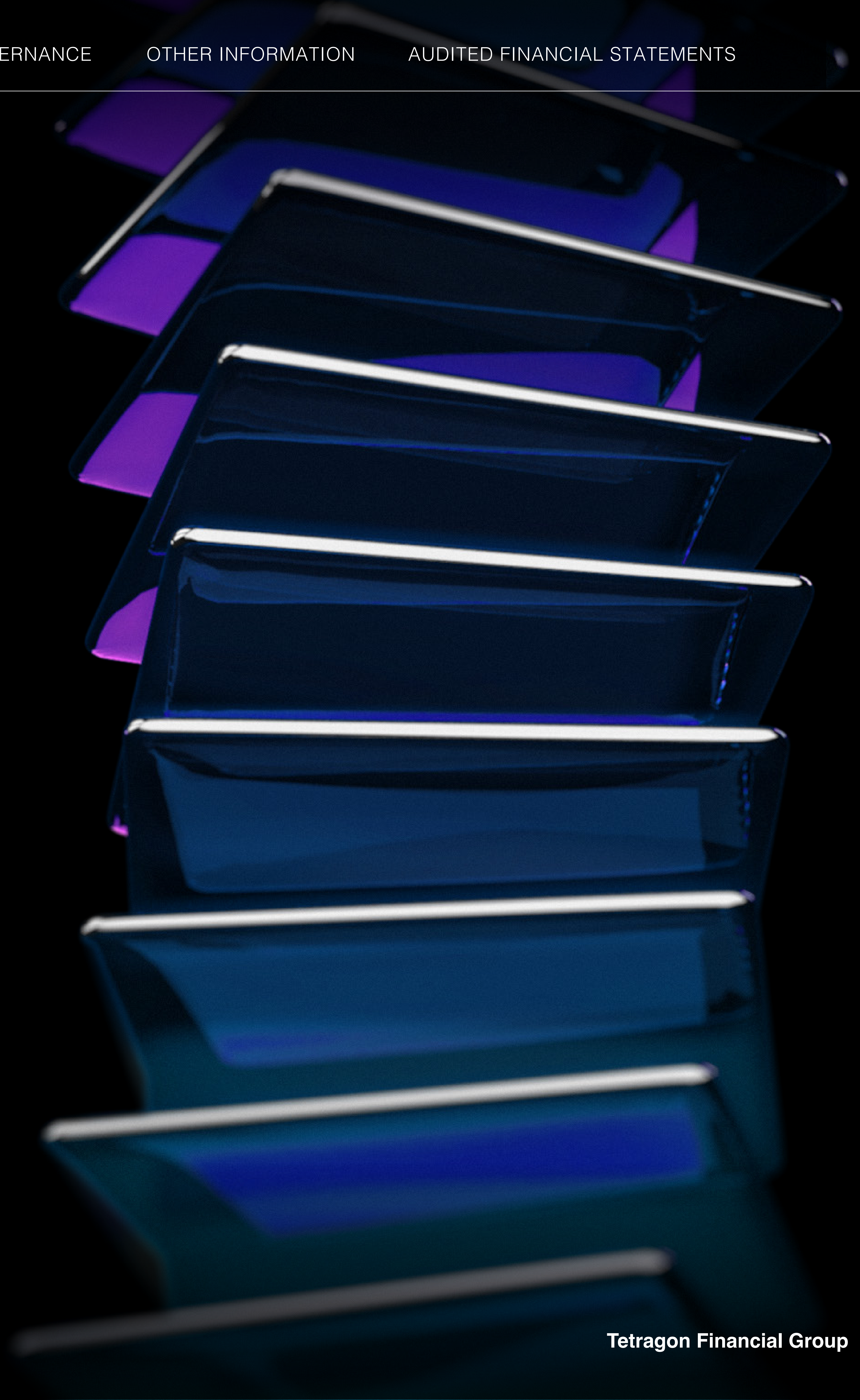
(ii) Exposure represents the net asset value of investments.

(iii) Exposure represents the net asset value of the private equity position in the asset management company.

Source: Tetragon.

Financial review

A summary of Tetragon's 2024 financial highlights, and *pro forma* statements of comprehensive income and financial position.



Financial review

Figure 12

Financial highlights through 2022 – 2024

	2024	2023	2022
Reported GAAP Net income ($M)	$352.2	$141.1	($32.1)
Adjusted Net income ($M)	$411.9	$150.4	($22.6)
Reported GAAP EPS	$4.13	$1.62	($0.35)
Adjusted EPS	$4.83	$1.72	($0.25)
Return on equity	14.6%	5.5%	–0.8%
Net Assets ($M)	$3,173.0	$2,825.4	$2,758.5
IFRS number of shares outstanding (M)	82.0	81.2	85.6
NAV per share	$38.69	$34.79	$32.24
Fully diluted shares outstanding (M)	89.5	90.8	92.9
Fully diluted NAV per share	$35.43	$31.13	$29.69
NAV per share total return	15.4%	6.4%	1.0%
DPS	$0.44	$0.44	$0.44

Tetragon uses the following metrics, among others, to understand the progress and performance of the business:

Adjusted Net income ($411.9 million): Please see Figure 13 for more details and a breakdown of the Adjusted Net Income.

Return on Equity (14.6%): Adjusted Net Income ($411.9 million) divided by Net Assets at the start of the year ($2,825.4 million).

Fully Diluted Shares Outstanding (89.5 million): Adjusts the IFRS shares outstanding (82.0 million) for various dilutive factors (7.5 million shares). Please see Figure 28 for more details.

Adjusted EPS ($4.83): Calculated as Adjusted Net Income ($411.9 million) divided by the time-weighted average IFRS shares during the period (85.3 million).

Fully Diluted NAV per share ($35.43): Calculated as Net Assets ($3,173.0 million) divided by Fully Diluted Shares Outstanding (89.5 million).

Figure 13

Pro forma statement of comprehensive income 2023 – 2024

	2024 ($M)	2023 ($M)
Net gain on non-derivative financial assets at fair value through profit or loss	558.5	270.6
Net gain/(loss) on derivative financial assets and liabilities	15.5	(32.5)
Net foreign exchange gain	0.3	0.3
Interest income	0.9	2.3
Investment income	**575.2**	**240.7**
Management and incentive fees	(130.6)	(58.0)
Other operating and administrative expenses	(7.3)	(8.3)
Interest expense	(25.4)	(24.0)
Total operating expenses	**(163.3)**	**(90.3)**
Adjusted Net income	**411.9**	**150.4**

During 2024, Tetragon contributed 4.2 million shares, with imputed value of $54.2 million using the then-current price of $13.00, to the escrow account controlled by TFG Asset Management, from the treasury shares account. The transfer of shares from treasury to escrow has no impact on the net assets. Similar to the shares previously held in escrow, these shares will be used to fulfil the obligations under equity-based long-term incentive plans and other equity-based awards which have been awarded to certain of TFG Asset Management's senior employees (excluding the principals of the Investment Manager). For 2024, the difference between 'net gain on financial assets at fair value through profit or loss' as shown here and IFRS 'net gain on non-derivative financial assets at profit or loss' is an adjustment to remove $54.2 million of share-based expense related to movement of these shares from treasury to the escrow account. Furthermore, share-based expense of $5.5 million (2023: $9.3 million) has been removed. This adjustment is consistent with how Adjusted Net income has been determined in prior periods.

During the year, $87.3 million (2023: $16.3 million) of incentive fee was expensed and $35.6 million (2023: $16.3 million) remains outstanding at 31 December 2024.

Financial review

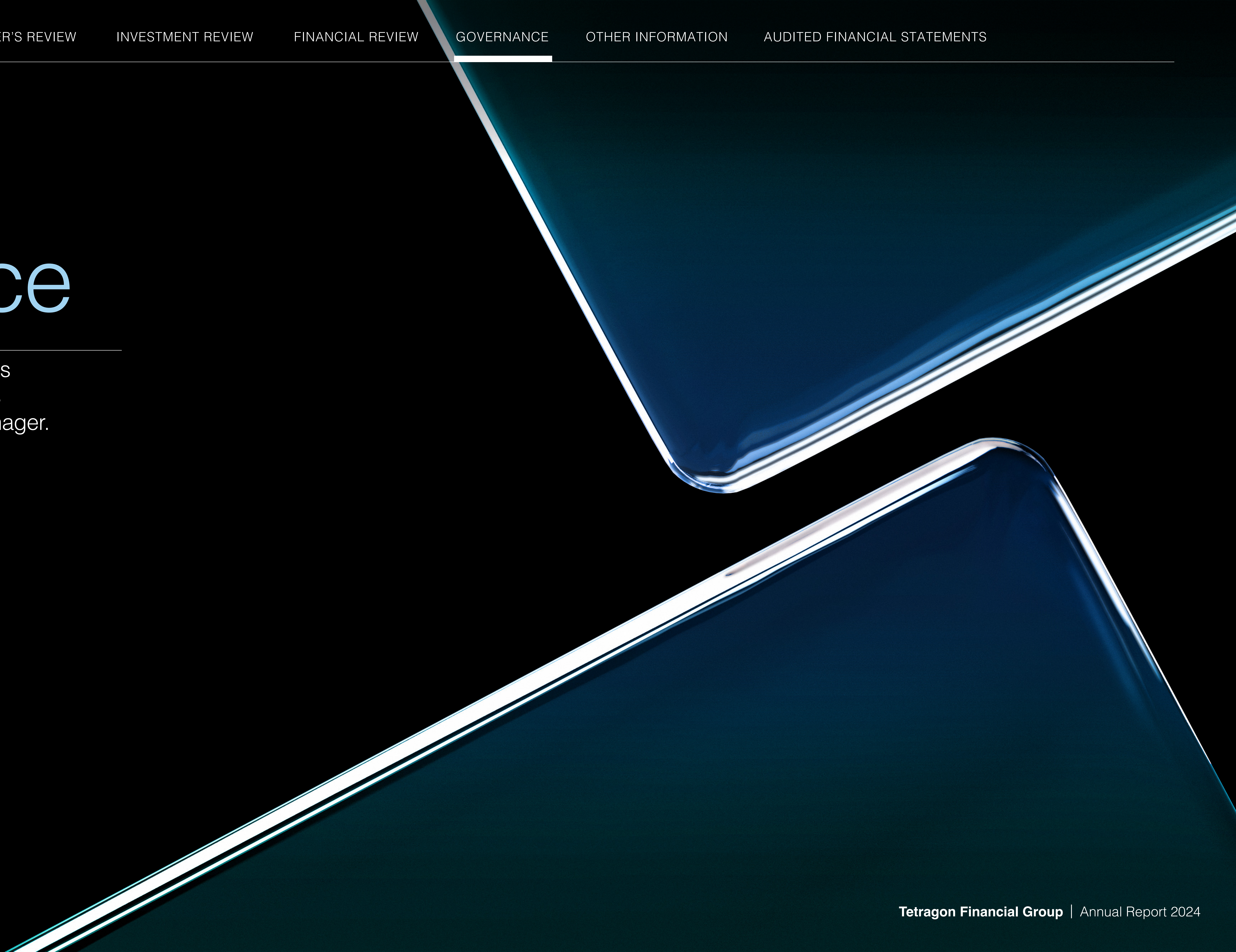
Figure 14

Pro forma statement of financial position as at 31 December 2023 and 31 December 2024

	31 December 2024 ($M)	31 December 2023 ($M)
ASSETS		
Investments	3,504.3	3,065.7
Derivative financial assets	18.7	5.1
Other receivables	5.2	4.7
Amounts due from brokers	6.2	7.2
Cash and cash equivalents	30.5	23.1
Total assets	**3,564.9**	**3,105.8**
LIABILITIES		
Loans and borrowings	(300.0)	(250.0)
Derivative financial liabilities	(0.1)	(8.3)
Amounts due to brokers	(53.7)	-
Other payables and accrued expenses	(38.1)	(22.1)
Total liabilities	**(391.9)**	**(280.4)**
NET ASSETS	**3,173.0**	**2,825.4**

Governance

This section provides details on Tetragon's corporate governance matters, as well as information regarding the investment manager.



Governance

Our structure

Permanent capital. Structured to perform.

(i) Includes the AUM of LCM, Westbourne River Partners, Acasta Partners, Equitix, Hawke's Point, Tetragon Credit Partners, Banyan Square Partners and TCICM, as calculated by the applicable fund administrators at 31 December 2024 and AUM for BGO representing Tetragon's *pro rata* share (12.86%) of BGO AUM ($83.1 billion). Includes, where relevant, investments by Tetragon.

- Types of shareholder
- Listed entity
- External manager
- Ways we invest
  - Investments in managed funds
  - Ownership stakes in asset managers
  - Direct investments
- TFG Asset Management

Governance

Board of Directors

The Board of Directors currently comprises five Directors, of which three are Independent Directors.

Deron J. Haley
Independent Director

Deron Haley, also known as D.J., is a founding Partner and Chief Operating Officer at Durational Capital Management, LP, a New York-based private equity firm that specialises in consumer buy-outs.

Prior to Durational Capital Management, he was the Chief Operating Officer of Hound Partners, LLC, a New York-based global equity fund. Prior thereto, he was a senior executive of Ziff Brothers Investments, LLC, a global, single-family office that invested directly in private and public equities, fixed income, global macro, and commodities, and led firmwide operational and management initiatives. D.J. began his finance career as an equity research analyst, and later a registered trader before taking on senior managerial roles.

Prior to finance, he served five years' active duty in the United States Navy. He is a founding Director of the Navy SEAL Foundation, and sits on the Investment Committee of The Heinz Endowments. D.J. recently served as an independent director on the Boards of Directors of several funds managed by TFG Asset Management. He holds a B.S. degree in Mechanical Engineering from Carnegie Mellon University in Pittsburgh and a M.B.A. degree from Harvard Business School.

Steven Hart
Independent Director

Steven Hart serves as president of Hart Capital LLC, which he founded in 1998 as a family office to invest in a diversified portfolio of assets with a strong education industry focus.

Steven was the co-owner (1999-2010) and member of the Board of Directors (1999-2007) of Lincoln Educational Services Corporation. From 1983 to 1997, he was co-founder of a family-owned conglomerate where he acquired and managed manufacturing and distribution companies involved in automotive, printing, apparel and industrial textiles, electronics, synthetic foam, and home furnishing industries. Steven served as chairman of the State of Connecticut Investment Advisory Council from 1995 to 2003, which oversees the State of Connecticut Retirement Plans and Trust Funds, and, as a trustee (1996-2003), and chairman (2003) of the Stanford University Graduate School of Business Endowment Trust.

From 2011-2020, he served as a member of the Boards of Directors of several funds connected with Blue Harbour Group, L.P. Steven earned an M.B.A. degree from Stanford University Graduate School of Business and a B.A. degree in Math/Economics from Wesleyan University.

David O'Leary
Independent Director

David O'Leary retired from State Street Corporation in Boston, Massachusetts in 2012, where he was Executive Vice President – Chief Administrative Officer (2010-2012) and Executive Vice President – Global Head of Human Resources (2005-2010).

At State Street, he managed a global team of 325 staff across 15 countries and was a member of its 10-person Operating Group and Management Committee, reporting directly to its Chief Executive Officer. From 1985 to 2004, David was at Credit Suisse First Boston, serving as Managing Director, Global Head of Human Resources from 1988 to 2003, where he managed a global team of 250 staff in 13 countries responsible for all aspects of Human Resources in the Americas, Europe, and Asia.

David began his career in financial services at Merrill Lynch & Company in New York, where he was Vice President – Executive Compensation from 1981 to 1985. He earned a M.B.A. degree from the University of Massachusetts, where he graduated first in his class, a M.S. degree from the State University of New York and a B.S. degree from Union College.

Governance

Board of Directors

Reade Griffith
Tetragon Co-Founder
and Chief Investment Officer

Reade Griffith is Co-Founder and Chief Investment Officer of Tetragon Financial Group and TFG Asset Management. Reade is also a member of Tetragon's Board of Directors.

Prior to co-founding Tetragon in 2005, Reade co-founded Polygon, a multi-strategy hedge fund management business, in 2002. In 2012, Tetragon acquired Polygon and it became part of TFG Asset Management, Tetragon's diversified alternative asset management business – which now has $40 billion of assets under management.(i) Reade is also Chief Investment Officer for TFG Asset Management's European event-driven equities business, Westbourne River Partners. Reade holds an A.B. degree in Economics from Harvard College and a J.D. degree from Harvard Law School. Reade also served as an officer in the U.S. Marine Corps and left as a Captain following the 1991 Gulf War.

Reade was previously the founder and chief executive officer of the European office of Citadel Investment Group, a multi-strategy hedge fund that he joined in 1998. Reade is currently a member of the Royal United Services Institute Advisory Board and the Dean's Advisory Board at Harvard Law School. From 2017 until 2020, Reade was a member of the Financial Sector Forum at the Bank of England.

Paddy Dear
Tetragon Co-Founder

Paddy Dear co-founded Tetragon in 2005, is based in London and is a member of Tetragon's Board of Directors and its investment manager's Investment and Risk Committee.

Prior to co-founding Tetragon in 2005, Paddy co-founded Polygon, a multi-strategy hedge fund management business, in 2002. In 2012, Tetragon acquired Polygon and it became part of TFG Asset Management, Tetragon's diversified alternative asset management business – which now has $40 billion of assets under management.(i) Paddy received a BSc in Petroleum Engineering from Imperial College London, graduating top of his year. He started his career as a Petroleum Engineer with Marathon Oil working in London, Denver and offshore in the North Sea.

He later moved into finance and prior to setting up Polygon was a Managing Director at UBS Investment Bank, where he worked for 14 years in London and New York.

(i) Includes the AUM of LCM, Westbourne River Partners, Acasta Partners, Equitix, Hawke's Point, Tetragon Credit Partners, Banyan Square Partners and TCICM, as calculated by the applicable fund administrators at 31 December 2024 and AUM for BGO representing Tetragon's *pro rata* share (12.86%) of BGO AUM ($83.1 billion). Includes, where relevant, investments by Tetragon.

Governance

Board of Directors

Size, independence and composition of the Board of Directors of Tetragon

The structure, practices and committees of the Board of Directors of Tetragon, including matters relating to the size, independence and composition of the Board of Directors, the election and removal of Directors, requirements relating to board action and the powers delegated to board committees, are governed by Tetragon's Memorandum and Articles of Incorporation.

Tetragon has five directors, or the Directors. As set out below and as elsewhere described in the risk factors found on Tetragon's website at https://www.tetragoninv.com/shareholders#risk-factors, not less than a majority of the Directors are independent. A Director will be an "Independent Director" if the Board of Directors determines that the person satisfies the standards for independence contained in the Corporate Governance Code 2018 in all material respects. If the death, resignation or removal of an Independent Director results in the Board of Directors having less than a majority of Independent Directors, the vacancy must be filled promptly. Pending the filling of such vacancy, the Board of Directors may temporarily consist of less than a majority of Independent Directors and those Directors who do not meet the standards for independence may continue to hold office.

A Director who is not an Independent Director will not be required to resign as a Director as a result of an Independent Director's death, resignation or removal. In addition, Tetragon's Memorandum and Articles of Incorporation prohibit the Board of Directors from consisting of a majority of Directors who are resident in the United Kingdom.

Election and removal of Directors of Tetragon

Each member of Tetragon's Board of Directors is elected annually by the holder of Tetragon's voting shares. All vacancies on the Board of Directors, including by reason of death or resignation, may be filled, and additional Directors may be appointed, by a resolution of the holder of Tetragon's voting shares.

A Director may be removed from office for any reason by notice requesting resignation signed by all other Directors then holding office, if the Director is absent from four successive meetings without leave expressed by a resolution of the Directors or for any reason by a resolution of the holder of Tetragon's voting shares. A Director will also be removed from the Board of Directors if they become bankrupt, if they become of unsound mind, if they become a resident of the United Kingdom and such residency results in a majority of the Board of Directors being residents of the United Kingdom or if they become prohibited by law from acting as a Director. A Director is not required to retire upon reaching a certain age.

Action by the Board of Directors of Tetragon

The Board of Directors of Tetragon may take action in a duly convened meeting, for which a quorum is five Directors, or by a written resolution signed by at least five Directors. When action is to be taken by the Board of Directors, the affirmative vote of five of the Directors then holding office is required for any action to be taken. As a result, the Board of Directors will not be able to act without the affirmative vote of both of the Directors affiliated with the holder of Tetragon's voting shares.

The Directors are responsible for the management of Tetragon. They have delegated to the investment manager certain functions, including broad discretion to adopt an investment strategy to implement Tetragon's investment objective. However, certain matters are specifically reserved for the Board of Directors under the Memorandum and Articles of Incorporation.

Transactions in which a Director has an interest

Provided that a Director has disclosed to the other Directors the nature and extent of any such Director's interests in accordance with the Companies (Guernsey) Law, 2008, as amended, a Director, notwithstanding his office: (a) may be a party to, or otherwise interested in, any transaction or arrangement with Tetragon or in which Tetragon is otherwise interested; (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by Tetragon or in which Tetragon is otherwise interested; and (c) shall not be accountable to Tetragon for any benefit derived from any such transaction or arrangement or from any interest in any such body corporate, and no such transaction or arrangement shall be void or voidable on the grounds of any such interest or benefit or because such Director is present at or participates in the meeting of the Directors that approves such transaction or arrangement, provided that (i) the material facts as to the interest of such Director in such transaction or arrangement have been disclosed or are known to the Directors and the Directors in good faith authorise the transaction or arrangement and (ii) the approval of such transaction or arrangement includes the votes of a majority of the Directors that are not interested in such transaction or such transaction is otherwise found by the Directors (before or after the fact) to be fair to Tetragon as of the time it is authorised.

Under the Investment Management Agreement, the Directors have authorised the investment manager to enter into transactions on behalf of Tetragon with persons who are affiliates of the investment manager, provided that in connection with any such transaction that exceeds $5 million of aggregate investment the investment manager informs the Directors of such transaction and obtains either (i) the approval of a majority of the Directors that do not have a material interest in such transaction or (ii) an opinion from a recognised investment bank, auditing firm or other appropriate professional firm substantively to the effect that the financial terms of the transaction are fair to Tetragon from a financial point of view.

Compensation

The remuneration for Directors is determined by resolution of the holder of Tetragon's voting shares. From 1 January 2024, the Directors' annual fee is $150,000 in compensation for service on the Board of Directors of Tetragon (2023: $125,000). The Directors have the option to elect to receive shares in Tetragon instead of the fee. The Directors affiliated with the holder of Tetragon's voting shares have waived their entitlement to a fee. The Directors are entitled to be repaid by Tetragon for all travel, hotel and other expenses reasonably incurred by them in the discharge of their duties.

None of the Directors has a contract with Tetragon providing for benefits upon termination of employment.

In addition to the annual fee, Tetragon has awarded its shares to the Independent Directors as described on page 71.

Governance

Board of Directors

Certain Corporate Governance rules

Tetragon is required to comply with all provisions of the Companies (Guernsey) Law, 2008, as amended, relating to corporate governance to the extent that the same are applicable and relevant to Tetragon's activities. In particular, each Director must seek to act in accordance with the "Code of Practice – Company Directors". Tetragon reports against the AIC Code of Corporate Governance (AIC Code). The 2019 AIC Code has been endorsed by, amongst others, the Financial Reporting Council and the Guernsey Financial Services Commission (GFSC). This means that Tetragon may make a statement that by reporting against the AIC Code it is meeting its applicable obligations under the UK Corporate Governance Code 2018, the 2011 GFSC Finance Sector Code of Corporate Governance and any associated disclosure requirements under paragraph 9.8.6 of the London Stock Exchange's Listing Rules. No formal corporate governance code applies to Tetragon under Dutch law.

Indemnity

Each present and former Director or officer of Tetragon is indemnified against any loss or liability incurred by the Director or officer by reason of being or having been a Director or officer of Tetragon. In addition, the Directors may authorise the purchase or maintenance by Tetragon for any Director or officer or former Director or officer of Tetragon of any insurance, in respect of any liability which would otherwise attach to the Director or officer.

The Audit Committee

The Audit Committee of Tetragon is responsible for, among other items, assisting and advising Tetragon's Board of Directors with matters relating to Tetragon's accounting and financial reporting processes and the integrity and audits of Tetragon's financial statements. The Audit Committee is also responsible for reviewing and making recommendations with respect to the plans and results of each audit engagement with Tetragon's independent administrator's and Tetragon's investment manager's statements on internal control systems prior to endorsement by the Board of Directors.

The total audit fee for the year for Tetragon was $0.7 million. Non-audit fees payable to the independent auditor and its member firms for cost allocation and regulatory assurance service was $0.2 million in 2024. In addition to this, $2.5 million of audit fees was payable by the entities controlled by Tetragon to the independent auditor and its member firms. The Audit Committee concluded that these fees do not pose a threat to the independent auditor's independence or objectivity.

Governance

Our investment manager

Tetragon Financial Management LP, or TFM, has been appointed the investment manager of Tetragon pursuant to an investment management agreement dated 26 April 2007 (see "Summary of Key Terms of Tetragon's Investment Management Agreement"). The investment manager's general partner, Tetragon Financial Management GP LLC, is responsible for all actions of the investment manager. The general partner is ultimately controlled by Reade Griffith and Paddy Dear, who also control the holder of Tetragon's voting shares and are the voting members of the investment manager's Investment and Risk Committees. Reade Griffith acts as the authorised representative of the general partner and the investment manager. TFM is registered as an investment adviser under the United States Investment Advisers Act of 1940.

Summary of Key Terms of Tetragon's Investment Management Agreement

Under the terms of the Investment Management Agreement, the investment manager has full discretion to invest the assets of Tetragon in a manner consistent with the investment objective of Tetragon. The investment manager has the authority to determine the investment strategy to be pursued in furtherance of the investment objective, which strategy may be changed from time to time by the investment manager in its discretion. The investment manager is authorised to delegate its functions under the Investment Management Agreement.

The Investment Management Agreement continues in full force and effect unless terminated (i) by the investment manager at any time upon 60 days' notice or (ii) immediately upon Tetragon giving notice to the investment manager or the investment manager giving notice to Tetragon in relation to such entity in the event of (a) the party in respect of which notice has been given becoming insolvent or going into liquidation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or a receiver being appointed over all or a substantial part or of its assets or it becoming the subject of any petition for the appointment of an administrator, trustee or similar officer, (b) a party committing a material breach of the Investment Management Agreement which causes a material adverse effect to the non-breaching party and (if such breach shall be capable of remedy) not making good such breach within 30 days of service upon the party in breach of notice requiring the remedy of such breach or (c) fraud or wilful misconduct in the performance of a party's duties under the Investment Management Agreement.

The Investment Management Agreement provides that none of the investment manager, its affiliates or their respective members, managers, partners, shareholders, directors, officers and employees (including their respective executors, heirs, assigns, successors or other legal representatives) (each, as an indemnified party) will be liable to Tetragon or any investor in Tetragon for any liabilities, obligations, losses (including, without limitation, losses arising out of delay, mis-delivery or error in the transmission of any letter, cable, telephonic communication, telephone, facsimile transmission or other electronic transmission in a readable form), damages, actions, proceedings, suits, costs, expenses (including, without limitation, legal expenses), claims and demands suffered in connection with the performance by the investment manager of its obligations under the Investment Management Agreement or otherwise in connection with the business and operations of Tetragon, in the absence of fraud or wilful misconduct on the part of an indemnified party, and Tetragon has agreed to indemnify each indemnified party against any such liabilities, obligations, losses, damages, actions, proceedings, suits, costs, expenses, claims and demands, except as may be due to the fraud or wilful misconduct of the indemnified party.

The investment manager may act as investment manager or advisor to any other person, so long as its services to Tetragon are not materially impaired thereby, and need not disclose to Tetragon anything that comes to its attention in the course of its business in any other capacity than as investment manager. The investment manager is not liable to account for any profit earned or benefit derived from advice given by the investment manager to other persons. The investment manager will not be liable to Tetragon for any loss suffered in connection with the investment manager's decision to offer investments to any other person, or failure to offer investments to Tetragon.

The investment manager is authorised to enter into transactions on behalf of Tetragon with persons who are affiliates of the investment manager, provided that in connection with any such transaction that exceeds $5 million of aggregate investment, the investment manager obtains either (i) the approval of a majority of the Directors that do not have a material interest in such transaction (whether as part of a Board of Directors resolution or otherwise) or (ii) an opinion from a recognised investment bank, auditing firm or other appropriate professional firm substantively to the effect that the financial terms of the transaction are fair to Tetragon from a financial point of view.

Management and incentive fees; expenses

All fees and expenses of Tetragon, including management fees relating to the administration of Tetragon and incentive fees (each as described below), will be paid by Tetragon.

The investment manager is entitled to receive a management fee equal to one and one-half percent (1.5%) per annum of the NAV of Tetragon payable monthly in advance prior to the deduction of any accrued incentive fees.

Tetragon will also pay to the investment manager an incentive fee for each Calculation Period (as defined below) equal to 25% of the increase in the NAV of Tetragon during the Calculation Period (before deduction of any dividend paid or the amount of any redemptions or repurchases of shares (or other relevant capital adjustments) during such Calculation Period) above (i) the Reference NAV (as defined below) plus (ii) the Hurdle (as defined below) for the Calculation Period. If the Hurdle is not met in any Calculation Period (and no incentive fee is paid), the shortfall will not carry forward to any subsequent Calculation Period.

A "Calculation Period" is a period of three months ending on 31 March, 30 June, 30 September and 31 December of each year, or as otherwise determined by the Board of Directors of Tetragon.

The "Reference NAV" is the greater of (i) NAV at the end of the Calculation Period immediately preceding the current Calculation Period and (ii) the NAV as of the end of the Calculation Period ending three months earlier than the Calculation Period referred to in clause (i). For the purposes of determining the Reference NAV at the end of a Calculation Period, the NAV shall be adjusted by the amount of accrued dividends and amounts of any redemptions or repurchases of shares (or other relevant capital adjustments) and incentive fees to be paid with respect to that Calculation Period.

Governance

Our investment manager

The "Hurdle" for any Calculation Period will equal (i) the Reference NAV multiplied by (ii) the Hurdle Rate (defined below).

The "Hurdle Rate" for any Calculation Period equals (x) Term SOFR (as defined below) plus 2.747858% per annum, multiplied by (y) the actual number of days in the Calculation Period, divided by (z) 365.

"Term SOFR" means a rate per annum equal to the forward-looking term rate, based on the secured overnight financing rate published by the Federal Reserve Bank of New York (or any successor administrator of the secured overnight financing rate), that is published by the CME Group Inc. (or a successor administrator of Term SOFR) for a three-month period, on the first day of the applicable Calculation Period (the "Term SOFR Determination Date"); provided, however, that if as of 5:00 p.m. (Central time) on the Term SOFR Determination Date, Term SOFR for a three-month period has not been published, Term SOFR will be the next available Term SOFR for a three-month period as published by the CME Group Inc. (or a successor administrator of Term SOFR)[(1)].

The incentive fee in respect of each Calculation Period is calculated by reference to the increase in NAV of the shares before deduction of any accrued incentive fee. The incentive fee is normally payable in arrears within 14 calendar days of the end of the Calculation Period. If the Investment Management Agreement is terminated other than at the end of a Calculation Period, the date of termination will be deemed to be the end of the Calculation Period. Apart from the management fees and the incentive fee, the investment manager does not charge separate fees based on the NAV of Tetragon.

An incentive fee of $35.6 million was accrued in the fourth quarter of 2024 in accordance with Tetragon's investment management agreement. The hurdle rate for the first quarter of the 2025 incentive fee has been reset at 7.043908% (Q4 2024: 7.357388%) as per the process outlined above and in accordance with Tetragon's investment management agreement.

Tetragon generally bears all costs and expenses directly related to its investments or prospective investments, such as brokerage commissions, interest on debit balances or borrowings, custodial fees and legal and consultant fees. Tetragon also generally bears all out-of-pocket costs of administration, including accounting, audit, administrator and legal expenses, costs of any litigation or investigation involving their activities, costs associated with reporting and providing information to existing and prospective investors and the costs of liability insurance.

The Investment Manager's role with respect to TFG Asset Management

The investment manager's responsibilities with respect to Tetragon include, inter alia:

- investing and reinvesting the assets of Tetragon in securities, derivatives and other financial instruments and other investments of whatever nature and committing the assets of Tetragon in relation to agreements with entities, issuers and counterparties;
- holding cash balances or investing them directly in any short-term investments, and reinvesting any income earned thereon in accordance Tetragon's investment strategy;
- purchasing, holding, selling, transferring, exchanging, mortgaging, pledging, hypothecating and otherwise acting to acquire and dispose of and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to investments held or owned by Tetragon, with the objective of the preservation, protection and increase in value thereof;
- exercising any voting or similar rights attaching to investments purchased on behalf of Tetragon;
- borrowing or raising monies from time to time without limit as to the amount or manner and time of repayment;
- engaging consultants, attorneys, independent accountants or such other persons as the investment manager may deem necessary or advisable; and;
- entering into any other contracts or agreements in connection with any of the foregoing activities.

TFG Asset Management is an investment of Tetragon, and, as such, the investment manager is responsible for exercising any of Tetragon's voting or similar rights with respect to TFG Asset Management as an investment and is responsible for the management, oversight and/or supervision of such investment. As with any other category of investments, the investment manager is also responsible for decisions with respect to acquisitions of asset management businesses to be added to TFG Asset Management using Tetragon's cash (which may include minority interests in asset management businesses, joint ventures or other similar arrangements) – as investment decisions with respect to Tetragon's cash or other assets. Following the acquisition of an asset management business, that business then becomes a part of TFG Asset Management and TFG Asset Management is responsible for the management, oversight and/or supervision of such business, including amendments to or modifications of the terms or arrangements of its ownership of such business (except, where relevant, to the extent of decisions with respect to Tetragon's cash), and any decision to sell or otherwise dispose of all or any portion of such business.

TFG Asset Management seeks to generate income and value from its asset management businesses by having these businesses manage third-party investor capital. TFG Asset Management has an internal management team that is responsible for the TFG Asset Management business as a whole, including the management, oversight and/or supervision of its various asset management businesses as they form and grow the funds and vehicles that they manage, and is responsible for its own costs.

Tetragon may invest in the various funds and other vehicles managed by a TFG Asset Management business. It may also provide financial support to any fund managed by a TFG Asset Management business (such as a "seeding" arrangement), or provide equity, loans or other financial support to TFG Asset Management or its asset management businesses. The investment manager is responsible for any decision to invest cash into any fund or other vehicle managed by a TFG Asset Management business and is also responsible for decisions regarding financial support for TFG Asset Management.

Governance

Our investment manager

In connection with the management, oversight and/or supervision of asset management businesses within TFG Asset Management, TFG Asset Management (rather than the investment manager) is responsible for, *inter alia*, business development, marketing, legal and compliance, risk management and governance, as well as guidance on business issues faced by a new fund or vehicle and the strategic direction of such businesses.

Services Agreement between Tetragon's Investment Manager, or TFM, and Certain Subsidiaries of TFG Asset Management

The investment manager relies on two TFG Asset Management entities[2] for a broad range of services to support its activities. The services provided to the investment manager under a Services Agreement by TFG Asset Management, through these entities, include infrastructure services such as operations, financial control, trading, marketing and investor relations, legal, compliance, office administration, payroll and employee benefits. One of those entities, TFG Asset Management UK LLP[3], which is authorised and regulated by the United Kingdom Financial Conduct Authority, also provides services to TFM relating to the dealing in and management of investments, arrangement of deals and advising on investments.

Cost Recovery by TFG Asset Management for Services Provided to Tetragon's Investment Manager

TFG Asset Management has implemented a cost-allocation methodology with the objective of allocating service-related costs, including to the investment manager, in a consistent, fair, transparent and commercially based manner.[4]

TFG Asset Management then charges fees to the investment manager for the services allocated to the investment manager on a cost-recovery basis designed to achieve full recovery of the allocated costs. In 2024, the total amount recharged to the investment manager, excluding direct expenses, was $19.6 million.

Most of the costs related to these services are directly or indirectly attributable to personnel or "human capital", with compensation typically being the largest single cost.[5]

Consequently, one of the most critical cost allocations relates to professionals' time, which is commonly expressed as Full Time Equivalents or "FTEs". On a monthly basis, each TFG Asset Management employee[6], directly or via their team head, provides a breakdown of the approximate percentage of time spent supporting the various businesses for the previous month (this excludes certain functions such as office management and technology that are charged to business users on a standard basis (e.g., space used or global headcount) which removes any need on the part of those teams to allocate their FTEs to business lines). TFG Asset Management employees should not be incentivised to either over- or under-allocate to any business, as their time allocation is not a consideration in the determination of their overall compensation. Once allocated percentages are determined and agreed, an FTE is derived, subject to adjustments for items determined by contractual arrangements. Core personnel costs, including salary, bonus, pension and healthcare, are charged on an actual employee cost basis to each business line (including the investment manager) based on the FTE allocation described above.

In addition to FTE costs, there are a number of other costs that reflect the use of resources by TFG Asset Management personnel on behalf of the investment manager (in addition to the other TFG Asset Management businesses), including real property costs, technology and market data. A standard cost methodology is used to allocate these costs across the various business lines that are supported, including the investment manager. The setting of standard costs is designed to reflect what those costs would be on an arm's-length basis. The methodology is designed to create consistency in order to provide a fair allocation of resource costs to all businesses.

Employee FTE data is collated and used to process monthly cost allocations. Such allocations are invoiced monthly to users of the TFG Asset Management platform that are not owned by TFG Asset Management, including the investment manager, or allocated within the TFG Asset Management general ledger for businesses owned by TFG Asset Management.

TFG Asset Management's cost allocation methodology is documented and updated annually by TFG Asset Management's finance team in consultation with its legal and compliance teams and is approved each year by TFG Asset Management's executive committee.

KPMG LLP, reporting directly to Tetragon's Audit Committee, is currently engaged to periodically test that the costs allocated to (and therefore recovered from) the investment manager have been properly calculated in accordance with the approved cost-allocation methodology. Tetragon's Board of Directors has adopted procedures for related-party transactions that require approval of a majority of disinterested Directors. Accordingly, Tetragon's Independent Directors are required to approve the methodology for allocating costs and in their sole discretion the application of that methodology as part of their oversight processes. The annual cost allocation methodology update and the actual annual cost allocations that result based on these cost methodology policies and procedures are separately approved by the Independent Directors.

Investment and Risk Committee

The investment manager's Investment and Risk Committee is responsible for the investment and risk management of Tetragon's portfolio. The Committee performs active and regular oversight and risk monitoring. The Committee determines the investment strategy of Tetragon and approves each significant investment by it. The Committee currently consists of Reade Griffith, Paddy Dear and Stephen Prince.

Executive Committee

The investment manager's Executive Committee oversees all key non-investment and risk activities of the investment manager and currently consists of: Reade Griffith, Co-Founder and Chief Investment Officer; Paddy Dear, Co-Founder; Stephen Prince, Chief Executive Officer of TFG Asset Management; Paul Gannon, Chief Financial Officer; Sean Côté, General Counsel and Co-Head of Legal Regulatory and Compliance; and Greg Wadsworth, Head of Business Development and Investor Relations.

Governance

Notes

Page 45

(1) Tetragon and its investment manager have agreed on a procedure for determining an alternate benchmark rate in the event that Term SOFR is unavailable in the future.

Page 46

(2) These TFG Asset Management subsidiaries also provide infrastructure services to LCM and Contingency Capital, and infrastructure and investment management services to Westbourne River Partners, Acasta Partners, Hawke's Point, the TCI General Partner and Banyan Square Partners.
(3) Reade Griffith and Paddy Dear hold certain membership interests in TFG Asset Management UK LLP which collectively entitle them to exercise all of the voting rights in respect of the entity. Mr. Griffith and Mr. Dear have agreed that they will (i) exercise their voting rights in a manner that is consistent with the best interests of Tetragon and (ii) upon the request of Tetragon, for nominal consideration, sell, transfer, and deliver their membership interests in TFG Asset Management UK LLP to TFG Asset Management.
(4) This cost allocation methodology also applies to the other TFG Asset Management businesses.
(5) Employee compensation will also include TFG Asset Management's long-term incentive plan and its other equity-based awards.
(6) Amounts paid by TFG Asset Management to Reade Griffith in connection with services provided by him to TFG Asset Management are not allocated to the investment manager.

Governance

Tetragon Financial Group Limited Directors' Report

The Directors present to the shareholders their report together with the audited consolidated financial statements for the year ended 31 December 2024.

Tetragon and its investment objective

Tetragon Financial Group Limited, or Tetragon, was registered in Guernsey on 23 June 2005 as a company limited by shares, with registered number 43321. All voting shares of Tetragon are held by Polygon Credit Holdings II Limited. Tetragon continues to be registered and domiciled in Guernsey, Tetragon's non-voting shares are listed on Euronext in Amsterdam, a regulated market of Euronext Amsterdam (ticker symbol: TFG.NA) and traded on the Specialist Fund Segment of the London Stock Exchange plc (ticker symbols: TFG.LN and TFGS.LN).

Tetragon's investment objective is to generate distributable income and capital appreciation. Tetragon's Investment Manager, Tetagon Financial Management LP, or TFM, is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as is TFG Asset Management L.P., Tetragon's diversified alternative asset management business. Two of TFG Asset Management L.P.'s investment management entities, TFG Asset Management UK LLP and Equitix Investment Management Limited, are authorised and regulated by the United Kingdom Financial Conduct Authority.

Results, activities and future developments

The results of operations are set out on page 79. A detailed review of activities and future developments is contained in the Annual Report issued with these consolidated financial statements to the shareholders of Tetragon.

Directors

The Directors who held office during the year were:

Paddy Dear

Reade Griffith

Deron Haley*

Steven Hart*

David O'Leary*

* Independent Directors

The remuneration for Directors is determined by resolution of the holder of Tetragon's voting shares.

Each Director's annual fee for the year ended 31 December 2024 was $150,000 (2023: $125,000) as compensation for service on Tetragon's Board of Directors and is paid in quarterly instalments by Tetragon. Paddy Dear and Reade Griffith have waived their entitlement to a Director's fee.

The Independent Directors have the option to elect to receive Tetragon shares instead of their quarterly Director's fee. The Directors did not elect to receive shares during 2024.

In addition to the annual fee, Tetragon has awarded its shares to the Independent Directors as described on page 71.

Dividends

The Directors have the authority to declare dividend payments, based upon the recommendation of Tetragon's investment manager, subject to the approval of the holder of Tetragon's voting shares and adherence to applicable law including the satisfaction of a solvency test as stated under the Companies (Guernsey) Law, 2008. TFM's recommendation with respect to the declaration of dividends (and other capital distributions) may be informed by a variety of considerations, including (i) the expected sustainability of Tetragon's cash generation capacity in the short and medium term, (ii) the current and anticipated performance of Tetragon, (iii) the current and anticipated operating and economic environment and (iv) other potential uses of cash ranging from preservation of Tetragon's investments and financial position to other investment opportunities.

The Directors declared the following dividends during the year:

Dividend period	Dividend per share
Quarter ended 31 December 2023	**$0.1100**
Quarter ended 31 March 2024	**$0.1100**
Quarter ended 30 June 2024	**$0.1100**
Quarter ended 30 September 2024	**$0.1100**

On 4 March 2025, the Directors declared a dividend amounting to $0.1100 per share for the quarter ended 31 December 2024. The total dividend declared for the year ended 31 December 2024 amounted to $0.4400 per share (2023: $0.4400 per share).

Governance

Tetragon Financial Group Limited Directors' Report

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008, requires the Directors to prepare financial statements for each financial year. Accordingly, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of Tetragon and of the profit or loss of Tetragon for the relevant financial period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess Tetragon's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate Tetragon or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of Tetragon and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of Tetragon and to prevent and detect fraud and other irregularities.The Directors are responsible for the maintenance and integrity of the corporate and financial information included on Tetragon's website, and for the preparation and dissemination of the financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Tetragon is required to comply with all provisions of Guernsey Company Law relating to corporate governance to the extent the same are applicable and relevant to its activities. In particular, each Director must seek to act in accordance with the "Code of Practice – Company Directors". Tetragon reports against the Association of Investment Companies (AIC) Corporate Governance Guide for Investment Companies and, as such, is deemed to meet the provisions of the Code of Corporate Governance issued by the Guernsey Financial Services Commission.

The financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position, results and cash flows of Tetragon as required by the Disclosure Guidance and Transparency Rules (DTR) 4.1.12R and by Section 5.25c of the Financial Markets Supervision Act of the Netherlands and are in compliance with the requirements set out in the Companies (Guernsey) Law, 2008 as amended.

This annual report gives a fair review of the information required by DTR 4.1.8R and DTR 4.1.11R of the Disclosure Guidance and Transparency Rules and by Section 5.25c of the Financial Markets Supervision Act of the Netherlands, which respectively require, inter alia, (i) an indication of important events that have occurred since the end of the financial year and the likely future development of Tetragon and (ii) a description of principal risks and uncertainties during the year.

The Directors confirm that they have complied with the above requirements.

Disclosure of information to the auditor

So far as each of the Directors is aware, there is no relevant audit information of which Tetragon's auditor is unaware, and each has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that Tetragon's auditor is aware of that information.

Auditor

KPMG Channel Islands Limited is the appointed independent auditor of Tetragon and it has expressed its willingness to continue in office. A resolution for the re-appointment of KPMG Channel Islands Limited as auditor of Tetragon is to be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board of Directors by:

David O'Leary, Director   Steven Hart, Director

Date: 4 March 2025

Governance

The AIC Code of Corporate Governance

In September 2016, Tetragon became a member of The Association of Investment Companies (AIC), the trade body for closed-ended investment companies.

Founded in 1932, the AIC represents approximately 350 members across a broad range of closed-ended investment companies, incorporating investment trusts and other closed-ended investment companies. Tetragon is classified by the AIC in its Flexible Investment sector as a company whose policy allows it to invest in a range of asset types. The AIC has indicated that the sector may assist investors and advisers to more easily find and compare those investment companies which have the ability to invest in a range of assets and allow investors to compare investment companies with similar open-ended funds.

The AIC has a Code of Corporate Governance (AIC Code) which sets out a framework of best practice in respect of the governance of investment companies. The Board of Directors of Tetragon considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Corporate Governance Guide for Investment Companies (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

Tetragon's reporting against the principles and provisions of the 2019 AIC Code is also set out on Tetragon's website at https://www.tetragoninv.com/shareholders#aic-code.

Governance

Additional information

Dividend and capital return policy

Tetragon seeks to return value to its shareholders, including through dividends and share repurchases.

Tetragon's Board of Directors has the authority to declare dividend payments, based upon the recommendation of Tetragon's investment manager, subject to the approval of Tetragon's voting shareholder and adherence to applicable law, including the satisfaction of a solvency test as required pursuant to the Companies (Guernsey) Law, 2008, as amended. In addition to making dividend recommendations to the Board of Directors, Tetragon's investment manager may authorise share repurchases.

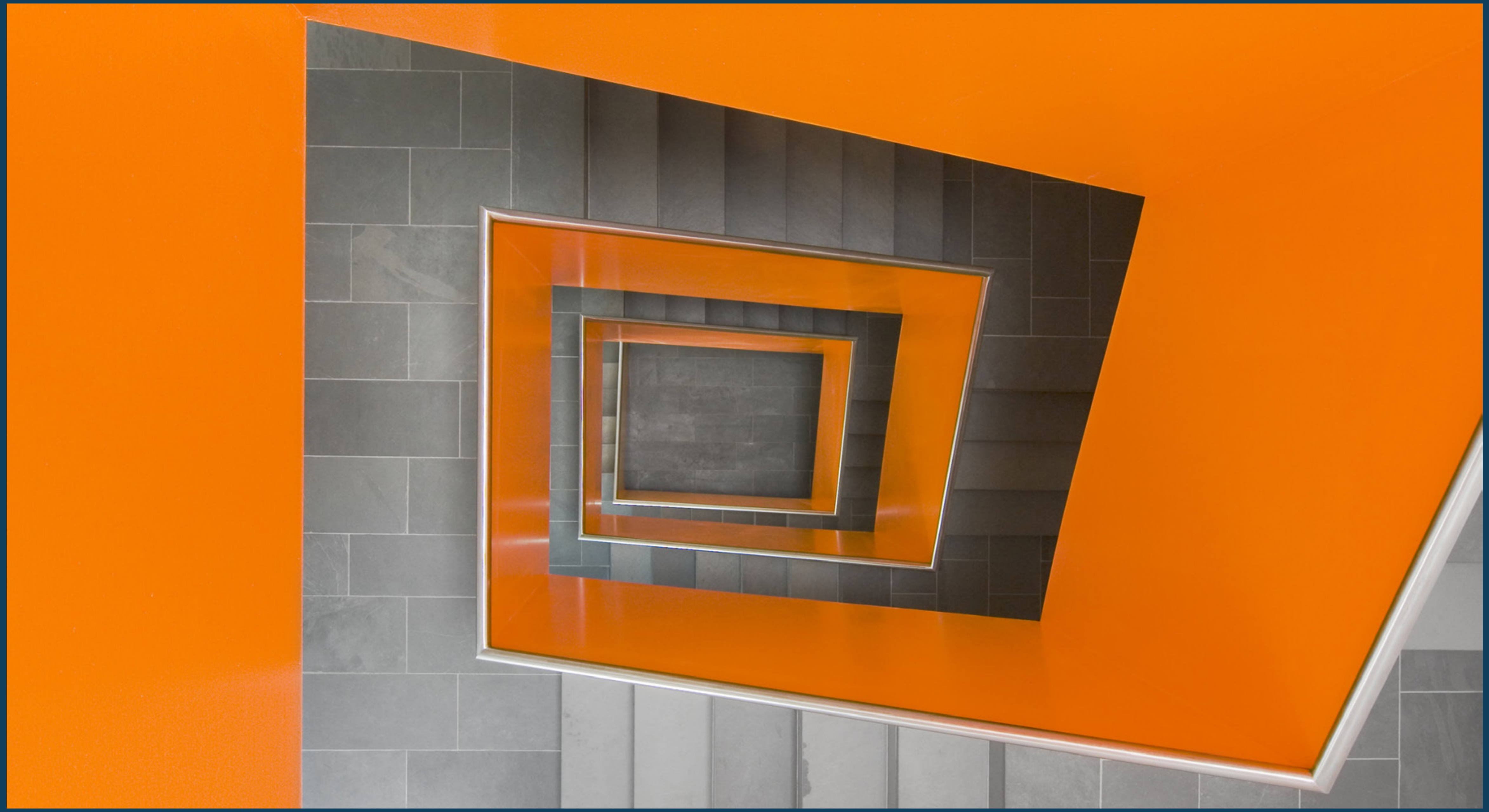
Decisions with respect to declaration of dividends and share repurchases may be informed by a variety of considerations, including (i) the expected sustainability of the company's cash generation capacity in the short and medium term, (ii) the current and anticipated performance of the company, (iii) the current and anticipated operating and economic environment, (iv) other potential uses of cash ranging from preservation of the company's investments and financial position to other investment opportunities and (v) Tetragon's share price.

Tetragon may also pay scrip dividends, which payments are currently conducted through an optional stock dividend plan.

Reporting

In accordance with applicable regulations under Dutch law, Tetragon publishes monthly statements on its website for the benefit of its investors containing the following information: the total value of Tetragon's investments; a general statement of the composition of Tetragon's investments; and the number of its legal issued and outstanding shares.

In addition, in accordance with the requirements of Euronext Amsterdam and applicable regulations under Dutch law, Tetragon provides annual and semi-annual reports to its shareholders, including year-end financial statements, which in the case of the financial statements provided in its annual reports, will be reported in accordance with IFRS and audited in accordance with international auditing standards as well as U.S. GAAS for regulatory purposes, if applicable. The NAV of Tetragon is available to investors on a monthly basis on the company's website at www.tetragoninv.com.



Other information

This section provides further detail about the business including TFG Asset Management, our values and culture, risk factors, and details on historical share repurchases and distributions.

Other information

TFG Asset Management

TFG Asset Management[(1)] is Tetragon's diversified alternative asset management platform.This enables Tetragon to produce asset level returns on its investments in managed funds on the platform, and to enhance those returns through capital appreciation and investment income from its ownership stakes in the asset management businesses.

The combination of relatively uncorrelated businesses across different asset classes and at different stages of development under TFG Asset Management is also intended to create a collectively more robust and diversified business and income stream.

Launched in
2010

Asset managers
9

Number of employees (excluding BGO)
530

Assets under management[(2)]
$40BN

Delivering for Tetragon

Growth
Proven value creation

Access
Specialised products on favourable terms

Expertise
Insights from alternative asset managers

Diversification
Wide range of income streams

Delivering for our managers

Infrastructure
High-quality support for niche and scalable businesses

Access to capital
Tetragon can seed business growth

Management expertise
Experienced, strategic insight

Connections
Access to relationships and information

(1) TFG Asset Management L.P. is registered as an investment adviser under the United States Investment Advisers Act of 1940. TFG Asset Management UK LLP, which is part of TFG Asset Management, is authorised and regulated by the United Kingdom Financial Conduct Authority. Reade Griffith and Paddy Dear hold certain membership interests in TFG Asset Management UK LLP which collectively entitle them to exercise all of the voting rights in respect of the entity. Mr. Griffith and Mr. Dear have agreed that they will (i) exercise their voting rights in a manner that is consistent with the best interests of Tetragon and (ii) upon the request of Tetragon, for nominal consideration, sell, transfer, and deliver their membership interests in TFG Asset Management UK LLP to TFG Asset Management.

(2) Includes the AUM of LCM, BGO, Westbourne River Partners, Acasta Partners, Equitix, Hawke's Point, Tetragon Credit Partners, Banyan Square Partners, Contingency Capital and TCICM. Includes, where relevant, investments by Tetragon. The AUM of Westbourne River Partners, Acasta Partners, Hawke's Point and Banyan Square Partners is as calculated by the applicable fund administrators. The AUM for LCM and TCICM is the aggregate value of collateral in each CLO as determined by the applicable trustee. The AUM for Equitix and Tetragon Credit Partners is based on committed capital. The AUM for Contingency Capital is the sum of uncalled committed capital and the NAV as calculated by the applicable administrator. The AUM for BGO represents Tetragon's *pro rata* share (12.86%) of BGO AUM at 31 December 2024 ($83.1 billion). Equitix AUM uses the USD-GBP exchange rate at 31 December 2024. TCICM (which comprises TCI Capital Management II LLC and TCI Capital Management LLC) acts as a CLO collateral manager for certain CLO investments and had AUM of $1.6 billion at 31 December 2024.

Other information

Figure 15

	LCM	BGO	Westbourne River Partners	ACASTA	equitix	HAWKE'S POINT RESOURCE FINANCE	TETRAGON CREDIT PARTNERS	BANYAN SQUARE	CONTINGENCY CAPITAL
Established	2001	2010	2009	2009	2007	2014	2015	2019	2020
Joined Tetragon	2009	2010	2012	2012	2015	2014	2015	2019	2020
Strategies	U.S. CLOs	Global real estate funds	Event-driven equities	Multi-disciplinary	Infrastructure funds	Resource finance	Structured credit	Private equity	Legal assets
Description	A specialist in below-investment grade U.S. broadly-syndicated leveraged loans.	A real estate-focused principal investing, lending and advisory firm.	An alternative asset management firm focused on event-driven investing in European small- and mid-cap equities.	An alternative investment firm that employs a multi-disciplinary approach to investing.	An integrated core infrastructure asset management and primary project platform, with a sector focus on social infrastructure, transport, renewable power, environmental services, network utilities and data infrastructure.	An asset management business that provides strategic capital to companies in the mining and resource sectors.	A structured credit investing business focused on control CLO equity as well as a broader series of offerings across the CLO capital structure.	A private equity firm focused on non-control equity investments, as well as opportunistic investments in public equity and credit instruments.	A global asset management business focused on credit-oriented legal assets.
AUM at 31 Dec 2024 ($Bn)(1)	$8.8	$10.7	$0.8	$1.3	$13.8	$0.2	$0.9	$0.2	$1.2
Percentage Tetragon ownership	100%	13%	100%	Non-controlling interest(3)	81.5%	100%	100%	100%	Non-controlling interest(4)
Average fund duration	10-12 years(2)	7-10 years	Quarterly liquidity	Quarterly liquidity	25 years	Not applicable	10 years	Not applicable	7 years

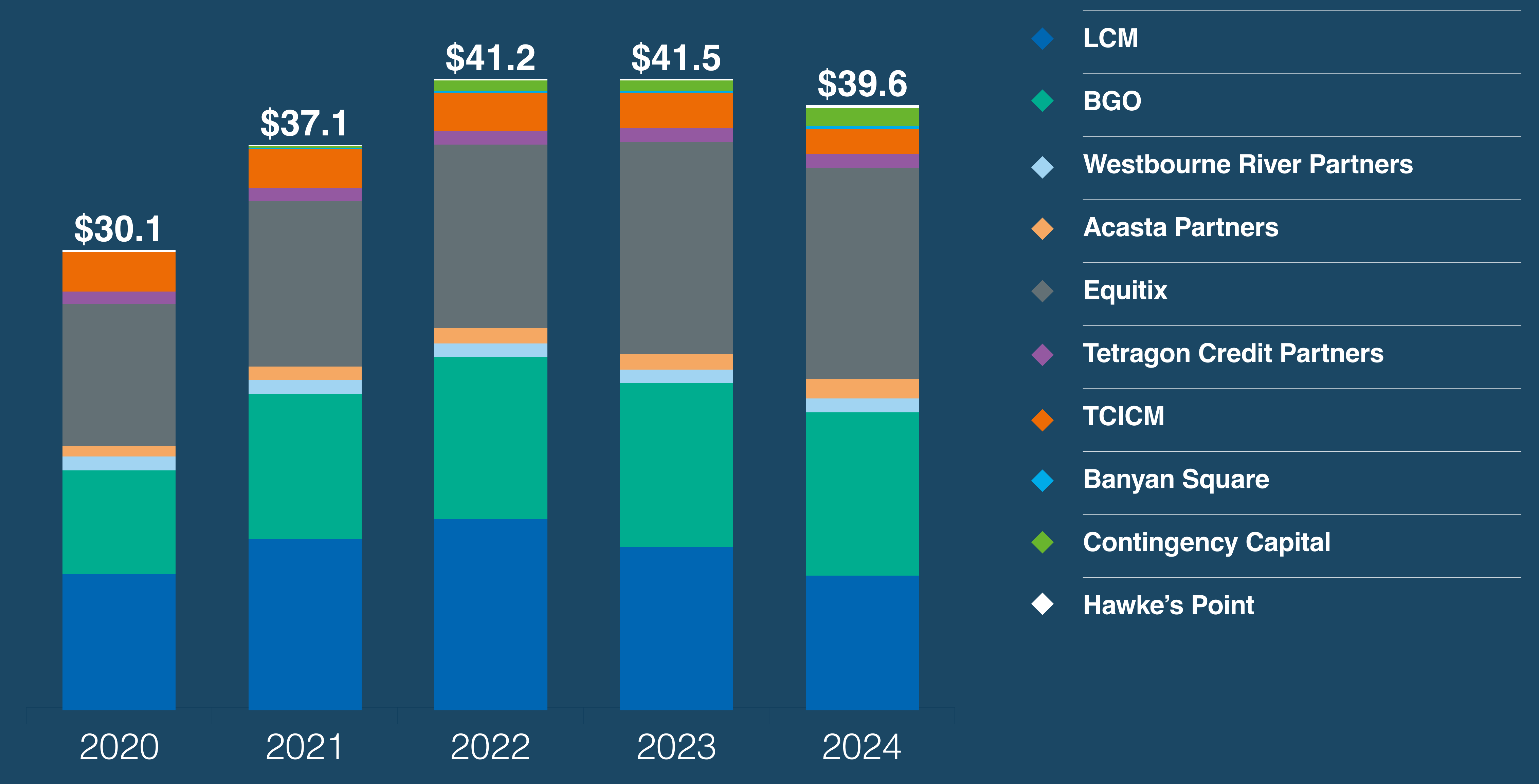
Notes:
1 AUM as calculated by the applicable fund administrators at 31 December 2024. Includes, where relevant, investments by Tetragon. The AUM for BGO represents Tetragon's *pro rata* share (12.86%) of BGO AUM ($83.1 billion).Currently, LCM manages loan assets exclusively through CLOs, which are long-term, multi-year investment vehicles.
2 The typical duration of a CLO, and thus LCM's management fee stream, depends on, among other things, the term of its reinvestment period (currently typically four to five years for a new issue CLO), the prepayment rate of the underlying loan assets, as well as post-reinvestment period reinvestment flexibility and weighted average life constraints.
3 TFG Asset Management owns a non-controlling interest in this manager as well as providing all infrastructure services to it. Michael Humphries owns a controlling stake.
4 TFG Asset Management owns a non-controlling interest in this manager as well as providing all infrastructure services to it. Brandon Baer owns a controlling stake.

Other information

Figure 16

TFG Asset Management AUM at 31 December 2024

This chart depicts the growth of that AUM over the past five years in billions of U.S. dollars.(1)

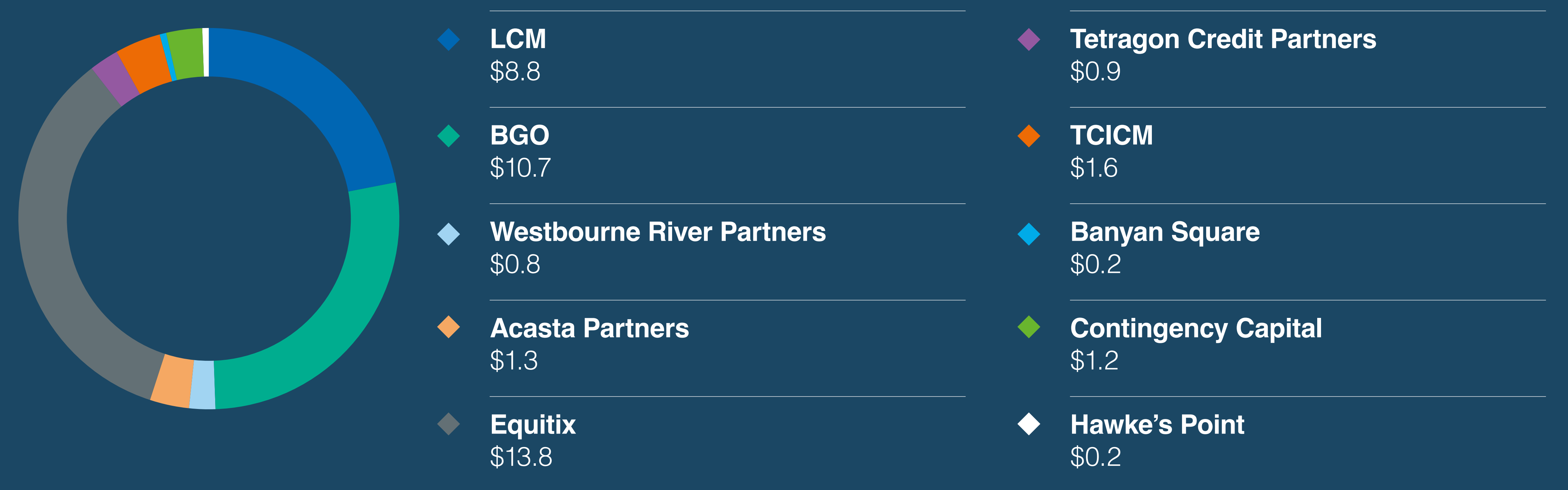


(1) Please see Note 2 on page 53. AUM for BGO represents Tetragon's *pro rata* share (12.86%) of BGO AUM at 31 December of each year.

Figure 17

TFG Asset Management AUM by business at 31 December 2024

This chart shows the breakdown of the AUM by business in billions of U.S. dollars.



Other information

Figure 18

TFG Asset Management *pro forma* statement of operations[i]

	2024 ($M)	2023 ($M)	2022 ($M)
Management fee income	180.1	179.5	169.4
Performance and success fees[ii]	127.6	65.2	48.9
Other fee income	47.9	40.5	30.5
Distributions from BGO	19.1	18.4	19.7
Interest income	5.2	2.8	5.4
Total income	**379.9**	**306.4**	**273.9**
Operating, employee and administrative expenses	(239.3)	(204.8)	(182.8)
Non-TFG Asset Management owned interest	(43.5)	(24.8)	(18.8)
Net income – "EBITDA equivalent"	**97.1**	**76.8**	**72.3**

(i) This table includes the income and expenses attributable to TFG Asset Management's businesses, (with the exception of BGO) during that period. In the table above, 100% of Equitix's income and expenses are reflected and 25% of Equitix's income and expenses are reversed out through the Non-TFG Asset Management-owned interest line, being the proportion of profits not attributable to Tetragon via a distribution. Please see page 90 for more details on Tetragon's ownership of Equitix. Similarly, 100% of the income and expenses from Acasta Partners, in which TFG Asset Management has a non-controlling interest, are reflected above with the percentage not owned by TFG Asset Management reversed out through the Non-TFG Asset Management owned interest line. BGO EBITDA is not included, but distributions relating to ordinary income and carried interest are included. The EBITDA equivalent is a non-GAAP measure and is designed to reflect the operating performance of the TFG Asset Management businesses rather than is or what was reflected in Tetragon's financial statements.

(ii) The performance and success fees include some realised and unrealised Westbourne River and Acasta performance fees. These represent the fees calculated by the applicable administrator of the relevant funds, in accordance with the applicable fund constitutional documents, when determining NAV at the reporting date. Similar amounts, if any, from LCM are recognised when received. Tetragon pays full management and performance fees on its investments in the open Westbourne River and Acasta funds. Success fees also include fees earned by Equitix on successfully completing certain primary projects and delivering de-risked investments into their secondary funds; these are recognised once Equitix is entitled to recover them.

Overview: Figure 18 shows a *pro forma* statement of operations that reflects the operating performance of the majority-owned asset management companies within TFG Asset Management. The reported fee income includes some amounts which were earned on capital invested in certain funds by Tetragon. During 2024, this included $13.4 million of management fees (2023: $12.9 million) and $4.6 million of performance and success fees (2023: $1.2 million). BGO's contribution has been captured by including the distributions that it has made to TFG Asset Management.

- **EBITDA:** In 2024, TFG Asset Management's EBITDA was $97.1 million, $20.3 million higher than in 2023, with higher performance fees partially offset by increasing costs.
- **Management fee income:** Management fee income increased year-on-year by $0.6 million. AUM growth across Acasta, Contingency Capital and Equitix was partially offset by $7.8 million lower fees on LCM as older CLO deals amortised down in the period.
- **Performance and success fees:** Overall, this category was up $62.4 million on the prior year, driven primarily by an increase in performance fee income earned by Equitix and Acasta. As noted previously, unlike management fee income, performance and success fees can be quite volatile in nature and subject to timing differences.
- **Other fee income:** This category includes two different buckets of fees: (i) income generated by Equitix on management services contracts, which is known as the EMS business and (ii) certain cost recoveries from Tetragon relating to seeded funds. EMS fee income continues to be the main driver, and this increased 15% year on year.
- **Distributions from BGO:** Distributions from BGO reflect (i) quarterly fixed distributions, (ii) quarterly variable distributions and (iii) distributions of carried interest. An increase in the quarterly variable distributions was the main driver for the increase in this line item. For 2024, fixed payments contributed $14.1 million plus variable and carried interest payments of $5.0 million.

Other information

Our managers

The following pages provide a summary of each of TFG Asset Management's asset management companies and a review of AUM growth and underlying strategies and investment vehicles.

All data is at 31 December 2024, unless otherwise stated. Products/mandates listed are not necessarily open for new investment and are not an offer to sell or a solicitation of an offer to purchase securities in the United States or any other jurisdiction, but to illustrate the TFG Asset Management platform strategy.

Other information

LCM

A specialist in below-investment grade U.S. broadly syndicated leveraged loans

Strategies: U.S. CLOs

Founded: 2001

Description of business:

- LCM Asset Management is a specialist in below-investment grade U.S. broadly syndicated leveraged loans.
- LCM manages loan assets through Collateralised Loan Obligations (CLOs), which are long-term, multi-year investment vehicles. LCM has a track record of over 20 years in CLO issuance and management and has launched 42 CLOs to date.
- The team combines fundamental credit analysis with expertise in CLO structuring.
- LCM is based in New York.
- TFG Asset Management owns 100% of the business and Tetragon is an investor in LCM products.
- Find out more at www.lcmam.com.

LCM AUM history[(i)]

Figure 19

In billions of U.S. dollars

(i) Includes, where relevant, investments from Tetragon, TCI II, TCI III and TCI IV.

BGO

A real estate-focused principal investing, lending and advisory firm

Strategies: Global real estate funds

Founded: 2010

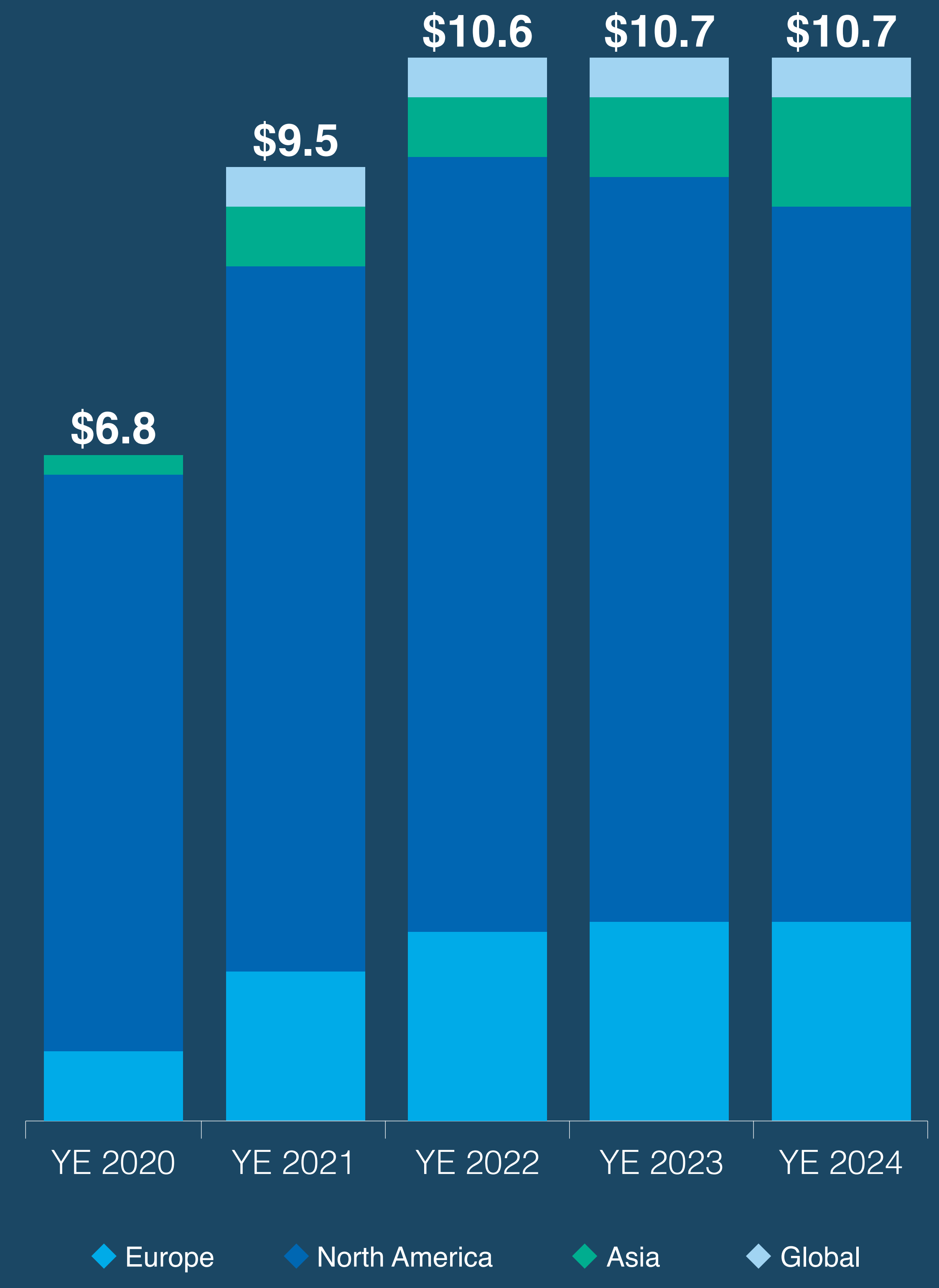
Description of business:

- BGO is a real estate-focused principal investing, lending and advisory firm.
- BGO has $83 billion in Assets Under Management and over 750 clients and partners. They have 27 offices around the world.
- BGO was formed in June 2019 upon the merger of TFG Asset Management's GreenOak Real Estate joint venture with Bentall Kennedy, an affiliate of SLC Management, a global institutional asset management arm of Sun Life Financial Inc.
- TFG Asset Management owns approximately 13% of the combined business and Tetragon invests in BGO products.
- Further information on BGO is available at www.bgo.com.*

*Clicking this link takes you to a website owned and operated by BGO, a third-party. BGO's website is not under the control of Tetragon and Tetragon is not responsible for the content of any hyperlink contained.

BGO AUM history[(i)]

Figure 20



In billions of U.S. dollars

(i) Includes investment funds and advisory assets managed by BGO. Includes, where relevant, investments from Tetragon.

Other information

Westbourne River Partners

An alternative asset management firm focused on event-driven investing in European small and mid-cap equities

Strategies: Event-driven equities

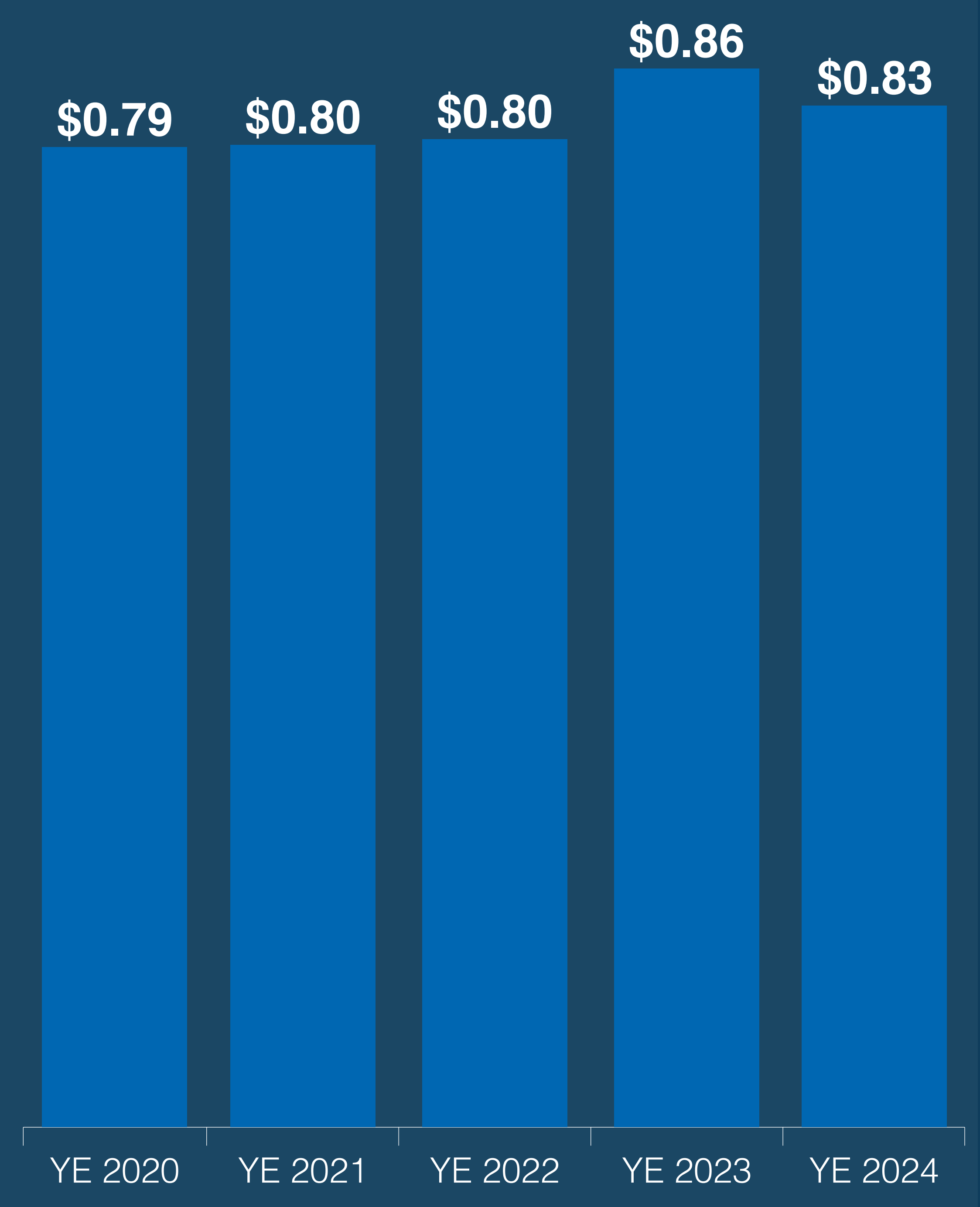
Founded: 2009

Description of business:

- Westbourne River Partners is an alternative asset management firm focused on event-driven investing in European small- and mid-cap equities.
- Westbourne River Partners has offices in New York and London.
- TFG Asset Management owns 100% of the business and Tetragon invests in the Westbourne River Partners funds.
- Find out more at www.westbourneriverpartners.com.

Westbourne River Partners AUM history(i)

Figure 21



In billions of U.S. dollars

(i) The chart Includes AUM for Westbourne River Event Fund and associated managed account as calculated by the applicable fund administrator at 31 December of each year. Includes, where relevant, investments by Tetragon.

ACASTA

An alternative investment firm that employs a multi-disciplinary approach to investing

Strategies: Multi-disciplinary

Founded: 2009

Description of business:

- Acasta Partners is an alternative investment firm that employs a multi-disciplinary approach to investing.
- Acasta Partners' approach includes strategies directed at convertible bonds and volatility-linked instruments, metals and mining companies and commodities, as well as fundamental and event-driven opportunities across the credit markets.
- Acasta Partners has offices in New York, London and Florida.
- TFG Asset Management owns a non-controlling interest in the business, and provides infrastructure and other services. Tetragon invests in Acasta funds.
- Find out more at www.acasta.com.

Acasta Partners AUM history(i)

Figure 22

In billions of U.S. dollars

(i) Includes, where relevant, investments by Tetragon.

Other information

equitix

An integrated core infrastructure asset management and primary project platform

Strategies: Infrastructure funds

Founded: 2007

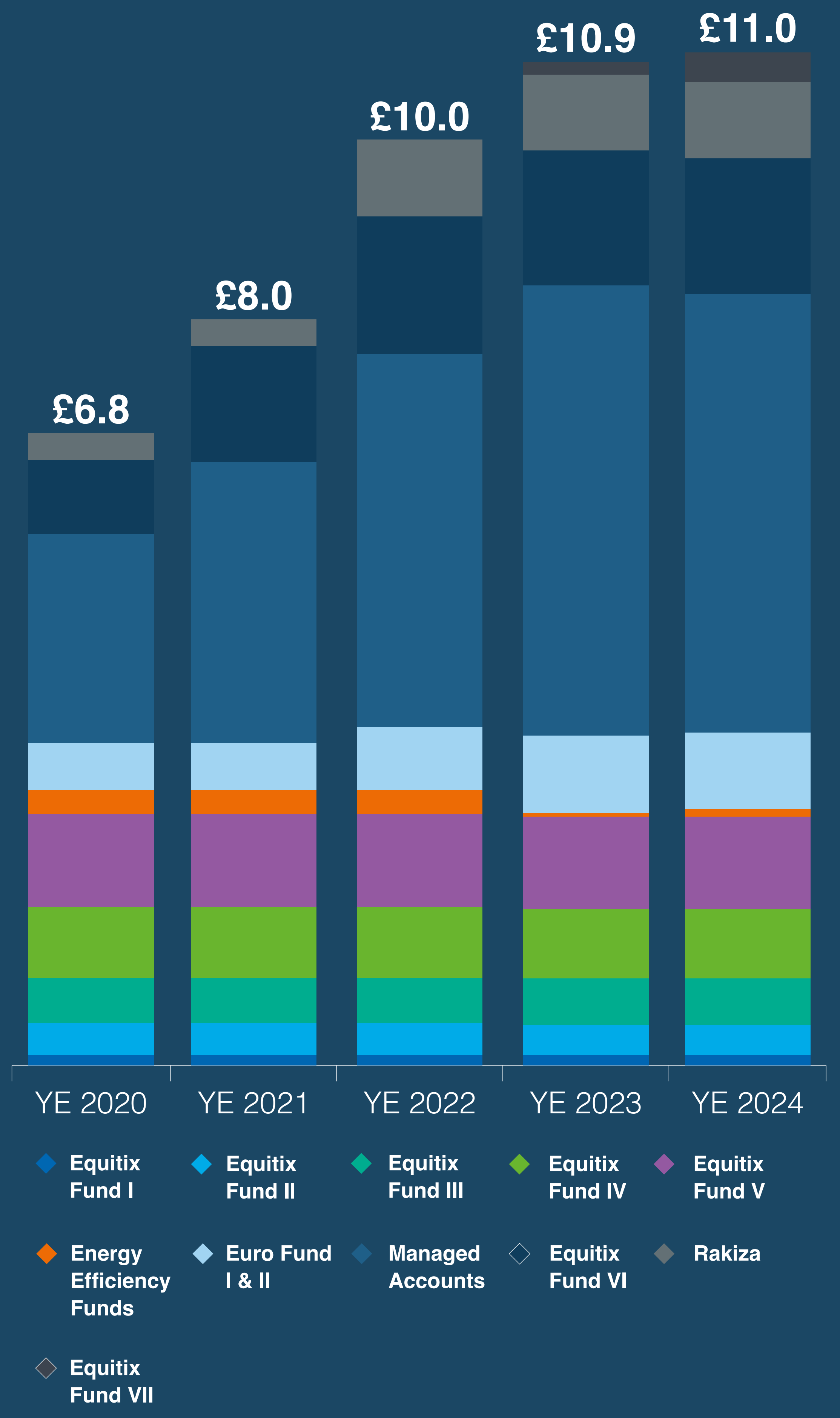
Description of business:

- Equitix is an integrated core infrastructure asset management and primary project platform, with a sector focus on social infrastructure, transport, renewable power, environmental services, network utilities and data infrastructure.
- Equitix has over 360 assets, across 22 countries, including projects in the United Kingdom, Europe, North America, South America, the Middle East and Asia.
- TFG Asset Management owns 81.48% of the business.
- Find out more at www.equitix.co.uk.*

* Clicking this link takes you to a website owned and operated by a third party. Equitix's website is not under the control of Tetragon and Tetragon is not responsible for the content of any hyperlink contained.

Equitix AUM history

Figure 23



In billions of pounds

TETRAGON CREDIT PARTNERS

A structured credit investing business focused on control CLO equity

Strategies: Structured credit

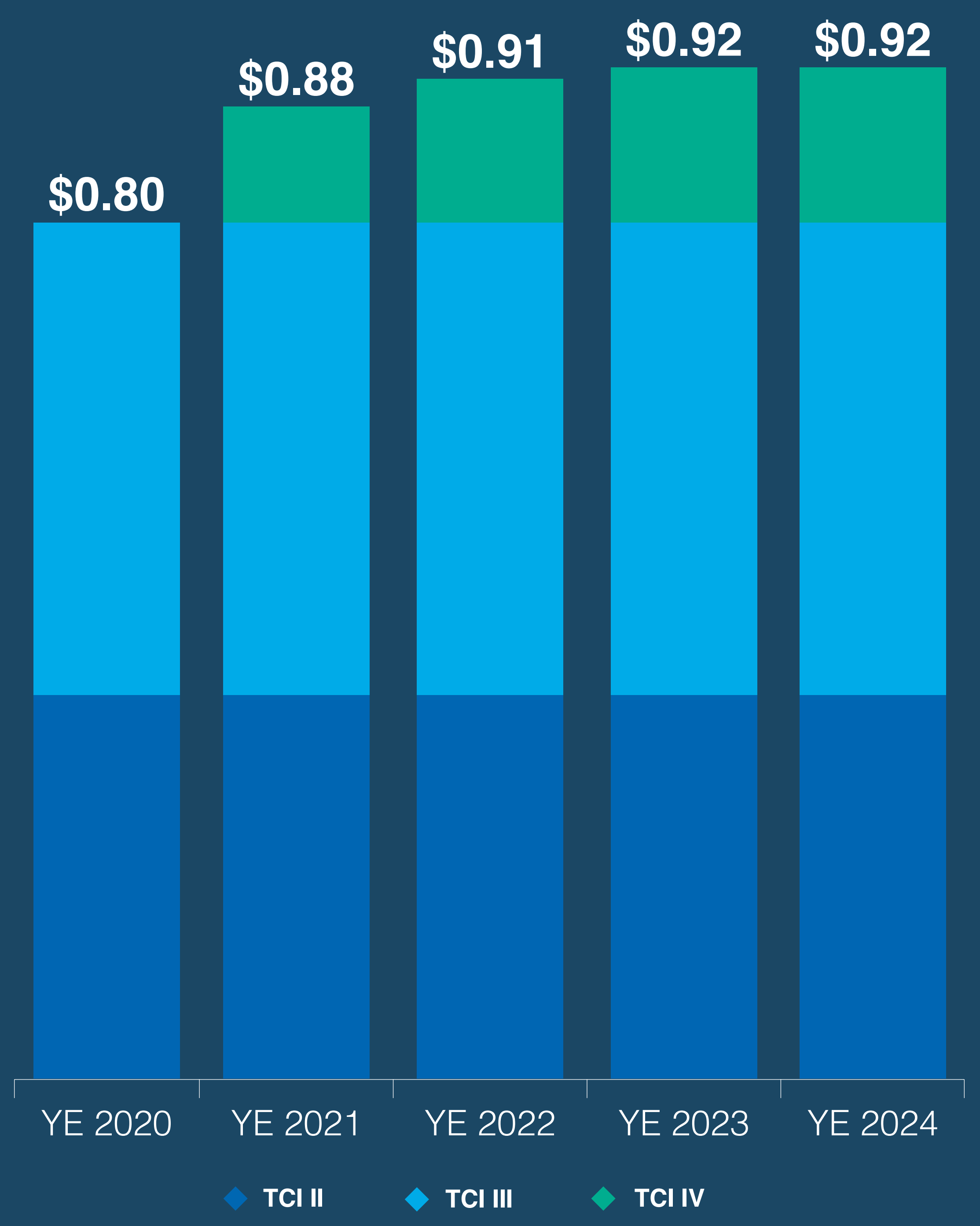
Founded: 2015

Description of business:

- Tetragon Credit Partners is a structured credit investing business focused on control CLO equity as well as a broader series of offerings across the CLO capital structure.
- Tetragon Credit Partners is one of the largest, longest-tenured CLO equity investors globally, having invested across 126 CLOs and 36 managers since 2005.
- Tetragon Credit Partners is based in New York.
- TFG Asset Management owns 100% of the business, and Tetragon is an investor in Tetragon Credit Partners' products.
- Find out more at www.tetragoncreditpartners.com.

Tetragon Credit Partners AUM history(i)

Figure 24



In billions of U.S. dollars

(i) Includes, where relevant, investments by Tetragon.

Other information

HAWKE'S POINT
RESOURCE FINANCE

An asset management business that provides strategic capital to companies in the resource sector

Strategies: Resource finance

Founded: 2014

Description of business:

- Hawke's Point is an asset management business that provides strategic capital to companies in the mining and resource sectors.
- The team's investment approach is supported by detailed technical analysis and mineral resource modelling, coupled with financial modelling based on first-principles, bottom-up analysis.
- Hawke's Point is currently invested in precious and energy transition metal assets in North America and Australia.
- Hawke's Point has offices in London and New York.
- TFG Asset Management owns 100% of the business and Tetragon is an investor in Hawke's Point funds.
- Hawke's Point's AUM was $0.2 billion at 31 December 2024.
- Find out more at www.hawkespointcapital.com.

BANYAN SQUARE

A private equity firm focused on non-control equity investment opportunities, as well as opportunistic investments in public equity and credit instruments

Strategies: Private equity

Founded: 2019

Description of business:

- Banyan Square Partners is a private equity firm focused on non-control equity investments, as well as opportunistic investments in public equity and credit instruments.
- Banyan Square Partners primarily invests in enterprise software and technology companies.
- Banyan Square Partners is based in New York.
- TFG Asset Management owns 100% of the business, and Tetragon invests in Banyan Square products.
- Banyan Square Partners' AUM was $0.2 billion at 31 December 2024.
- Find out more at www.banyansq.com.

Other information

CONTINGENCY CAPITAL

A global asset management business focused on credit-oriented legal assets

Strategies: Legal assets

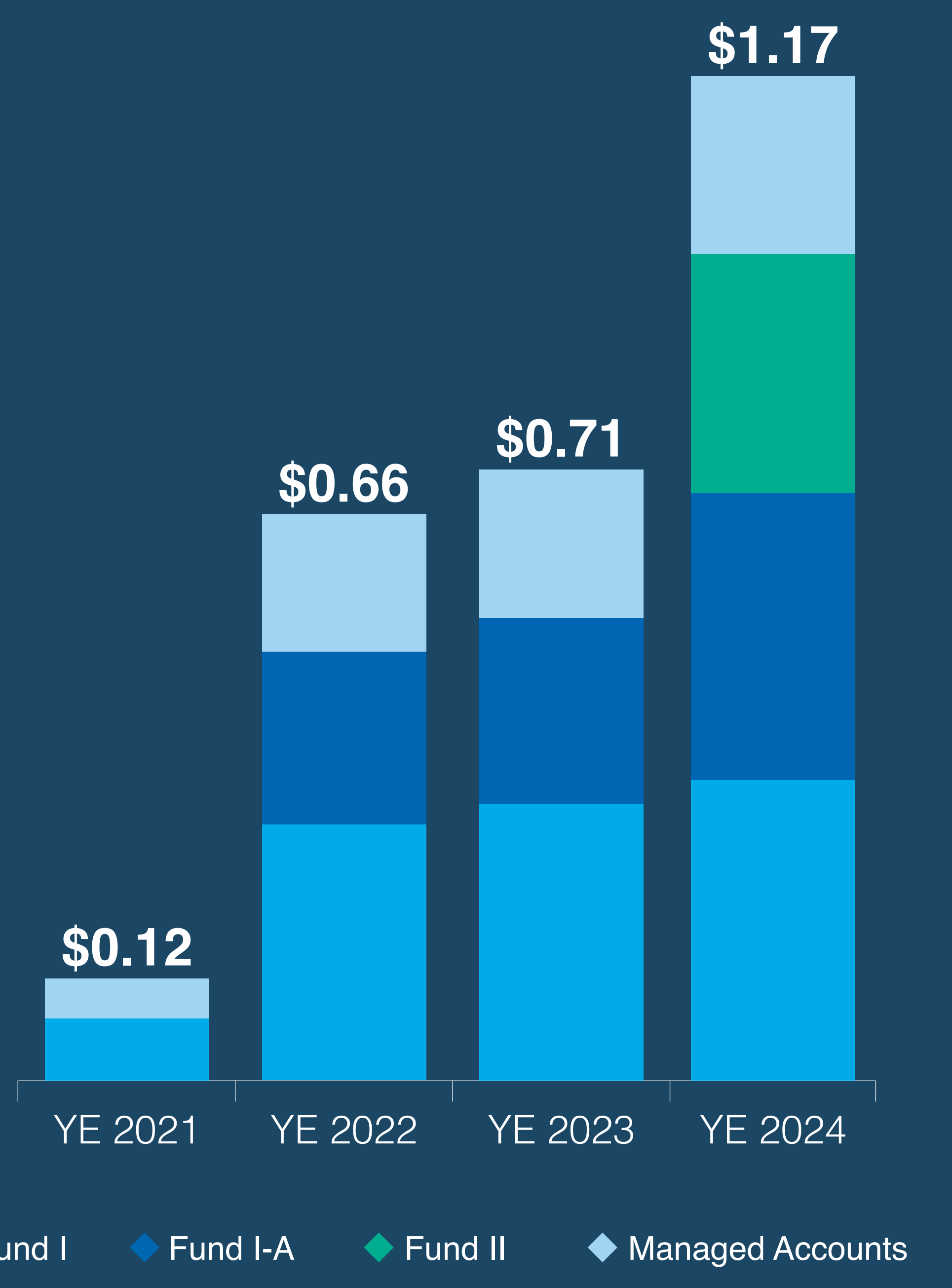
Founded: 2020

Description of business:

- Contingency Capital is a multi-product global asset management business that sponsors and manages investment funds focused on credit-oriented legal assets.
- Contingency Capital invests in a broad spectrum of legal assets including loans to law firms, portfolios of litigation, and distressed and special situations investments where the primary driver is related to a legal, tax or regulatory process.
- Contingency Capital is based in New York.
- TFG Asset Management owns a non-controlling interest in this business as well as providing infrastructure services. Tetragon invests in Contingency Capital products.
- Contingency Capital's AUM was $1.2 billion at 31 December 2024.
- Find out more at www.contingencycapital.com.

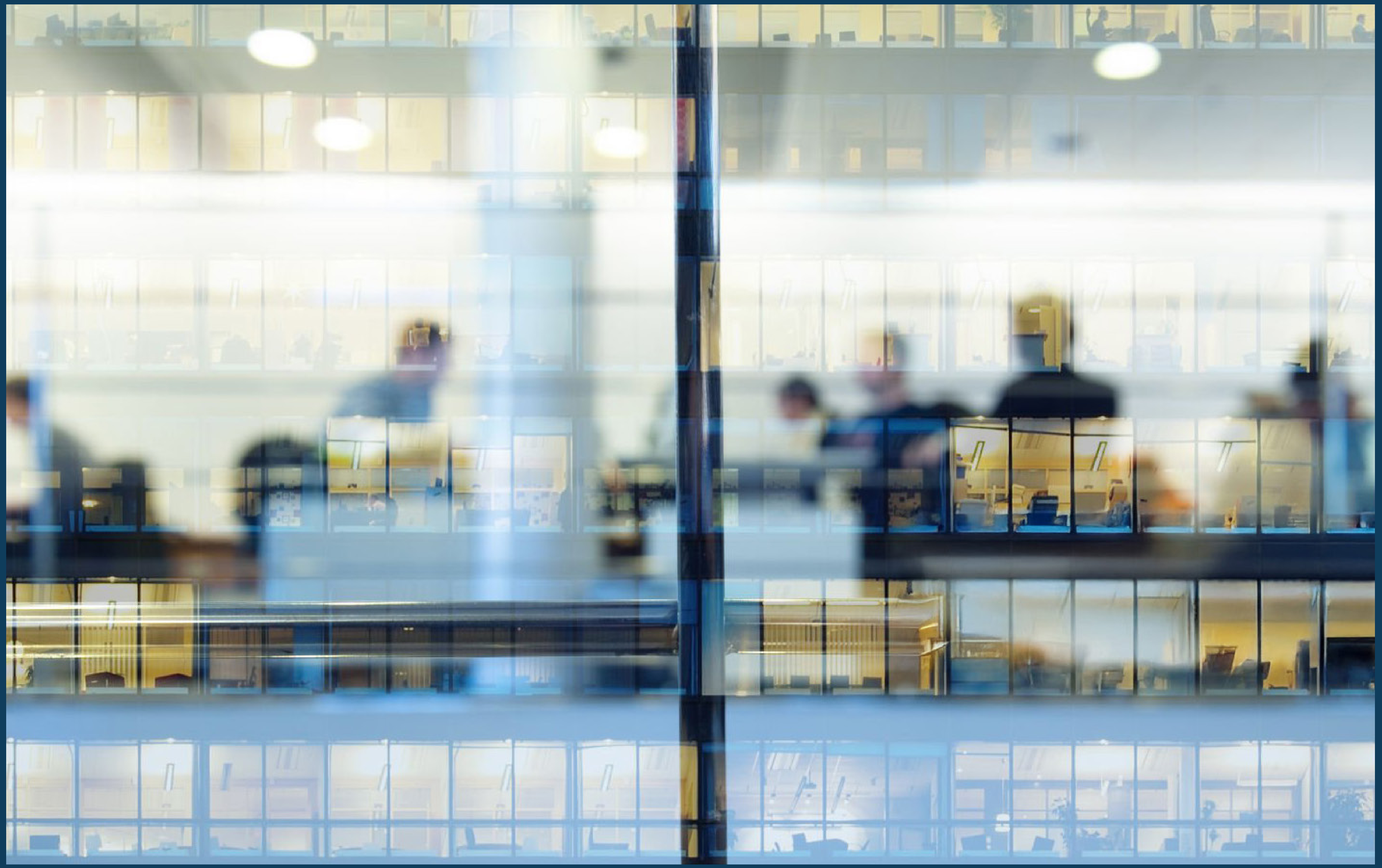
Contingency Capital's AUM history(i)

Figure 25



In billions of U.S. dollars

(i) Includes, where relevant, investments by Tetragon.



Other information

Our values and culture

Our culture

Building an inclusive workplace that welcomes people of all races, ethnicities, cultures, sexual orientations, genders and class backgrounds, is important to our success. So, when we build our teams, we look for diversity of experience. Combined with intellectual curiosity, we believe this creates diversity of thought, superior analysis and a stimulating environment in which to work and learn.

"Building an inclusive workplace that welcomes people of all races, ethnicities, cultures, sexual orientations, genders and class backgrounds is important to our success."

Stephen Prince, Chief Executive Officer

We strive to ensure that our colleagues and partners feel comfortable, valued and included. By empowering them with responsibility. By being open to questions and ideas from anywhere.

This accessibility and mutual respect for each other's experiences and perspectives helps us to work dynamically and collaboratively. It is how we unlock innovation and drive growth.

We are committed to conducting our businesses in accordance with the highest legal and ethical standards, in furtherance of the interests of our clients and in a manner that is consistent with all applicable laws, rules and regulations.

"To be successful you don't just need to attract supersmart, hard-working people – you need them to stay. That's why creating a collegial and respectful culture is so important. We want people to feel empowered to put forward ideas – and supported to produce those ideas in the first place."

Reade Griffith, Tetragon Co-Founder and Chief Investment Officer

Our values

Rigour

We are analytical. We do our own research and highly value expertise within our team. We are exacting in our processes and thoughtful in the decisions we make. We learn and evolve from our experiences.

Partnership

We collaborate to generate and improve ideas. We empower colleagues to challenge assumptions. We are non-hierarchical. Senior leaders are approachable and accessible to the team. We respect, support and learn from each other.

Ambition

We are forward-looking, ambitious and look for people with drive. We embrace new challenges and ways of thinking. We work towards common goals, trusting our people to take ownership and responsibility.

Other information

Risk factors

Principal risks

The financial risks inherent in Tetragon's portfolio are primarily market-related or are otherwise relevant to particular asset classes. Operational risks include those related to Tetragon's organisational structure, investment manager, legal and regulatory environment, taxation, financing and other areas where internal or external factors could result in financial or reputational loss.

The risks and uncertainties discussed in this section are those that Tetragon believes are material, but these risks and uncertainties are not the only ones that the company faces. Additional risks and uncertainties that the company does not presently know about or that it currently believes are immaterial may also adversely impact the company's business, financial condition, results of operations, the value of its assets or the value of an investment in Tetragon's shares. If any of the following risks actually occur, the company's business, financial condition, results of operations, the value of its assets and the value of your investment would likely suffer.

Financial risks

Risks relating to investing in Tetragon's shares

The market price of Tetragon's non-voting shares fluctuates significantly and may bear no correlation to Tetragon's NAV, and holders may not be able to resell their Tetragon shares at or above the price at which these were purchased. In addition to portfolio-level and operational risks highlighted below, factors that may cause the price of Tetragon's shares to vary include:

- Changes in Tetragon's financial performance and prospects or in the financial performance and prospects of companies engaged in businesses that are similar to Tetragon's business.
- Changes in the underlying values of Tetragon's investments.
- Illiquidity in the market for Tetragon shares, including due to the liquidity (or lack thereof) of the Euronext Amsterdam exchange and the Specialist Fund Segment of the Main Market of the London Stock Exchange.
- Speculation in the press or investment community regarding Tetragon's business or investments, or factors or events that may directly or indirectly affect its business or investments.
- A loss of a major funding source. If Tetragon breaches the covenants under its financing agreements it could be forced to sell assets at prices less than fair value.
- A further issuance of shares or repurchase of shares by Tetragon.
- Dividends declared by Tetragon.
- Broad market fluctuations in securities markets that in general have experienced extreme volatility often unrelated to the operating performance or underlying asset value of particular companies or partnerships.
- General economic trends and other external factors.
- Sales of Tetragon shares by other shareholders.
- The ability to invest in Tetragon shares or to transfer any shares may be limited by restrictions imposed by ERISA regulations and Tetragon's articles of incorporation.

Risks relating to Tetragon's investment portfolio

Tetragon's investment portfolio is comprised of a broad range of assets, including public and private equities and credit (including distressed securities and structured credit), convertible bonds, real estate, venture capital, infrastructure, bank loans, legal assets and TFG Asset Management, a diversified alternative asset management business. As a general matter, the portfolio is exposed to the risk that the fair value of these investments will fluctuate.

Risks relating to TFG Asset Management

- The asset management business is intensely competitive.
- The performance of TFG Asset Management may be negatively influenced by various factors, including the performance of managed funds and vehicles and its ability to raise capital from third-party clients.
- TFG Asset Management is highly dependent on its investment professionals for the management of its investment funds and vehicles and on other employees for management, oversight and supervision of its asset management businesses. If and when such persons cease to participate in the management of TFG Asset Management or its investment funds and vehicles, the consequence could be material and adverse.
- Certain of TFG Asset Management's businesses have a limited or no operating history.
- The asset management business is subject to extensive regulation.
- Misconduct of TFG Asset Management employees or at the companies in which TFG Asset Management has invested could harm TFG Asset Management by impairing its ability to attract and retain clients and subjecting it to significant legal liability and reputational harm.
- Failure by TFG Asset Management to deal appropriately with conflicts of interest in its investment business could damage its reputation and adversely affect its businesses.
- Tetragon's investment in TFG Asset Management is illiquid.

Risks relating to other Tetragon portolio investments

Tetragon otherwise currently invests or expects to invest its capital, directly and indirectly, in:

- bank loans, generally through subordinated, residual tranches of CLOs;
- real estate, generally through private equity-style funds managed by BGO;
- public and private equity securities, particularly in event-driven strategies, generally through the Westbourne River Event Fund;
- convertible securities, mainly in the form of debt securities that can be exchanged for equity interests, including through the Acasta Global Fund;
- credit securities (including distressed securities and structured credit), including through Tetragon Credit Partners;
- private equity and venture capital through direct investments and fund investments, including through Banyan Square Partners;
- infrastructure projects through Equitix Holdings Limited;
- legal assets, including through Contingency Capital; and
- mining industry-related equity securities and instruments, including through Hawke's Point.

Risk factors

These portfolio investments are subject to various risks, many of which are beyond Tetragon's control, including:

- These securities are susceptible to losses of up to 100% of the initial investments.
- The performance of these investments may significantly depend upon the performance of the asset manager of funds or products in which Tetragon invests.
- Tetragon may be exposed to counterparty risk.
- The fair value of investments, including illiquid investments, may prove to be inaccurate and require adjustment.
- Adverse changes in international, national or local economic and other conditions could negatively affect investments.
- Tetragon is subject to concentration and geographic risk in its investment portfolio.
- Tetragon's investments are subject to interest rate risk, which could cause its cash flow, the fair value of its investments and its operating results to decrease.
- Tetragon's investments are subject to currency risks, which could cause the value of its investments in U.S. dollars to decrease regardless of the inherent value of the underlying investments.
- The utilisation of hedging and risk management transactions may not be successful, which could subject Tetragon's investment portfolio to increased risk or lower returns on its investments and in turn cause a decrease in the fair value of its assets.
- Tetragon engages in over-the-counter trading, which has inherent risks of illiquid markets, wide bid/ask spreads and market disruption.
- Leverage and financing risk and the use of options, futures, short sales, swaps, forwards and other derivative instruments potentially magnify losses in equity investments.
- Market illiquidity could negatively affect these investments.
- These investments may be subject to medium- and long-term commitments with restrictions on redemptions or returns of capital.

Operational risks

Risks relating to organisational structure

Tetragon has approved a very broad investment objective and the investment manager has substantial discretion when making investment decisions. In addition, the investment manager's strategies may not achieve Tetragon's investment objective.

Tetragon's listed shares do not carry any voting rights other than limited voting rights in respect of variation of their class rights. Tetragon's voting shares are owned by Polygon Credit Holdings II Limited which is a non-U.S. affiliate of Tetragon's investment manager and is ultimately controlled by Reade Griffith and Paddy Dear, who also majority own the investment manager. Pursuant to an agreement between Reade Griffith and Paddy Dear, Reade Griffith is the controller of Tetragon's voting shares and the investment manager. Tetragon's voting shares control the composition of the Board of Directors and exercise extensive influence over Tetragon's business and affairs.

Under Tetragon's articles of incorporation, a majority of its Directors are required to be independent (Independent Directors), satisfying in all material respects the UK Corporate Governance Code definition of that term. However, because the Board of Directors may generally take action only with the approval of five of its Directors, the Board of Directors generally are not able to act without the approval of both Directors who are affiliated with the holder of Tetragon's voting shares. The holder of the voting shares has the right to amend Tetragon's articles of incorporation to change these provisions regarding Independent Directors and to remove a Director from office for any reason. As a result of these provisions, the Independent Directors are limited in their ability to exercise influence over Tetragon's business and affairs.

Tetragon's organisational, ownership and investment structure creates significant conflicts of interest that may be resolved in a manner which is not always in the best interests of Tetragon or its shareholders.

Tetragon's Directors and its administrator may have conflicts of interest in the course of their duties.

Tetragon's ability to pay its expenses and dividends will depend on its earnings, financial condition, fair value of its assets and such other factors that may be relevant from time to time, including limitations under the Companies (Guernsey) Law, 2008, as amended.

Other information

Risk factors

Risks relating to Tetragon's investment manager

Tetragon's success depends on its continued relationship with its investment manager and its principals. If this relationship were to end or the principals or other key professionals were to depart, it could have a material adverse effect on Tetragon's business, investments and results of operations.

Tetragon is reliant on the skill and judgement of its investment manager in valuing and determining an appropriate purchase price for its investments. Any determinations of value that differ materially from the values Tetragon realises at the maturity of the investments or upon their disposal will likely have a negative impact on Tetragon and its share price.

Tetragon's arrangements with its investment manager were negotiated in the context of an affiliated relationship and may contain terms that are less favourable than those which otherwise might have been obtained from unrelated parties in an arm's-length negotiation.

The holders of Tetragon's listed shares will not be able to terminate its Investment Management Agreement with the investment manager, and the Investment Management Agreement may only be terminated by Tetragon in limited circumstances.

The liability of Tetragon's investment manager is limited under Tetragon's arrangements with it, and Tetragon has agreed to indemnify the investment manager against claims that it may face in connection with such arrangements, which may lead the investment manager to assume greater risks when making investment-related decisions than it otherwise would if investments were being made solely for its own account.

The investment manager does not owe fiduciary duties to Tetragon shareholders. However, these contractual limitations do not constitute a waiver of any obligations that the investment manager has under applicable law, including the U.S. Investment Advisers Act of 1940 and related rules.

The investment manager may devote time and commitment to other activities.

The fees payable to the investment manager are based on changes in Tetragon's NAV, which will not necessarily correlate to changes in the market value of its listed shares.

Tetragon's compensation structure with its investment manager may encourage the investment manager to invest in high-risk investments. The management fee payable to the investment manager also creates an incentive for it to make investments and take other actions that increase or maintain Tetragon's NAV over the near term even though other investments or actions may be more favourable.

The compensation of the investment manager's personnel contains significant performance-related elements, and poor performance by Tetragon or any other entity for which the investment manager provides services may make it difficult for Tetragon's investment manager to retain staff.

Tetragon's investment manager relies on two entities that are part of TFG Asset Management for a broad range of services to support its activities. The services include (i) infrastructure services such as operations, financial control, trading, marketing and investor relations, legal, compliance, office administration, payroll and employee benefits and (ii) services relating to the dealing in and management of investments, arrangement of deals and advising on investments. TFG Asset Management has implemented a cost-allocation methodology with the objective of allocating service-related costs, including to Tetragon's investment manager, in a consistent, fair, transparent and commercially based manner. TFG Asset Management then charges fees to Tetragon's investment manager for the services allocated to it on a cost-recovery basis that is designed to achieve full recovery of the allocated costs. Tetragon's Independent Directors, who are specifically mandated to approve, among other things, related-party transactions, are required to approve the methodology for allocating costs and in their sole discretion the application of that methodology as part of their oversight processes. As such, the annual cost allocation methodology update and the actual annual cost allocations that result based on these cost methodology policies and procedures are separately approved by the Independent Directors.

There are conflicts of interest created by contemporaneous trading by Tetragon's investment manager and investment managers that are part of TFG Asset Management.

Risks relating to Tetragon's legal environment and regulation

Changes in laws or regulations or accounting standards, or a failure to comply with any laws and regulations or accounting standards, may adversely affect Tetragon's business, investments and results of operations.

Tetragon has and may become involved in litigation that may adversely affect Tetragon's business, investments and results of operations.

No formal corporate governance code applies to Tetragon under Dutch law and Tetragon reports against the AIC Corporate Governance Guide for Investment Companies (which incorporates the UK Corporate Governance Code) on a voluntary basis only.

The rights of the non-voting shareholders and the fiduciary duties owed by the Board of Directors to Tetragon will be governed by Guernsey Law and its articles of incorporation and may differ from the rights and duties owed to companies under the laws of other countries.

Tetragon's non-voting shares are subject to restrictions on ownership by U.S. persons.

Tetragon's shares have not been and will not be registered under the United States Securities Act of 1933. Consequently, Tetragon shares may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, "U.S. persons" as defined in Regulation S under the Securities Act absent registration or an exemption from registration under the Securities Act. No public offering of any Tetragon shares is being, or has been, made in the United States.

Furthermore, Tetragon shares may not be held by any "benefit plan investor" that is subject to Title I of the United States Employee Retirement Income Security Act of 1974. Tetragon's Articles of Incorporation prohibit any "ERISA Person" from acquiring or holding Tetragon shares. The consequences of failing to comply with this prohibition include the divestment of the relevant shares and the forfeiture of any dividends previously received with respect to such shares, as well as any gains from their disposition.

These restrictions may adversely affect overall liquidity of Tetragon shares.

Tetragon's shares are not intended for European retail investors. Tetragon anticipates that its typical investors will be institutional and professional investors who wish to invest for the long term and who have experience in investing in financial markets and collective investment undertakings, who are capable themselves of evaluating the merits and risks of Tetragon shares, and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment.

Other information

Risk factors

Risks relating to taxation

United States investors may suffer adverse tax consequences because Tetragon is treated as a passive foreign investment company (PFIC) for U.S. federal income tax purposes.

Changes to tax treatment of derivative instruments may adversely affect Tetragon and certain tax positions it may take may be successfully challenged.

Investors may suffer adverse tax consequences if Tetragon is treated as resident in the United Kingdom or the United States for tax purposes.

Risks relating to market disruption, terrorism and geopolitical risk

Tetragon is subject to the risk that war, terrorism, climate change, social unrest and related and unrelated geopolitical and other new or novel market disrupting events as well as outbreaks of infectious disease, pandemics or any other serious public concerns, cumulatively Market Disruption Events, may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on the value of the Tetragon's investments. Market Disruption Events as well as other changes in world economic, social and political conditions also are likely to adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of Tetragon's Portfolio Investments. At such times, Tetragon's exposure to a number of other risks described elsewhere in this section can increase. The investment manager's financial condition is likely to be adversely affected by a significant general economic downturn, and it may be subject to legal, regulatory, reputational and other unforeseen risks that are likely to have a material adverse effect on the investment manager's business and operations and thereby are likely to impact Tetragon. Moreover, a sustained downturn in the United States or global economy (or any particular segment thereof) or weakening of credit markets is likely to adversely affect Tetragon's profitability, impede the ability of a Portfolio Investment to perform under or refinance their existing obligations, and impair Tetragon's ability to effectively exit its investments on favorable terms. Any of the foregoing events are likely to result in substantial or total losses to Tetragon in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a particular Portfolio Investment.

Market Disruption Events, as well as other events beyond the control of the investment manager (such as acts of God and natural disasters) may cause contractual counterparties associated with Portfolio Investments to be effected by force majeure events, which could adversely affect the ability of a contractual counterparty associated with a Portfolio Investment to perform certain contractual obligations until the force majeure event is remedied. The cost to such counterparty or Tetragon of repairing or replacing assets damaged by a force majeure event could be substantial. Repeated or prolonged interruptions of contractual obligations resulting from a force majeure event may result in permanent loss of income opportunities, litigation, or penalties from regulatory or contractual non-compliance. Additionally, major regulatory intervention of an industry, including the assertion of control over a counterparty or its assets, may result in a loss to Tetragon. Therefore, any effects of force majeure events, including any of the foregoing, may adversely effect the performance of Tetragon. Certain catastrophic losses, such as those caused by war, terrorist attacks, natural disasters and other acts of God may be uninsurable, or insurable only at such high rates that to have such coverage would adversely affect profitability of Tetragon. In particular, it has become harder and more expensive to obtain coverage against losses incurred by terrorist attacks and insurance proceeds from covered risks may be inadequate to completely, or even partially, cover resulting losses or increases in expenses. The occurrence of a significant loss for which Tetragon or its Portfolio Investments and/or counterparties are not insured, or where the cost of such loss significantly exceeds the insurance coverage, may adversely affect Tetragon and cause it to lose both invested capital and returns from an investment.

Other information

Share purchases and redistributions

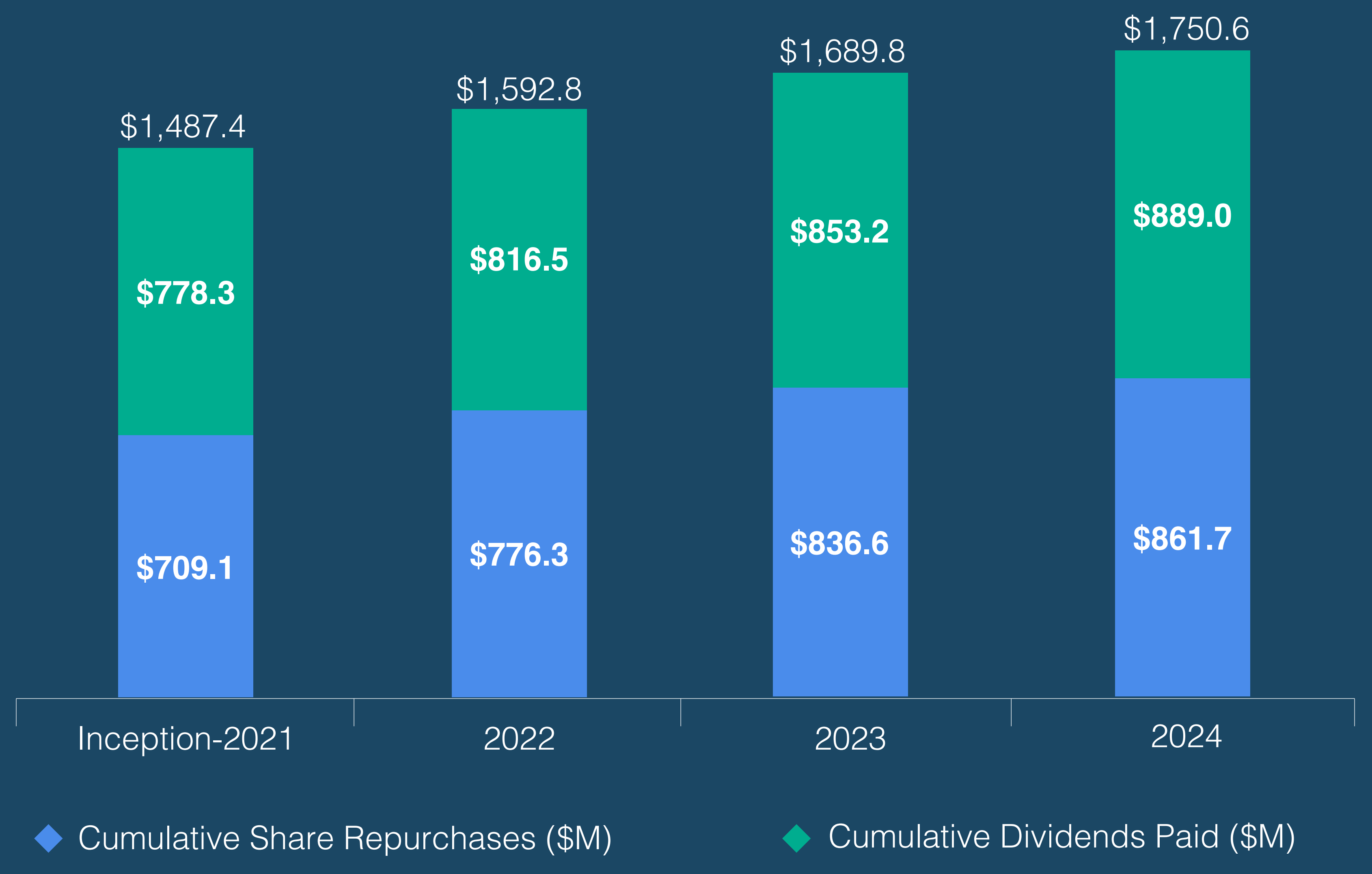
Figure 26

Share repurchase and dividends history ($ millions)

Year	Amount Repurchased	Cumulative Amount Repurchased	Dividends	Cumulative dividends
2007	$2.2	$2.2	$56.5	$56.5
2008	$12.4	$14.5	$60.4	$117.0
2009	$6.6	$21.2	$18.8	$135.7
2010	$25.5	$46.7	$37.5	$173.3
2011	$35.2	$81.9	$46.4	$219.6
2012	$175.6	$257.5	$51.5	$271.1
2013	$16.1	$273.6	$55.5	$326.6
2014	$50.9	$324.5	$58.7	$385.3
2015	$60.9	$385.4	$63.3	$448.6
2016	$157.8	$543.2	$61.0	$509.6
2017	$65.4	$608.6	$64.0	$573.6
2018	-	$608.6	$65.1	$638.7
2019	$50.3	$658.8	$66.5	$705.2
2020	$50.3	$709.1	$36.4	$741.5
2021	-	$709.1	$36.8	$778.3
2022	$67.1	$776.3	$38.2	$816.5
2023	$60.3	$836.6	$36.7	$853.2
2024	**$25.1**	**$861.7**	**$35.7**	**$889.0**
TOTAL	**$861.7**		**$889.0**	

Figure 27

The below graph shows cumulative historical share repurchases and dividends distributed by Tetragon from inception to 31 December 2024 in millions of U.S. dollars.(i)



(i) Tetragon seeks to return value to its shareholders, including through dividends and share repurchases. Decisions with respect to declaration of dividends and share repurchases may be informed by a variety of considerations, including (i) the expected sustainability of the company's cash generation capacity in the short and medium term, (ii) the current and anticipated performance of the company, (iii) the current and anticipated operating and economic environment, (iv) other potential uses of cash ranging from preservation of the company's investments and financial position to other investment opportunities and (v) Tetragon's share price. Cumulative dividends paid includes the cash and stock dividends paid to shareholders, but excludes dividends declared on shares held in escrow.

Other information

Share reconciliation and shareholdings

Figure 28

IFRS to Fully Diluted Shares Reconciliation

	Shares at 31 December 2024 (millions)
Legal Shares Issued and Outstanding	**139.7**
Less: Shares Held in Treasury	42.4
Less: Total Escrow Shares[1.i]	15.3
IFRS Shares Outstanding	**82.0**
Add: Dilution for equity-based awards[1.ii]	7.5
Fully Diluted Shares Outstanding	**89.5**

Shareholdings

Persons affiliated with Tetragon maintain significant interests in Tetragon shares. For example, as of 31 December 2024, the following persons own (directly or indirectly) interests in shares in Tetragon in the amounts set forth below:

Figure 29

Individual	Shareholding at 31 December 2024
Mr. Reade Griffith	18,519,530
Mr. Paddy Dear	5,952,492
Mr. David O'Leary	72,500
Mr. Steven Hart	41,462
Mr. Deron Haley	41,462
Other Tetragon/TFG Asset Management Employees	8,485,981
Equity-based awards[2]	2,839,209

1 (i) The Total Escrow Shares of 15.3 million consists of shares held in separate escrow accounts in relation to certain equity-based compensation.
(ii) Dilution in relation to equity-based awards by TFG Asset Management for certain senior employees as well as equity-based awards by Tetragon to its independent Directors. At the reporting date, this was 7.5 million. The basis and pace of recognition is expected to match the rate at which service is being provided to TFG Asset Management or Tetragon in relation to these shares. Please see "Equity-based employee compensation plans" on page 71 for more details. Certain of these persons may from time to time enter into purchases or sales trading plans (each, a "Fixed Trading Plan") providing for the sale of Vested Shares or the purchase of Tetragon shares in the market, or may otherwise sell their Vested Shares or purchase Tetragon shares, subject to applicable compliance policies. Applicable brokerage firms may be authorised to purchase or sell Tetragon shares under the relevant Fixed Trading Plan pursuant to certain irrevocable instructions. Each Fixed Trading Plan is intended to comply with Rule 10b5-1 under the United States Securities Exchange Act of 1934, as amended. Each Fixed Trading Plan has been or will be approved by Tetragon in accordance with its applicable compliance policies. Rule 10b5-1 provides a "safe harbor" that is designed to permit individuals to establish a pre-arranged plan to buy or sell company stock if, at the time such plan is adopted, the individuals are not in possession of material, non-public information.

2 Equity-based awards are intended to give certain senior employees of TFG Asset Management long-term exposure to Tetragon stock (with vesting subject to forfeiture and certain restrictions). Where shares have vested but not yet been released, they have been removed from this line and included in shares owned by "Other Tetragon/TFG Asset Management Employees". Please see page 71 for further details.

Other information

Certain regulatory information

This annual report is made public by means of a press release, which contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation, and it has been filed in ESEF format with the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten). In addition, this report is also made available to the public by way of publication on the Tetragon website (www.tetragoninv.com).

An investment in Tetragon involves substantial risks. Please refer to the company's website at www.tetragoninv.com for a description of the risks and uncertainties pertaining to an investment in Tetragon.

This release does not contain or constitute an offer to sell or a solicitation of an offer to purchase securities in the United States or any other jurisdiction. The securities of Tetragon have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to U.S. persons unless they are registered under applicable law or exempt from registration. Tetragon does not intend to register any portion of its securities in the United States or to conduct a public offer of securities in the United States. In addition, Tetragon has not been and will not be registered under the U.S. Investment Company Act of 1940, and investors will not be entitled to the benefits of such Act. Tetragon is registered in the public register of the Netherlands Authority for the Financial Markets under Section 1:107 of the Financial Markets Supervision Act of the Netherlands as an alternative investment scheme from a designated country.

Tetragon shares are subject to legal and other restrictions on resale and the Euronext Amsterdam and SFS trading markets are less liquid than other major exchanges, which could affect the price of the shares.

There are additional restrictions on the resale of Tetragon shares by shareholders who are located in the United States or who are U.S. persons and on the resale of shares by any shareholder to any person who is located in the United States or is a U.S. person. These restrictions include that each shareholder who is located in the United States or who is a U.S. person must be a "Qualified Purchaser" or a "Knowledgeable Employee" (each as defined in the Investment Company Act of 1940), and, accordingly, that shares may be resold to a person located in the United States or who is a U.S. person only if such person is a "Qualified Purchaser" or a "Knowledgeable Employee" under the Investment Company Act of 1940. These restrictions may adversely affect overall liquidity of the shares.

Tetragon's shares are not intended for European retail investors. Tetragon anticipates that its typical investors will be institutional and professional investors who wish to invest for the long term in a predominantly income-producing investment and who have experience in investing in financial markets and collective investment undertakings and are capable themselves of evaluating the merits and risks of Tetragon shares and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment.

Other information

Equity-based employee compensation plans

Periodically, TFG Asset Management has awarded Tetragon's non-voting shares to certain of its senior employees (excluding the principals of the Investment Manager) under an equity-based long-term incentive plan and other equity-based award plans. Such awards are typically spread over multiple vesting periods and are subject to forfeiture provisions.

The arrangements may also include additional periods, beyond the vesting dates, during which employees gain exposure to the performance of the Fund's shares, but the shares are not issued to the employees. Such periods may range from one to five years beyond the vesting dates. The shares underlying these equity-based incentive programmes may be held in escrow until they settle and will be eligible to receive shares under the Optional Stock Dividend Plan.

In July 2024, TFG Asset Management entered into employment agreements with Reade Griffith and Paddy Dear, which include provisions for certain cash payments and grants of non-voting Tetragon shares and Phantom Share Units. Please see Note 12 'Share Capital' on page 99 for details of the arrangements.

On 1 January 2020, the Independent Directors were awarded 24,490 shares each in Tetragon which vested on 31 December 2022. The fair value of the award, as determined by the share price on grant date of $12.25 per share, is $300,000 per Independent Director. In November 2022, a further 7,724 shares were awarded to each Independent Director with one-third of the shares vesting on 31 December 2023, 31 December 2024, and 31 December 2025. The fair value of the award, as determined by the relevant share price on grant date of $9.71 per share, is $75,000 per Independent Director. With respect to Director compensation from 1 January 2024, a further award of 10,122 shares was made to each Independent Director with 5,061 shares vesting on each of 31 December 2024 and 31 December 2025. The fair value of the awards as determined by the relevant share price of $9.88 per share is $100,000 per Independent Director. The Independent Directors have deferred the settlement of all the awards to the earlier of three to five years from the vesting date and/or separation from service with Tetragon.

For the purposes of determining the Fully Diluted NAV per share, the dilutive effect of the equity-based compensation plans will be reflected in the Fully Diluted Share count over the life of the plans. Such dilution will include, among other things and in addition to the award shares, any DRIP Shares and shares that will be required to cover employer taxes. As of 31 December 2024, approximately 7.5 million shares were included in the Fully Diluted Share count.

Other information

Shareholder information

Registered Office of Tetragon

Tetragon Financial Group Limited
Mill Court, La Charroterie
St. Peter Port, Guernsey GY1 1EJ
Channel Islands

Investment Manager

Tetragon Financial Management LP
399 Park Avenue, 22nd Floor
New York, NY 10022
United States of America

General Partner of the Investment Manager

Tetragon Financial Management GP LLC
399 Park Avenue, 22nd Floor
New York, NY 10022
United States of America

Investor Relations

Yuko Thomas
ir@tetragoninv.com

Media Inquiries

Prosek Partners
pro-tetragon@prosek.com

Auditors

KPMG Channel Islands Limited
Glategny Court,
Glategny Esplanade
St. Peter Port, Guernsey GY1 1WR
Channel Islands

Sub-Registrar and CREST Transfer Agent

Computershare Investor Services (Guernsey) Limited
1st Floor, Tudor House
Le Bordage
St. Peter Port
Guernsey GY1 1DB
Channel Islands

Legal Advisor (as to U.S. law)

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
United States of America

Legal Advisor (as to Guernsey law)

Walkers (Guernsey) LLP
Block B, Helvetia Court
Les Echelons
St. Peter Port
Guernsey GY1 1AR
Channel Islands

Legal Advisor (as to Dutch law)

De Brauw Blackstone Westbroek N.V.
Burgerweeshuispad 201
1076 MD Amsterdam
The Netherlands

Stock Listing

Euronext in Amsterdam, a regulated market of Euronext Amsterdam

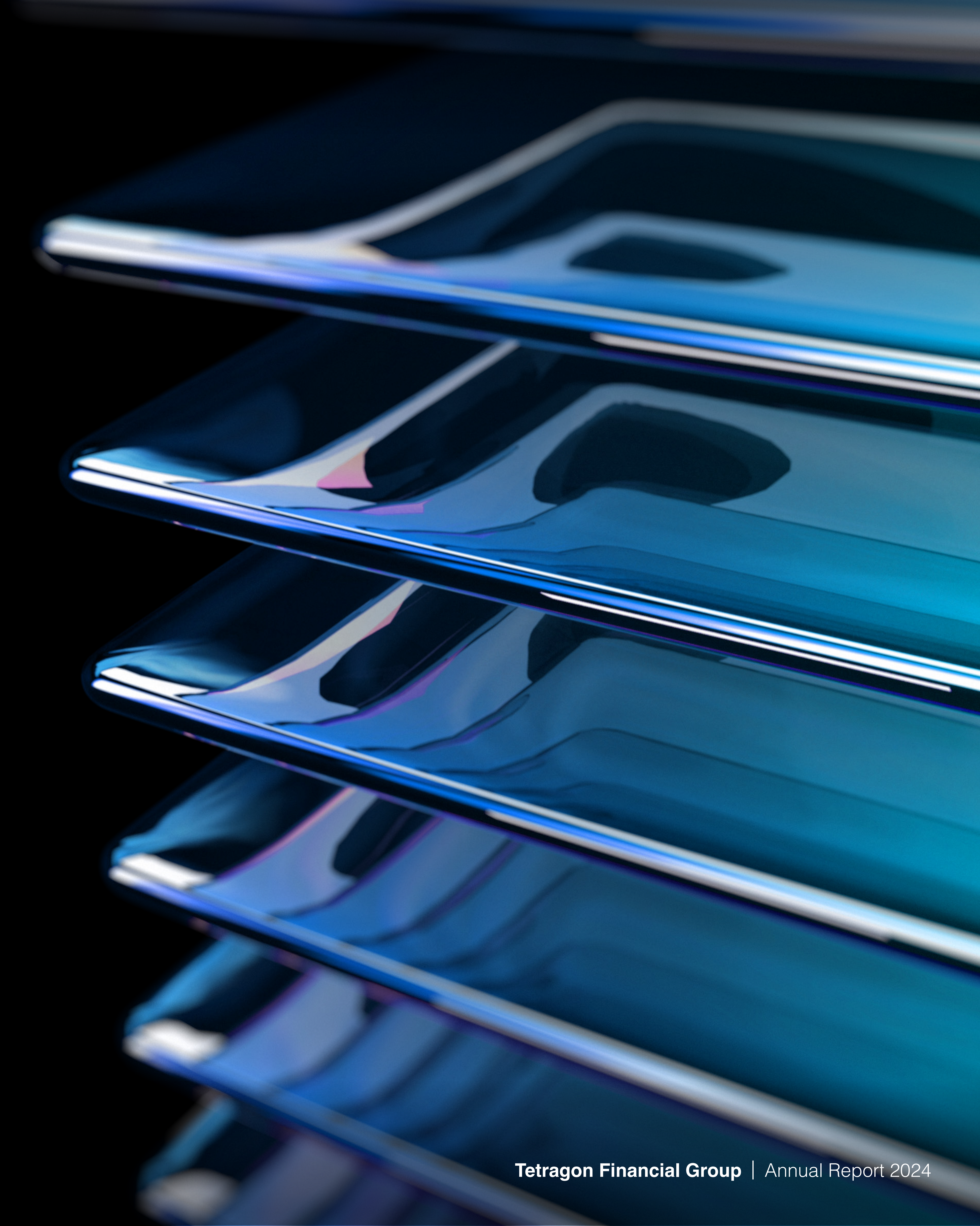
London Stock Exchange
(Specialist Fund Segment)

Administrator and Registrar

TMF Group Fund Services
(Guernsey) Limited
Top Floor
Mill Court, La Charroterie
St. Peter Port
Guernsey GY1 1EJ
Channel Islands

Tetragon Financial Group Limited

Financial statements for the year ended 31 December 2024



Independent auditor's report to the members of Tetragon Financial Group Limited

Report on the audit of the consolidated financial statements

Our opinion is unmodified

We have audited the consolidated financial statements of Tetragon Financial Group Limited (the "Company") and its subsidiary (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the financial position of the Group as at 31 December 2024, and of the Group's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company and Group in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies' Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2023): *(see next page)*

Independent auditor's report to the members of Tetragon Financial Group Limited

The risk

Valuation of TFG Asset Management ("TFGAM") included within non-derivative financial instruments at fair value through profit or loss.

$1,572.8 million (2023: $1,345.4 million)

Refer to note 2 accounting policy and note 3 and 4 disclosures.

Basis:
As at 31 December 2024, the Group's investment in TFGAM represents 49.6% (2023: 47.6%) of the Group's net asset value.

TFGAM is valued as a single investment, utilising a sum of the parts approach, whereby each of the asset managers owned by TFGAM is valued separately.

This approach aggregates the fair value of the asset managers held by TFGAM using a combination of discounted cash flow models ("DCF") and market multiple approaches, overlayed by the central costs and net assets at the TFGAM level.

An independent third party valuation specialist (the "Valuation Agent") has been engaged to assist in the valuation process of TFGAM.

Risk:

As the TFGAM investment is unquoted and illiquid, in order to determine it's fair value, management adopted a number of assumptions and data points which are unobservable in the market.

These include:

Key assumptions:

The weighted average cost of capital ("WACC"), the EV/EBITDA multiple and discount for lack of liquidity ("DLOL") assumptions have a high degree of estimation uncertainty with a potential range of reasonable outcomes greater than our materiality for the consolidated financial statements as a whole.

Other assumptions and data points:

Whilst we do not consider other assumptions and data points to be at a significant risk of misstatement, due to the relevance of these elements in terms of the overall valuation and associated audit effort, the following areas also have had a significant effect on our audit approach:

- control premium; and
- forecast cashflows and it's related assumptions.

The consolidated financial statements disclose in note 4 the sensitivities estimated by the Group.

Our response

Our audit procedures included:

Control design:
We have obtained an understanding of the valuation process and tested the design and implementation of the valuation process control.

We performed the procedures below rather than seeking to rely on the control as the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Challenging managements' assumptions and inputs including use of KPMG valuation specialist:

With the support of a KPMG valuation specialist we:

- assessed the scope of the services provided by the Valuation Agent and read the valuation report prepared by them;
- assessed the objectivity, capabilities and competence of the Valuation Agent;
- assessed the reasonableness of the methodology applied by the Valuation Agent in developing the fair value of TFGAM;
- critically assessed the valuations provided by the Valuation Agent by challenging and corroborating the key and other assumptions, and by agreeing data points to supporting documentation or market information where available;
- assessed whether the WACC's and the EV/EBITDA multiples employed were within a reasonable range independently developed based on market data;
- assessed the reasonableness of the DLOL rates employed based on market data and our KPMG valuation specialist's experience in valuing similar investments.

Assessing disclosures:
We considered the adequacy of the disclosures made in the consolidated financial statements (see notes 2, 3 and 4) in relation to the use of estimates and judgements regarding the fair value of investments, the valuation estimation techniques inherent therein and fair value disclosures for compliance with IFRS as adopted by the EU.

Independent auditor's report to the members of Tetragon Financial Group Limited

Our application of materiality and an overview of the scope of our audit

Materiality for the consolidated financial statements as a whole was set at $63.4 million, determined with reference to a benchmark of group net assets of $3,173.0 million, of which it represents approximately 2.0% (2023: 2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Group was set at 75% (2023: 75%) of materiality for the consolidated financial statements as a whole, which equates to $47.5 million. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $3.17 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Group was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

The group team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was performed using the materiality level set out above and covered 100% of total group revenue, total group profit before tax, and total group assets and liabilities.

Going concern

The directors have prepared the consolidated financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the consolidated financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group and the Company's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Group and the Company's financial resources or ability to continue operations over this period were:

- Availability of capital to meet operating costs and other financial commitments; and
- The ability of the Group to comply with debt covenants.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group and Company's financial forecasts.

We considered whether the going concern disclosure in note 2 to the consolidated financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in the notes to the consolidated financial statements to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Group's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

Independent auditor's report to the members of Tetragon Financial Group Limited

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the consolidated financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Group and the Company are subject to laws and regulations that directly affect the consolidated financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Group and the Company are subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the consolidated financial statements, for instance through the imposition of fines or litigation or impacts on the Group and the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the consolidated financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the consolidated financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities
As explained more fully in their statement set out on page 49, the directors are responsible for: the preparation of the consolidated financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 consolidated financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of Tetragon Financial Group Limited

The purpose of this report and restrictions on its use by persons other than the Company's members, as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Regulatory Requirements

European Single Electronic Format ("ESEF")
The Group has prepared its annual report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the "RTS on ESEF").

In our opinion, the annual report prepared in the XHTML format, including the tagged consolidated financial statements as included in the reporting package by the Group, has been prepared in all material respects in accordance with the RTS on ESEF.

The directors are responsible for preparing the annual report including the consolidated financial statements in accordance with the RTS on ESEF, whereby the directors combine the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package, is in accordance with the RTS on ESEF.

Our procedures included:

- Obtaining an understanding of the Group's financial reporting process, including the preparation of the reporting package;
- Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
- Examining the information related to the consolidated financial statements in the reporting package to determine whether all required taggings have been applied and whether they are in accordance with the RTS on ESEF.

Barry Ryan

For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey

4 March 2025

Financial statements

Consolidated Statement of Financial Position

As of	Note	31 Dec 2024 $M	31 Dec 2023 $M
Assets			
Non-derivative financial assets at fair value through profit or loss	4	3,504.3	3,065.7
Derivative financial assets	4	18.7	5.1
Other receivables and prepayments	7	5.2	4.7
Amounts due from brokers	6	6.2	7.2
Cash and cash equivalents	6	30.5	23.1
Total assets		**3,564.9**	**3,105.8**
Liabilities			
Loans and borrowings	10	300.0	250.0
Derivative financial liabilities	4	0.1	8.3
Other payables and accrued expenses	9	38.1	22.1
Amounts due to brokers	8	53.7	–
Total liabilities		**391.9**	**280.4**
Net assets		**3,173.0**	**2,825.4**
Equity			
Share capital		0.1	0.1
Other equity		735.4	722.3
Share-based compensation reserve	12	97.9	71.0
Retained earnings		2,339.6	2,032.0
		3,173.0	**2,825.4**
Shares outstanding			
Number of shares (million)	12	82.0	81.2
Net Asset Value per share ($)		**38.69**	**34.79**

The accompanying notes are an integral part of the consolidated financial statements.

Signed on behalf of the Board of Directors by:

David O'Leary
Director

Steven Hart
Director

Consolidated Statement of Comprehensive Income

For the year ended	Note	31 Dec 2024 $M	31 Dec 2023 $M
Net gain on non-derivative financial assets at fair value through profit or loss		504.3	270.6
Net gain/(loss) on derivative financial assets and liabilities		15.5	(32.5)
Net gain on foreign exchange		0.3	0.3
Interest income		0.9	2.3
Total income		**521.0**	**240.7**
Management fees	15	(43.3)	(41.7)
Incentive fee	11	(87.3)	(16.3)
Legal and professional fees		(3.0)	(4.2)
Share-based employee compensation	12	(5.5)	(9.3)
Audit fees		(0.7)	(0.8)
Other operating expenses and administrative expenses		(3.6)	(3.3)
Operating expenses		**(143.4)**	**(75.6)**
Operating profit before finance costs		**377.6**	**165.1**
Finance costs	10	(25.4)	(24.0)
Profit and total comprehensive income for the year		**352.2**	**141.1**
Earnings per share		**$**	**$**
Basic	16	4.13	1.62
Diluted	16	3.94	1.53
Weighted average shares outstanding		**Million**	**Million**
Basic	16	85.3	87.3
Diluted	16	89.4	92.2

The accompanying notes are an integral part of the consolidated financial statements.

Financial statements

Consolidated Statement of Changes in Equity

	Note	Share capital $M	Other equity $M	Retained earnings $M	Share-based compensation reserve $M	Total $M
As of 1 January 2023		**0.1**	**768.7**	**1,928.0**	**61.7**	**2,758.5**
Profit and total comprehensive income for the year		–	–	141.1	–	141.1
Transactions with owners recognised directly in equity						
Share-based compensation	12	–	–	–	9.3	9.3
Cash dividends	13	–	–	(23.3)	–	(23.3)
Stock dividends	13	–	13.8	(13.8)	–	–
Issue of shares		–	0.1	–	–	0.1
Purchase of treasury shares	12	–	(60.3)	–	–	(60.3)
As of 31 December 2023		**0.1**	**722.3**	**2,032.0**	**71.0**	**2,825.4**
Profit and total comprehensive income for the year		–	–	352.2	–	352.2
Transactions with owners recognised directly in equity						
Shares transferred to escrow	12	–	–	–	54.2	54.2
Shares released from escrow	12	–	32.8	–	(32.8)	–
Dividends on shares released from escrow	12	–	8.9	(8.9)	–	–
Share-based compensation	12	–	–	–	5.5	5.5
Cash dividends	13	–	–	(21.7)	–	(21.7)
Stock dividends	13	–	14.0	(14.0)	–	–
Purchase of treasury shares	12	–	(42.6)	–	–	(42.6)
As of 31 December 2024		**0.1**	**735.4**	**2,339.6**	**97.9**	**3,173.0**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended	31 Dec 2024 $M	31 Dec 2023 $M
Operating activities		
Profit for the year	352.2	141.1
Adjustments for:		
Gains on investments and derivatives	(519.8)	(238.2)
Share-based compensation	5.5	9.3
Interest income	(0.9)	(2.3)
Finance costs	25.4	24.0
Operating cash flows before movements in working capital	**(137.6)**	**(66.1)**
Increase in receivables	(0.5)	(1.1)
Increase/(decrease) in payables	16.0	(11.0)
Decrease/(increase) in amounts due from brokers	1.0	(1.6)
Increase/(decrease) in amounts due to brokers	53.7	(68.0)
Cash flows from operations	**(67.4)**	**(147.8)**
Proceeds from sale/prepayment/maturity of investments	445.8	345.1
Net payments from derivative financial instruments	(6.3)	(5.2)
Purchase of investments	(325.9)	(220.3)
Cash interest received	0.9	2.2
Net cash generated from/(used in) operating activities	**47.1**	**(26.0)**
Financing activities		
Repayment of loans and borrowings	(100.0)	(150.0)
Proceeds from loans and borrowings	150.0	285.0
Finance costs paid	(25.4)	(24.0)
Purchase of treasury shares	(42.6)	(60.3)
Dividends paid to shareholders	(21.7)	(23.3)
Net cash (used in)/generated from financing activities	**(39.7)**	**27.4**
Net increase in cash and cash equivalents	**7.4**	**1.4**
Cash and cash equivalents at beginning of year	23.1	21.7
Cash and cash equivalents at end of year	**30.5**	**23.1**

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the financial statements

Note 1: Corporate information

Tetragon Financial Group Limited ("Tetragon" or the "Fund") was registered in Guernsey on 23 June 2005 as a company limited by shares, with registered number 43321. All voting shares of the Fund are held by Polygon Credit Holdings II Limited (the "Voting Shareholder"). The Fund continues to be registered and domiciled in Guernsey, and the Fund's non-voting shares (the "Shares") are listed on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (ticker symbol: TFG.NA) and on the Specialist Fund Segment of the London Stock Exchange plc (ticker symbols: TFG.LN and TFGS.LN). The registered office of the Fund is Mill Court, La Charroterie, St. Peter Port, Guernsey, GY1 1EJ, Channel Islands.

Note 2: Material accounting policies

Basis of preparation
The consolidated financial statements of the Fund (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and comply with the Companies (Guernsey) Law, 2008 and give a true and fair view.

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and certain non-derivative financial assets and financial liabilities held at fair value through profit or loss ("FVTPL") that have been measured at fair value. The accounting policies have been consistently applied to all periods presented in these financial statements.

The financial statements are presented in United States Dollars ("USD" or "$"), which is the functional currency of the Fund, expressed in USD millions ("$M") (unless otherwise noted). The share capital of the Fund and the majority of its investments are denominated in USD. Most of the expenses and fees paid by the Fund are in USD. Hence, the Directors have determined that USD, as functional and presentational currency, reflects the Fund's primary economic environment.

In accordance with IFRS 10 *Consolidated Financial Statements* ("IFRS 10"), the Fund is an investment entity and, as such, does not consolidate the entities it controls where they are deemed to be subsidiaries except for Tetragon Financial Group (Delaware) LLC. Tetragon Financial Group (Delaware) LLC holds the collateral for the revolving credit facility. This subsidiary's main purpose and activity is to provide a service to the Fund; as such, it is consolidated on a line-by-line basis with balances between the Fund and this subsidiary eliminated. The financial statements for this subsidiary are prepared at the same reporting date using the same accounting policies. All other interests in subsidiaries are classified as FVTPL. Investments in associates are also classified as FVTPL. Subsidiaries are consolidated from the date control is established by Tetragon and cease to be consolidated on the date control is transferred from Tetragon.

The Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these financial statements and that the Fund will be able to continue to meet its liabilities for at least 12 months from the date of approval of the financial statements. In making this determination, the Directors have considered reasonable plausible downside scenarios in preparing the cash flow and liquidity projections for the next 12 months, the nature of the Fund's capital (including readily available resources such as cash, undrawn credit facility and liquid equities) and the applicable covenants on the revolving credit facility.

New standards and amendments to existing standards
The Fund has considered all the standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements. IFRS 18 *Presentation and Disclosure in Financial Statements* was issued in 2024 and will apply from periods beginning on or after 1 January 2027. The impact of this standard on the Fund's financial statements is being assessed. Apart from IFRS 18, the new standards and interpretations are not relevant to the Fund's activities, or their effects are not expected to be material.

Foreign currency translation
Transactions in foreign currencies are translated to the Fund's functional currency at the foreign currency exchange rate ruling at the date of the transaction. All assets and liabilities denominated in foreign currencies are translated to USD at the foreign currency closing exchange rate ruling at the reporting date.

Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised as net foreign exchange gain/(loss) in the Consolidated Statement of Comprehensive Income except for those arising on financial instruments at FVTPL which are recognised as components of net gain on non-derivative financial assets at FVTPL and derivative instruments which are recognised as components of net gain/(loss) on derivative financial assets and financial liabilities.

Financial instruments
(i) Classification

The Fund classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IFRS 9 *Financial Instruments* ("IFRS 9").

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– it has contractual terms which give rise, on specified dates, to cash flows that are solely payments of principal and interest outstanding.

The Fund includes in this category cash and cash equivalents, amounts due from brokers, receivable for securities sold and other sundry receivables. These assets are held with an intention to collect the principal and interest payments.

Financial assets and liabilities at FVTPL
All financial assets not classified as measured at amortised cost are measured at FVTPL. Financial liabilities attached to derivatives are also measured at FVTPL.

Investments in derivatives, collateralised loan obligations ("CLOs"), loans and corporate bonds, listed and unlisted stock, investment funds and vehicles and private equity in asset management companies (TFG Asset Management) are included in this category.

Notes to the financial statements

Note 2: Material accounting policies (continued)

Other financial liabilities at amortised cost
This category includes all financial liabilities, other than those classified as at FVTPL. The Fund includes in this category loans and borrowings, amounts due to brokers, and other payables and accrued expenses.

(ii) Recognition

The Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date (i.e., the date that the Fund commits to purchase or sell the asset).

(iii) Initial measurement

Financial assets and financial liabilities at FVTPL are initially recognised in the Consolidated Statement of Financial Position at fair value. All transaction costs for such instruments are recognised immediately through profit or loss.

Financial assets and liabilities (other than those classified as at FVTPL) are measured initially at their fair value adjusted for any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Fund re-measures financial instruments which are classified as at FVTPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain/(loss) on non-derivative financial assets at FVTPL in the Consolidated Statement of Comprehensive Income. Subsequent changes in fair value of derivative instruments are recorded in net gain/(loss) on derivative financial assets and liabilities in the Consolidated Statement of Comprehensive Income.

Receivables are carried at amortised cost less any allowance for impairment with any impairment losses arising being included in profit or loss.

Financial liabilities, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method.

(v) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where (i) the rights to receive cash flows from the asset have expired, or (ii) the Fund has either transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and in either cases in (ii):

(a) the Fund has transferred substantially all of the risks and rewards of the asset; or

(b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(vi) Impairment

The Fund recognises loss allowances for expected credit losses ("ECL") on financial assets at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair value measurement
The Fund measures all its investments and derivatives, at fair value at each reporting date.

IFRS 13 *Fair Value Measurements* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price without any deduction for transaction costs. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

For all other financial instruments not traded in an active market, the fair value is determined by using observable inputs where available and valuation techniques deemed to be appropriate in the circumstances. Refer to Note 4 for the valuation techniques used.

For assets and liabilities that are measured at fair value on a recurring basis, the Fund identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) and deems transfers to have occurred at the end of each reporting period.

Amounts due from/to brokers
Amounts due from brokers include margin accounts which represent cash pledged as collateral on the forward foreign exchange contracts, credit default swaps and contracts for difference. Amounts due to brokers include cash advances obtained from the brokers by pledging certain investments. Refer to the accounting policy for financial instruments for recognition and measurement.

Notes to the financial statements

Note 2: Material accounting policies (continued)

Cash and cash equivalents
Cash comprises current deposits with banks. Cash equivalents comprise of short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Net gain or loss on non-derivative financial assets and liabilities at FVTPL

Net gains or losses on non-derivative financial assets at FVTPL are changes in the fair value of financial assets and financial liabilities at FVTPL and include related interest, dividends and foreign exchange gains or losses.

Interest income
Interest income arising on cash balances and tri-party repurchase agreements are recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

Finance costs
Interest and fees charged on borrowings are recognised through profit or loss in the Consolidated Statement of Comprehensive Income using the effective interest method.

Expenses
Expenses and fees, including Directors' fees, are recognised through profit or loss in the Consolidated Statement of Comprehensive Income on the accruals basis.

Taxation
The Fund is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is charged GBP 1,600 per annum (2023: GBP 1,200).

Dividend distribution

Dividend distributions are recognised in the Consolidated Statement of Changes in Equity, when the shareholders' right to receive the payment is established.

Share-based payment transactions
Share-based compensation expense for all equity settled share-based payment awards granted is determined based on the grant-date fair value. The Fund recognises these compensation costs net of an estimated forfeiture rate and recognises compensation cost only for those shares expected to meet the service and non-market performance vesting conditions, on a graded vesting basis over the requisite service period of the award. These compensation costs are determined at the individual vesting tranche level for service-based awards and debited as expenses in the Consolidated Statement of Comprehensive Income with a corresponding credit in share-based compensation reserve. Shares contributed to escrow controlled by an unconsolidated subsidiary are debited to the cost of investment in that subsidiary and credited to share-based compensation reserve.

When the shares are issued, the fair value of the shares, as determined at the time of the award, is debited against the share-based compensation reserve and credited to other equity in the Consolidated Statement of Changes in Equity. Any associated stock dividends accrued on the original award are debited against retained earnings and credited to other equity using the value determined by the stock reference price at the date of each applicable dividend.

Other equity
Other equity contains the share premium and treasury shares balances.

Operating segments
An operating segment is a component of the Fund that engages in business activities from which it may earn revenues and incurs expenses, whose operating results are regularly reviewed by the Fund's chief operating decision-maker and for which discrete financial information is available. The chief operating decision-maker for the Fund is the Board of Directors. The Fund has considered the information reviewed by the Fund's chief operating decision-maker and determined that there is only one operating segment in existence.

Note 3: Significant accounting judgements, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Fund's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

Judgements

Investment entity status
The Board of Directors have determined that the Fund meets the definition of an investment entity as per IFRS 10. Entities that meet the definition of an investment entity within IFRS 10 are generally required to measure their subsidiaries at FVTPL rather than consolidate them. The Fund consolidates Tetragon Financial Group (Delaware) LLC as this subsidiary's main purpose and activity is to provide a service to the Fund, as such it is consolidated on a line-by-line basis with balances between the Fund and this subsidiary eliminated.

Tetragon obtained funds from investors for the purpose of providing investment management services. The Fund's investment objective is to generate distributable income and capital appreciation. The Fund reports to its investors via monthly, semi-annual, and annual investor information, and to its management, via internal management reports, on a fair value basis. The Fund has a documented exit strategy for all of its investments.

Estimates and assumptions

Measurement of fair values
The Fund based its assumptions and estimates on parameters available at the year-end when the financial statements were prepared; however, existing circumstances and assumptions about future developments may change due to market changes and circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

For detailed information on the estimates and assumptions used to determine the fair value of financial instruments, please refer to Note 4.

Note 4: Financial assets and financial liabilities at fair value through profit or loss

Fair value hierarchy
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1 – Quoted in active markets for identical instruments.
- Level 2 – Prices determined using other significant observable inputs. These may include quoted prices for similar securities, interest rates, prepayments spreads, credit risk and others.
- Level 3 – Unobservable inputs. Unobservable inputs reflect assumptions market participants would be expected to use in pricing the asset or liability.

Notes to the financial statements

Note 4: Financial assets and financial liabilities at fair value through profit or loss (continued)

Fair value measurement of assets and liabilities

The following table shows financial instruments measured at fair value by the level in fair value hierarchy as of 31 December 2024:

Non-derivative financial assets at FVTPL	Level 1 $M	Level 2 $M	Level 3 $M	Total Fair Value $M
TFG Asset Management	–	–	1,572.8	1,572.8
Investment funds and vehicles	–	764.5	609.9	1,374.4
Unlisted stock	–	–	254.9	254.9
Listed stock	207.5	4.2	–	211.7
CLO equity tranches[1]	–	–	85.0	85.0
CLO debt tranches[1]	–	5.5	–	5.5
Total non-derivative financial assets at FVTPL	**207.5**	**774.2**	**2,522.6**	**3,504.3**
Derivative financial assets				
Contracts for difference (assets)	–	0.3	–	0.3
Currency options (asset)	–	1.5	–	1.5
Forward foreign exchange contracts (asset)	–	16.9	–	16.9
Total derivative financial assets	**–**	**18.7**	**–**	**18.7**
Derivative financial liabilities				
Forward foreign exchange contracts (liability)	–	(0.1)	–	(0.1)
Total derivative financial liabilities	**–**	**(0.1)**	**–**	**(0.1)**

[1] Investment in CLO equity and debt tranches held through special purpose vehicles are included in these captions.

The following table shows financial instruments measured at fair value by the level in fair value hierarchy as of 31 December 2023:

Non-derivative financial assets at FVTPL	Level 1 $M	Level 2 $M	Level 3 $M	Total Fair Value $M
TFG Asset Management	–	–	1,345.4	1,345.4
Investment funds and vehicles	–	673.3	593.2	1,266.5
Listed stock	190.4	–	–	190.4
CLO equity tranches[1]	–	–	129.5	129.5
CLO debt tranches[1]	–	3.8	–	3.8
Unlisted stock	–	2.7	111.7	114.4
Corporate bonds		15.7		15.7
Total non-derivative financial assets at FVTPL	**190.4**	**695.5**	**2,179.8**	**3,065.7**
Derivative financial assets				
Currency options (asset)	–	2.2	–	2.2
Forward foreign exchange contracts (asset)	–	2.9	–	2.9
Total derivative financial assets	**–**	**5.1**	**–**	**5.1**
Derivative financial liabilities				
Contracts for difference (liability)		(0.1)		(0.1)
Forward foreign exchange contracts (liability)	–	(8.2)	–	(8.2)
Total derivative financial liabilities	**–**	**(8.3)**	**–**	**(8.3)**

[1] Investment in CLO equity and debt tranches held through special purpose vehicles are included in these captions.

Transfers between levels
There were no transfers between levels during the year ended 31 December 2024 or 31 December 2023.

Other financial assets and liabilities
For all other financial assets and liabilities, the carrying value is an approximation of fair value, including other receivables, amounts due from/to brokers, cash and cash equivalents, loans and borrowings, and other payables.

Notes to the financial statements

Note 4: Financial assets and financial liabilities at fair value through profit or loss (continued)

Level 3 reconciliation
The following is a reconciliation of the Fund's assets in which significant unobservable inputs (Level 3) were used in determining fair value at 31 December 2024:

	CLO Equity Tranches $M	Unlisted Stock $M	Investment Funds and Vehicles $M	TFG Asset Management $M	Total $M
Balance at 1 January 2024	129.5	111.7	593.2	1,345.4	2,179.8
Additions	6.6	5.0	99.9	43.1	154.6
Proceeds	(36.6)	(15.2)	(70.7)	(109.4)	(231.9)
Net (losses)/gains through profit or loss	(14.5)	153.4	(12.5)	293.7	420.1
Balance at 31 December 2024	**85.0**	**254.9**	**609.9**	**1,572.8**	**2,522.6**
Change in unrealised gains/(losses) through profit or loss for assets held at year-end	(19.4)	142.7	(21.1)	189.3	291.5

The following is a reconciliation of the Fund's assets in which significant unobservable inputs (Level 3) were used in determining fair value at 31 December 2023.

	CLO Equity Tranches $M	Unlisted Stock $M	Investment Funds and Vehicles $M	TFG Asset Management $M	Total $M
Balance at 1 January 2023	170.2	64.5	570.6	1,343.3	2,148.6
Additions	–	22.3	61.7	23.8	107.8
Proceeds	(48.1)	(7.3)	(48.6)	(50.0)	(154.0)
Net gains through profit or loss	7.4	32.2	9.5	28.3	77.4
Balance at 31 December 2023	**129.5**	**111.7**	**593.2**	**1,345.4**	**2,179.8**
Change in unrealised gains/(losses) through profit or loss for assets held at year-end	(5.3)	29.5	1.5	(17.7)	8.0

Valuation process (framework)
TMF Group Fund Services (Guernsey) Limited (the "Administrator") serves as the Fund's independent administrator and values the investments of the Fund on an ongoing basis in accordance with the valuation principles and methodologies approved by the Fund's Audit Committee, which comprises of independent Directors, from time to time.

For certain investments, such as TFG Asset Management, a third-party valuation agent is also used. However, the Directors are responsible for the valuations and may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with IFRS.

Valuation techniques

CLO equity tranches
A mark to model approach using discounted cash flow analysis ("DCF Approach") has been adopted to determine the value of the equity tranche CLO investments. The model contains certain assumption inputs that are reviewed and adjusted as appropriate on a quarterly basis.

As at 31 December 2024, key modelling assumptions used are disclosed below. The modelling assumptions disclosed below are a weighted average of the individual deal assumptions. Each individual deal's assumptions may differ from this average and vary across the portfolio.

When determining the fair value of the equity tranches, a discount rate is applied to the expected future cash flows derived from the third-party valuation model. The discount rate applied to those future cash flows reflects the perceived level of risk that would be used by another market participant in determining fair value. In determining the discount rates to use, an analysis of the observable risk premium data as well as the individual deal's structural strength and credit quality is undertaken. At 31 December 2024, a discount rate of 12% (2023: 13%) is applied unless the deal is within its non-refinancing period, in which case the deal internal rate of return ("IRR") is utilised as the discount rate. For deals in this category, the weighted average IRR or discount rate is 16.2% (2023: 16.7%). If the deal is past six months from the end of its reinvestment period, a discount rate of 14% (2023: 15%) is applied.

Constant Annual Default Rate "CADR")	3.0% for the next twelve months, 2.4% thereafter (2023: 2.4%).
Recovery Rate	65% (2023: 65%).
Prepayment Rate	20% (2023: 20%).
Reinvestment Price and Spread	Assumed reinvestment price is par for the life of the transaction with reinvestments being modelled for deals that are still in their reinvestment period. Reinvestment spread consists of U.S. syndicated loans with an effective spread over Term SOFR of 377 bps (2023: 379 bps).

Sensitivity analysis
The discount rate used is a key input in the fair value of CLO equity tranches. A reasonable possible alternative assumption is to change the discount rate by 1%. Changing the discount rate and keeping all other variables constant would have the following effects on net assets and profits:

	31 Dec 2024 $M	31 Dec 2023 $M
-1% discount rate	2.0	3.3
+1% discount rate	(2.3)	(3.2)

Notes to the financial statements

Note 4: Financial assets and financial liabilities at fair value through profit or loss (continued)

Private equity in asset management companies
The Fund owns a 100% interest in TFG Asset Management which holds majority and minority private equity stakes in asset management companies. The valuation calculation for TFG Asset Management was prepared by a third-party valuation agent engaged by the Fund's Audit Committee. Although TFG Asset Management is valued as a single investment, a sum of the parts approach, valuing each business separately has been utilised. This approach aggregates the fair value of all asset managers held by TFG Asset Management, overlaying the central costs and net assets at TFG Asset Management level, and adding the fair value of the infrastructure platform that TFG Asset Management provides to asset management businesses. Currently, no premium has been attributed to the valuation of TFG Asset Management in respect of diversification or synergies between different income streams.

The DCF Approach calculates the enterprise value of the investments by utilising a business-specific model to estimate the generation of future net cash flows. Each model reflects the business plan over a specific period of 5-10 years which includes, where applicable, assumptions (which may not be linear) around planned capital raising and/or organic growth through investment returns. The DCF Approach may also include a terminal value which is calculated by applying a growth formula to the projected cash flows in the terminal year or to the average of yearly cash flows in the business plan. This terminal value calculation is used in the DCF approach for Equitix, LCM, Westbourne River Partners, Contingency Capital and Acasta Partners. All estimates of future free cash flows and the terminal value are discounted at a weighted average cost of capital ("WACC") that captures the risk inherent in the projections. From the enterprise value derived by the DCF Approach, market value of net debt is deducted to arrive at the equity value. An adjustment is made to account for a discount for lack of liquidity ("DLOL"), in the range of 5% to 20%.

The Market Multiple Approach applies a multiple, considered to be an appropriate and reasonable indicator of value to certain metrics of the business, such as earnings or assets under management ("AUM"), to derive the enterprise value. The multiple applied in each case is derived by considering the multiples of quoted comparable companies. The multiple is then adjusted to ensure that it appropriately reflects the specific business being valued, considering its business activities, geography, size, competitive position in the market, risk profile, and earnings growth prospects of the business. The valuation agent considers a multiple of earnings such as a company's earnings before interest, taxes, depreciation, and amortisation ("EBITDA"), to perform this analysis. These multiples are then adjusted for control premium if the comparable companies are valued on a minority basis.

Equitix and LCM are valued using a combination of the DCF Approach and quoted market multiples ("Market Multiple Approach") based on comparable companies to determine an appropriate valuation range. Both approaches are given a 50/50 weighting in the valuation of LCM while a 70/30 DCF/Market Multiple weighting (2023: 50/50 weighting) is applied to Equitix. Westbourne River Partners, Acasta Partners, Tetragon Credit Partners and Contingency Capital are valued using the DCF Approach.

TFG Asset Management holds approximately 13% interest in BGO and is entitled to receive a series of fixed and variable profit distributions. Sun Life have an option to acquire the remaining interest in the entity in 2026. TFG Asset Management and other minority owners are entitled to sell their interest to Sun Life in 2027. The exercise price will be determined based on the average EBITDA of BGO during the two years prior to exercising the option. The Fund's investment in BGO is valued using the DCF Approach on expected cash flows.

The following table shows the unobservable inputs used by the third-party valuation specialist in valuing TFG Asset Management. For the purposes of IAS 1 *Presentation of Financial Statements*, control premium is not a significant input.

31 December 2024

Investment	Fair Value $M	AUM (billion)	Valuation methodology	Significant unobservable inputs				
				WACC	EV/ EBITDA Multiple	DLOL	Control premium	Forecast 5Y CAGR
Equitix	922.4	GBP 11.0	DCF and Market Multiples	10.5%	10.75x	7.5%	20%	10.9% (AUM)
BGO	290.2	$10.7	DCF (sum-of-the-parts)	4.1-11.5%	NA	5-15%	NA	NA
LCM	223.6	$8.8	DCF and Market Multiples	10.75%	12.5x	15%	20%	10.2% (AUM)
Other asset managers	136.6	$6.3	DCF, replacement cost	10.75-13%	NA	15-20%	NA	9.0% (AUM)

31 December 2023

Investment	Fair Value $M	AUM (billion)	Valuation methodology	Significant unobservable inputs				
				WACC	EV/ EBITDA Multiple	DLOL	Control premium	Forecast 5Y CAGR
Equitix	737.6	GBP 10.9	DCF and Market Multiples	10.5%	9.5x	10%	20%	9.8% (AUM)
BGO	270.5	$10.7	DCF (sum-of-the-parts)	5.6-11.8%	NA	5-15%	NA	15.5% (EBITDA)
LCM	258.5	$10.7	DCF and Market Multiples	10.75%	11.8x	15%	20%	7.2% (AUM)
Other asset managers	78.8	$6.2	DCF, replacement cost	11.5-13.25%	NA	15-20%	NA	7.6% (AUM)

Notes to the financial statements

Note 4: Financial assets and financial liabilities at fair value through profit or loss (continued)

Sensitivity analysis

31 December 2024

Investment	Effects on net assets and profits ($M)									
	WACC		EV/EBITDA multiple		DLOL		Control premium		Forecast 5Y CAGR	
	-100 bps	+100 bps	+10%	-10%	-500 bps	+500 bps	+500 bps	-500 bps	+100 bps	-100 bps
Equitix	95.5	(75.2)	29.7	(29.7)	48.1	(48.1)	12.6	(12.6)	14.4	(13.9)
BGO	2.6	(2.5)	NA	NA	15.8	(15.8)	NA	NA	NA	NA
LCM	13.3	(10.6)	12.0	(12.0)	11.8	(11.8)	5.7	(5.7)	4.3	(4.3)
Other asset managers	8.2	(6.8)	NA	NA	5.6	(5.6)	NA	NA	9.1	(8.5)

31 December 2023

Investment	Effects on net assets and profits ($M)									
	WACC		EV/EBITDA multiple		DLOL		Control premium		Forecast 5Y CAGR	
	-100 bps	+100 bps	+10%	-10%	-500 bps	+500 bps	+500 bps	-500 bps	+100 bps	-100 bps
Equitix	52.0	(40.9)	39.2	(39.2)	39.4	(39.4)	17.7	(17.7)	15.1	(16.8)
BGO	5.8	(5.6)	NA	NA	14.9	(14.9)	NA	NA	8.9	(8.7)
LCM	14.5	(11.5)	14.3	(14.3)	13.6	(13.6)	6.8	(6.8)	4.6	(4.6)
Other asset managers	5.7	(4.8)	NA	NA	4.5	(4.5)	NA	NA	8.5	(8.0)

Investment funds and vehicles
Investments in unlisted investment funds, classified as Level 2 and Level 3 in the fair value hierarchy, are valued utilising the net asset valuations provided by the managers of the underlying funds and/or their administrators. Management's assessment is that these valuations are the fair value of these investments. In determining any adjustments necessary to the net asset valuations, management has considered the date of the valuation provided. No adjustment was deemed material following this review. The fair value hierarchy for the investment funds is determined by the fair value hierarchy of the underlying investments.

The Fund has an investment in an externally managed investment vehicle that holds farmlands in Paraguay. These farmlands are valued utilising inputs from an independent third-party valuation agent. The input is adjusted, between 30% to 40%, for factors such as recent crop yields, conditions specific to the farms and broker quotes/bids received.

Sensitivity analysis
A 10% increase in net asset value ("NAV") of the unlisted investment funds included in Level 3 will increase net assets and profits of the Fund by $61.0 million (2023: $59.3 million). A decrease in the NAV of the unlisted investment funds will have an equal and opposite effect.

Unlisted stock
At 31 December 2024, the Level 3 unlisted stock includes the following investments in private companies.

Investment number	Fair value ($M)		Valuation methodology
	31 Dec 2024	31 Dec 2023	
1	242.1	103.8	Valued using two different prices. A part of the holding, $15.0 million, is subject to tender offer and has been valued utilising the tender offer price. The rest of the shares are valued using broker quotes.
2	7.5	7.5	Transaction price
3	5.0	–	Transaction price
4	0.4	0.4	Expected value of cash flows

Sensitivity analysis
A 5% increase in the valuation will increase the net assets and profits of the Fund by $12.7 million (2023: $5.6 million). A 5% decrease will have an equal but opposite effect on the net assets and profits.

Listed stock
For listed stock in an active market, the closing exchange price is utilised as the fair value price.

Corporate bonds and CLO debt tranches
The corporate bonds and CLO debt tranches held by the Fund are valued using the broker quotes obtained at the valuation date.

Forward foreign exchange contracts and currency options
Forward foreign exchange contracts and currency options are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are based on observable foreign currency forward rates, recent market transactions, and valuation techniques, including

Notes to the financial statements

Note 4: Financial assets and financial liabilities at fair value through profit or loss (continued)

discounted cash flow models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of fair value of a forward foreign exchange contract at initial recognition is the transaction price. The currency options are recognised initially at the amount of premium paid or received.

Contracts for difference
The Fund enters into contracts for difference ("CFD") arrangements with financial institutions. CFDs are typically traded on the over-the-counter ("OTC") market. The arrangement generally involves an agreement by the Fund and a counterparty to exchange the difference between the opening and closing price of the position underlying the contract, which are generally on equity positions. Fair values are based on quoted market prices of the underlying security, contract price, and valuation techniques including expected value models, as appropriate.

Note 5: Interest in other entities

Investment in unconsolidated structured entities
IFRS 12 defines a structured entity as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual agreements.

The Fund holds various investments in CLOs and investment funds. The fair value of the CLOs and investment funds is recorded in the "non-derivative financial assets at fair value through profit or loss" line in the Consolidated Statement of Financial Position. The Fund's maximum exposure to loss from these investments is equal to their total fair value and, if applicable, unfunded commitments. Once the Fund has disposed of its holding in any of these investments, the Fund ceases to be exposed to any risk from that investment. The Fund has not provided, and would not be required to provide, any financial support to these investees. The investments are non-recourse. Please refer to Note 14 for details of unfunded commitments.

Below is a summary of the Fund's holdings in subsidiary unconsolidated structured entities.

As of 31 December 2024	No. of investments	Range of nominal $M	Average nominal $M	Carrying value $M	Percentage of Tetragon's NAV
CLO Equity					
U.S. CLOs[1]	21	67.0 – 510.2	346.4	80.6	2.5%
Investment Funds		**Total NAV $M**			
Westbourne River Event Fund[2]	2	502.1	NA	463.6	14.6%
TFG Asset Management Global Equities Fund[2]	1	5.4	NA	5.4	0.2%
Tetragon Credit Income funds[3]	3	415.5	NA	76.1	2.4%
Hawke's Point Holdings LP[3]	2	202.7	NA	198.4	6.3%
Banyan Square Capital Partners LP[3]	2	163.0	NA	162.4	5.1%
Other real estate[4]	4	34.9	NA	34.9	1.1%

As of 31 December 2023	No. of investments	Range of nominal $M	Average nominal $M	Carrying value $M	Percentage of Tetragon's NAV
CLO Equity					
U.S. CLOs[1]	19	100.7 – 741.5	423.9	124.0	4.5%
Investment Funds		**Total NAV $M**			
Westbourne River Event Fund[2]	2	484.5	NA	446.7	15.8%
TFG Asset Management Global Equities Fund[2]	1	3.3	NA	3.3	0.1%
Tetragon Credit Income funds[3]	3	588.6	NA	111.0	3.9%
Hawke's Point Holdings LP[3]	2	119.0	NA	116.7	4.1%
Banyan Square Capital Partners LP[3]	1	128.7	NA	127.0	4.5%
Other real estate[4]	4	37.9	NA	37.9	1.3%

(1) This includes all U.S. CLOs deemed to be controlled by the Fund. U.S. CLOs are domiciled in the Cayman Islands.

(2) Westbourne River Event Fund and TFG Asset Management Global Equities Fund are domiciled in the Cayman Islands. Given the applicable notice, liquidity up to 25% of the investment is available on a quarterly basis (subject to certain conditions), and the entire investment could be liquidated over four consecutive quarters.

(3) Hawke's Point Holdings LP, Banyan Square Capital Partners LP, Tetragon Credit Partner funds (Tetragon Credit Income II LP ("TCI II"), Tetragon Credit Income III LP ("TCI III") and Tetragon Credit Income IV LP ("TCI IV")) are domiciled in the Cayman Islands. These are private-equity style investment funds. Please refer to Note 14 for details of unfunded commitments.

(4) The Fund has investments in commercial farmland in Paraguay, via individual managed accounts managed by Scimitar, a specialist manager in South American farmland. The Fund's investment can only be redeemed when the underlying real estate assets are sold.

Notes to the financial statements

Note 5: Interest in other entities (continued)

Below is a summary of the Fund's holding in non-subsidiary unconsolidated structured entities:

As of 31 December 2024	No. of investments	Range of nominal $M	Average nominal $M	Carrying value $M	Percentage of Tetragon's NAV
CLO equity					
U.S. CLOs[1]	2	254.3	254.3	4.4	0.1%
Real Estate		**Total NAV $M**			
BGO – U.S.[2]	6	36,742	n/a	28.2	0.9%
BGO – Europe[2]	11	15,965	n/a	45.5	1.4%
BGO – Asia[2]	2	8,252	n/a	21.4	0.7%
Other Funds		**Total NAV $M**			
Acasta funds[3]	2	1,222.9	n/a	97.1	3.1%
Contingency Capital funds[4]	2	275.5	n/a	51.5	1.6%
Private equity funds[4]	43	61,827.5	n/a	189.9	6.0%

As of 31 December 2023	No. of investments	Range of nominal $M	Average nominal $M	Carrying value $M	Percentage of Tetragon's NAV
CLO equity					
U.S. CLOs[1]	2	411.9	411.9	5.5	0.2%
Real Estate		**Total NAV $M**			
BGO – U.S.[2]	7	37,331	n/a	46.1	1.6%
BGO – Europe[2]	11	14,680	n/a	41.3	1.5%
BGO – Asia[2]	2	4,926	n/a	22.4	0.8%
Other Funds		**Total NAV $M**			
Acasta funds[4]	2	1,036.3	n/a	106.6	3.8%
Contingency Capital funds[4]	1	80.7	n/a	37.5	1.3%
Private equity funds[4]	42	54,082	n/a	170.0	6.0%

(1) Includes all externally managed CLOs that are outside the Fund's control. U.S. CLOs are domiciled in the Cayman Islands.

(2) BGO funds hold real estate investments in the United States, Japan and various countries in Europe. Total assets under management ("AUM") reflects 100% of BGO AUM in structured entities in each region. The number of investments indicates the Fund's investments in each region. The Fund's investment in these funds can only be redeemed in the form of capital distributions when the underlying real estate assets are sold.

(3) Acasta Funds (Acasta Global Fund and Acasta Energy Evolution Fund) are domiciled in the Cayman Islands. Given the applicable notice, liquidity up to 25% of the investment is available on a quarterly basis (subject to certain conditions), and the entire investment could be liquidated over four consecutive quarters.

(4) Private equity and Contingency Capital funds are domiciled in the Cayman Islands, Luxembourg and the United States.

Notes to the financial statements

Note 5: Interest in other entities (continued)

TFG Asset Management
The Fund owns 100% holdings and voting rights in TFG Asset Management LP. As at 31 December 2023 and 31 December 2024, TFG Asset Management LP's investments were comprised of the following:

Investment	Principal place of business	Ownership interest		Carrying value $M		Percentage of NAV	
		2024	2023	2024	2023	2024	2023
Equitix	Global(1)	81%(2)	75%	922.4	737.6	29.1%	26.1%
BGO	Global(1)	13%	13%	290.2	270.5	9.1%	9.6%
LCM	U.S. and U.K.	100%	100%	223.6	258.5	7.0%	9.1%
Other asset managers:				136.6	78.8	4.3%	2.8%
Westbourne River Partners	U.S. and U.K.	100%	100%				
Acasta Partners	U.S. and U.K.	NCI(3)	NCI(3)				
Tetragon Credit Partners	U.S. and U.K.	100%	100%				
Hawke's Point	U.S. and U.K.	100%	100%				
Banyan Square Partners	U.S. and U.K.	100%	100%				
Contingency Capital	U.S. and U.K.	NCI(3)	NCI(3)				

(1) Equitix and BGO have a presence in North America, Europe, and Asia.

(2) TFG Asset Management has historically described its ownership level in Equitix as 75%, reflecting the original capital table as at the acquisition date in 2015, along with further equity grants to management in the interim. Shares held by Equitix management are subject to forfeiture in certain circumstances upon their departure or are otherwise converted into an entitlement to reduced "tail" payments as distributions are made over a specified period following the employee's departure. On a distribution basis, TFG Asset Management has continued to receive approximately 75% of the dividends from the business, with management and former management members on a "tail" receiving the remainder. In the event of a sale of the business, the entitlements of former management members to "tail" payments would be accelerated based on a formula and TFG Asset Management and the acting management team shareholders would receive the purchase price net of these accelerated amounts. As such, on a capital basis, TFG Asset Management's calculated ownership of the Equitix business on a sale is different from the distribution basis, and is currently 81.48% as at 31 December 2024. Although the capital basis percentage owned has historically fluctuated between 75.80% and 81.48%, given the current percentage of "tail" payments owned by former employees, more recently it has been towards the higher end of this range – which is generally consistent with expected ownership levels. As such, it is considered appropriate to utilise this percentage in determining the fair value of TFG Asset Management's stake in Equitix as at the current reporting date. Going forward, TFG Asset Management will reference at each quarter end its ownership level in the business to the percentage of Equitix's shares that it holds net of any accelerated "tail" payments.

(3) TFG Asset Management owns a non-controlling interest ("NCI") as well as providing infrastructure services to these managers. The chief investment officers of underlying businesses own a controlling stake.

Tetragon Financial Group (Delaware) LLC
The Fund holds a 100% ownership interest in Tetragon Financial Group (Delaware) LLC via Tetragon DebtCo Blocker (Cayman) LLC and Tetragon Financial Group (Delaware) Holdings LLC. The purpose of Tetragon Financial Group (Delaware) LLC is to hold the collateral and liabilities related to the revolving credit facility (see Note 10).

The fair value of the assets held by Tetragon Financial Group (Delaware) LLC as at 31 December 2024 is $1,309.0 million (2023: $1,215.4 million). The outstanding balance on the credit facility as at 31 December 2024 is $300.0 million (2023: $250.0 million). In case of non-payment of principal or interest, the provider of the credit facility has a lien over the assets held by Tetragon Financial Group (Delaware) LLC. There is no recourse to the Fund.

The following table shows the breakdown of assets by asset class:

	31 Dec 2024 $M	31 Dec 2023 $M
Investment funds and vehicles	773.7	802.8
TFG Asset Management	387.8	332.0
Unlisted stock	134.9	57.8
CLO equity tranches	12.6	22.8
Total	**1,309.0**	**1,215.4**

Notes to the financial statements

Note 5: Interest in other entities (continued)

LCM Euro LLC and LCM Euro II LLC
The Fund holds 100% ownership interest in LCM Euro LLC and LCM Euro II LLC Investment Series, domiciled in Delaware. The subsidiaries have invested in debt and equity tranches of certain LCM CLOs. They have entered into sale and repurchase agreements with regards to some of the CLO debt tranches that it holds. The timing and amount of payment of repo interest and repurchase obligations are matched by the interest and principal payments from the relevant debt tranches. Additional interest of 0.5% per annum is payable on the outstanding balance. As of 31 December 2024, LCM Euro LLC and LCM Euro II LLC Investment Series had total assets of $161.1 million (2023: $162.1 million) and aggregate repurchase obligations of $140.8 million (2023: $140.5 million). The fair value of LCM Euro LLC and LCM Euro II LLC Investment Series of $20.3 million (2023: $21.4 million) is included in non-derivative financial assets at FVTPL. There is no recourse to the Fund in case of non-payment of principal or interest.

Note 6: Financial risks review

Financial risk review
This note presents information about the Fund's objectives, policies and processes for measuring and managing risk.

The Fund has exposure to the following risks from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risks

Risk management framework
The Fund's portfolio comprises a broad range of assets, including a diversified alternative asset management business, TFG Asset Management, and covers bank loans, real estate, equities, credit, convertible bonds, private equity and infrastructure. The Fund's investment strategy is to seek to identify asset classes that offer excess returns relative to their investment risk.

The Investment Manager analyses the risk/reward, correlation, duration and liquidity characteristics of each potential capital use to gauge its attractiveness and incremental impact on the Fund. As part of the Fund's investment strategy, the Investment Manager may employ hedging strategies and leverage in seeking to provide attractive returns while managing risk.

The Investment Manager's risk committee is responsible for the risk management of the Fund and performs active and regular oversight and risk monitoring.

a) Credit risk
"Credit risk" is the risk that a counterparty/issuer to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from the CLO portfolio held, and also from derivative financial assets, cash and cash equivalents, corporate bonds, other receivables and balances due from brokers. Credit risk is monitored on an ongoing basis by the Investment Manager in accordance with the policies and procedures in place.

The Fund's activities may give rise to settlement risk. "Settlement risk" is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. The Fund conducts diligence on its brokers and financing counterparties before entering into trading or financing relationships. The Fund also actively monitors and manages settlement risk by diversifying across counterparties and by monitoring developments in the perceived creditworthiness of financing counterparties.

The carrying value and unfunded commitments of financial assets at fair value through profit or loss, derivatives, other receivables, amounts due from brokers and cash and cash equivalents, as disclosed in the Consolidated Statement of Financial Position and Note 14, represents the Fund's maximum credit exposure; hence, no separate disclosure is provided. The ECL on financial assets at amortised costs are immaterial.

i. Analysis of credit quality
Cash and cash equivalents

The cash and cash equivalents are concentrated in one (2023: five) financial institutions with a credit rating of A (S&P) (2023: between AA– and A+). The Investment Manager monitors these credit ratings and spreads of credit default swaps on a daily basis and actively moves balances between counterparties when deemed appropriate.

Amounts due from brokers
Balances due from brokers represent margin accounts, cash collateral for borrowed securities and sales transactions awaiting settlement. Any excess margin is included in cash and cash equivalents.

Credit risk relating to unsettled transactions is considered small due to the short settlement period involved and the credit quality of the brokers used. As at the reporting date, the balance was due from one broker (2023: three) with S&P's credit rating A+ (2023: between A- and A+). Due to the high credit rating of the brokers, the expected credit losses on these balances are immaterial.

The following table details the amounts held by brokers.

	31 Dec 2024 $M	31 Dec 2023 $M
BNP Paribas	6.2	3.7
Bank of America Merrill Lynch	–	0.3
ING	–	3.2
Total	**6.2**	**7.2**

Notes to the financial statements

Note 6: Financial risks review (continued)

Credit risk (continued)

CLOs
The Fund's portfolio is partly invested in CLO equity tranches which are subject to potential non-payment risk. The Fund will be in a first loss position with respect to realised losses on the collateral in each CLO investment.

The Investment Manager assesses the credit risk of the CLOs on a look-through basis to the underlying loans in each CLO investment. The Investment Manager seeks to provide diversification in terms of underlying assets, geography and CLO managers. The maximum loss that the Fund can incur on CLOs is limited to the fair value of these CLOs as disclosed below. The underlying loans are made up of a variety of credit ratings including investment grade and non-investment grade.

The following tables show the concentration of CLOs (including TCI II, III and IV) by region of underlying assets and by manager.

	31 Dec 2024 $M	31 Dec 2023 $M
Region		
United States	95%	95%
Other	5%	5%
	100%	**100%**
Manager		
LCM	58%	61%
Other managers	42%	39%
	100%	**100%**

Derivatives
The table below shows an analysis of derivative financial assets and liabilities outstanding at 31 December 2024 and 31 December 2023.

	Derivative assets		Derivative liabilities	
	Fair Value $M	Notional $M	Fair Value $M	Notional $M
31 December 2024	18.7	562.2	(0.1)	1.4
31 December 2023	5.1	281.6	(8.3)	299.6

ii. Concentration of credit risk
The table below shows a breakdown of credit risk per investment type:

Investment Type	31 Dec 2024	31 Dec 2023
CLOs	58%	71%
Cash and cash equivalents	23%	13%
Corporate bonds	–	9%
Amount due from brokers	5%	4%
Other loans and derivatives	14%	3%
Total	**100%**	**100%**

None of the Fund's financial assets were considered to be past due or impaired on 31 December 2024 or 31 December 2023.

iii. Collateral and other credit enhancements, and their financial effects
The Fund mitigates the credit risk of derivatives and reverse sale and repurchase agreements through collateral management including master netting agreements. Derivative transactions are either transacted on an exchange or entered into under International Derivative Swaps and Dealers Association ("ISDA") master netting agreements. Under ISDA master netting agreements in certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions. The amount of collateral accepted in respect of derivative assets is shown in Note 6(iv).

Notes to the financial statements

Note 6: Financial risks review (continued)

Credit risk (continued)

iv. Offsetting financial assets and liabilities
The Fund has not offset any financial assets and financial liabilities in the Consolidated Statement of Financial Position. The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting or similar agreement that covers financial instruments.

31 December 2024	Gross amount of recognised assets/ liabilities	Gross amounts offset in the Consolidated Statement of Financial Position	Net amounts presented in the Consolidated Statement of Financial Position	Financial instruments eligible for netting	Cash collateral held by brokers	Net amount
Description	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Assets						
BNP Paribas	0.1	––	0.1	–	–	0.1
ING	18.4	–	18.4	(0.1)	–	18.3
UBS AG	0.2	–	0.2	–	–	0.2
Total	**18.7**	**–**	**18.7**	**(0.1)**	**–**	**18.6**
Liabilities						
ING	0.1	–	0.1	(0.1)	–	–
Total	**0.1**	**–**	**0.1**	**(0.1)**	**–**	**–**

31 December 2023						
Assets						
ING	5.1	–	5.1	(5.1)	–	–
UBS AG	–	–	–	–	–	–
Total	**5.1**	**–**	**5.1**	**(5.1)**	**–**	**–**
Liabilities						
ING	8.2	–	8.2	(5.1)	–	3.1
UBS AG	0.1	–	0.1	–	–	0.1
Total	**8.3**	**–**	**8.3**	**(5.1)**	**–**	**3.2**

b) Liquidity risk
"Liquidity risk" is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Fund's policy and the Investment Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Fund's financial assets include some investments which are considered illiquid. These investments include TFG Asset Management, CLO equity tranches, real estate funds and vehicles and unlisted equities. The Fund also holds investments in hedge funds and private equity funds, which are subject to redemption restrictions such as notice periods and, in certain circumstances, redemption gates. As a result, the Fund may not be able to liquidate these investments readily.

The Fund's liquidity risk is managed on a daily basis by the Investment Manager in accordance with the policies and procedures in place. The Fund has access to a revolving credit facility (Note 10) of $400.0 million (2023: $400.0 million) and can also access prime broker financing (Note 8). As of 31 December 2024, $300.0 million was drawn on the credit facility (2023: $250.0 million). The Fund has unfunded commitments (Note 14) to private-equity style funds which can be called immediately. The Fund is not exposed to the liquidity risk of meeting shareholder redemptions as the Fund's capital is in the form of non-redeemable shares.

The following were the contractual maturities of non-derivative financial liabilities at the reporting date. The amounts are gross and undiscounted. The finance costs on borrowings are calculated assuming the drawn balance on the credit facility and the interest rate remains unchanged and principal repaid on the maturity date of the facility.

31 December 2024	Within 1 month $M	1 – 3 months $M	3 months – 1 year $M	1 – 5 years $M	Greater than 5 years $M	Total $M
Finance costs on borrowings	2.0	4.0	17.8	95.1	60.4	179.3
Loans and borrowings	–	–	–	–	300.0	300.0
Other payables	2.5	35.6	–	–	–	38.1
Total	**4.5**	**39.6**	**17.8**	**95.1**	**360.4**	**517.4**

31 December 2023						
Finance costs on borrowings	1.9	3.8	17.1	90.9	80.5	194.2
Loans and borrowings	–	–	–	–	250.0	250.0
Other payables	5.8	16.3	–	–	–	22.1
Total	**7.7**	**20.1**	**17.1**	**90.9**	**330.5**	**466.3**

Notes to the financial statements

Note 6: Financial risks review (continued)

Liquidity risk (continued)

The tables below analyse the Fund's financial derivative instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the financial year-end date to the contractual maturity date.

	Inflows				Outflows			
	Within 1 month $M	1 – 3 months $M	3 months – 1 year $M	1 – 5 years $M	Within 1 month $M	1 – 3 months $M	3 months – 1 year $M	1 – 5 years $M
31 Dec 2024	202.3	313.6	52.1	–	(194.7)	(305.9)	(50.8)	–
31 Dec 2023	181.9	248.7	61.9	–	(180.7)	(253.8)	(63.5)	–

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and credit spreads, will affect the Fund's income or the fair value of its holdings of financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective of generating distributable income and capital appreciation. The Fund employs hedging strategies, from time to time as deemed necessary, to manage its exposure to foreign currency, interest rate and other price risks. The Fund does not apply hedge accounting.

i. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The fair value of certain of the Fund's investments may be significantly affected by changes in interest rates. The Fund's investments in leveraged loans through CLOs generate SOFR plus returns and are sensitive to interest rate levels and volatility. Although CLOs are structured to hedge interest rate risk to some degree through the use of matched funding, there may be some difference between the timing of SOFR resets on the liabilities and assets of a CLO, which could have a negative effect on the amount of funds distributed to residual tranche holders. In addition, many obligors have the ability to choose their loan base from among various terms of SOFR and the Prime Rate thereby generating an additional source of potential mismatch. Furthermore, in the event of a significant rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to affect the Fund's cash flow, fair value of its assets and operating results adversely.

Changes in interest rates may also affect the value of the Fund's investment in Acasta Global Fund. Generally, the value of convertible bonds and other fixed rate instruments will change inversely with changes in interest rates. The investment manager of Acasta Global Fund manages interest rate risk by, among other things, entering into interest rate swaps and other derivatives as and when required.

Notes to the financial statements

Note 6: Financial risks review (continued)

Market risk (continued)

The table below shows the sensitivity analysis for interest rates movement on the investment portfolio held by the Fund.

31 December 2024	Fair Value $M	Effects of +100bps change in interest rate on net assets $M	Effects of -100bps change in interest rate on net assets $M
U.S. CLOs	90.5	3.9	(3.8)
TCI II	18.6	1.0	(0.9)
TCI III	34.0	1.8	(1.8)
TCI IV	23.5	1.1	(1.1)
Acasta Global Fund	93.0	(2.5)	2.6
Total	**259.6**	**5.3**	**(5.0)**
31 December 2023			
U.S. CLOs	133.3	5.6	(5.6)
TCI II	29.7	1.3	(1.3)
TCI III	60.5	2.6	(2.6)
TCI IV	20.7	1.0	(1.0)
Acasta Global Fund	102.8	(1.6)	1.9
Total	**347.0**	**8.9**	**(8.6)**

ii. Currency risk

The Fund invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in Euro ("EUR"), Sterling ("GBP") and Norwegian Krone ("NOK").

Consequently, the Fund is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of the Fund's financial assets or financial liabilities denominated in currencies other than USD.

The Fund typically hedges against its currency risk, mainly by employing forward foreign exchange contracts. The currency exposure is monitored and managed on a daily basis.

At the reporting date, the carrying amount of the Fund's net financial assets and financial liabilities held in individual foreign currencies, expressed in USD were as follows.

The sensitivity analysis sets out the effect on the net assets and profit for the year of reasonably possible weakening of USD against EUR, GBP, and NOK by 5%. The analysis assumes that all other variables, in particular interest rates, remain constant.

31 December 2024	Net monetary assets and liabilities $M	Forward and prime broker foreign exchange hedging $M	Net exposure $M	Effect of 5% on exchange rate $M
CAD	4.9	–	4.9	0.2
EUR	52.1	(52.2)	(0.1)	–
GBP	985.0	(492.7)	492.3	24.6
NOK	37.7	(38.3)	0.1	–
Total	**1,080.4**	**(583.2)**	**497.2**	**24.8**
31 December 2023				
EUR	49.2	(44.9)	4.3	0.2
GBP	817.1	(433.3)	383.8	19.2
NOK	8.6	(9.2)	(0.6)	–
Total	**874.9**	**(487.4)**	**387.5**	**19.4**

A strengthening of the USD against the above currencies would have resulted in an equal but opposite effect to the amounts shown above.

Notes to the financial statements

Note 6: Financial risks review (continued)

Market risk (continued)

iii. Other price risk

'Other price risk' is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or by factors affecting all instruments traded in the market. The Investment Manager manages the Fund's price risk and monitors its overall market positions on a regular basis in accordance with the Fund's investment objectives and policies.

The following table sets out the concentration of the investment assets and liabilities, including derivatives held by the Fund as at the reporting date.

	% of net assets as at 31 Dec 2024	% of net assets as at 31 Dec 2023
Asset class		
Investment funds and vehicles	43.3%	44.8%
TFG Asset Management	49.6%	47.6%
CLO equity and debt tranches	2.9%	4.8%
Unlisted stock	8.0%	4.1%
Listed stock	6.7%	6.7%
Corporate bonds	–	0.6%
Contracts for difference	0.0%	0.0%
Forward foreign exchange contracts and options	0.5%	0.1%

The Investment Manager reviews the concentrations against the limits which are set and reviewed periodically. The table below shows the impact of a positive 1% movement in the price of these investments on the NAV and profits of the Fund. A negative 1% movement will have an equal and opposite effect.

	31 Dec 2024 $M	31 Dec 2023 $M
Asset class		
Investment funds and vehicles	13.7	12.7
TFG Asset Management	15.8	13.5
CLO equity and debt tranches	0.9	1.4
Unlisted stock	2.5	1.3
Listed stock	2.2	1.8
Corporate bonds	–	0.2
Contracts for difference	–	–
Forward foreign exchange contracts and options	–	–

Notes to the financial statements

Note 7: Other receivables and prepayments

	31 Dec 2024 $M	31 Dec 2023 $M
Other receivables	2.2	0.4
Prepayments	3.0	4.3
Total	**5.2**	**4.7**

Other receivables are expected to be settled within 12 months.

Note 8: Amounts due to brokers

	31 Dec 2024 $M	31 Dec 2023 $M
Amounts due to brokers	53.7	–
Value of collateral posted with brokers	226.4	186.6

The collateral is in the form of listed equities and derivatives. The Fund can draw cash on the back of these securities from the broker.

Note 9: Other payables and accrued expenses

	31 Dec 2024 $M	31 Dec 2023 $M
Incentive fee payable	35.6	16.3
Other payables and accrued expenses	2.5	5.8
Total	**38.1**	**22.1**

All other payables and accrued expenses are due within one year.

Note 10: Credit facility

The Fund has access to a US$ 400.0 million revolving credit facility with maturity date in July 2032. The facility is subject to a non-usage fee of 0.5% which is applied to the undrawn notional amount and a servicing fee of 0.015% of the total size of the facility. Any drawn portion incurs interest at a rate of 3M Term SOFR plus a spread of 3.40%.

	31 Dec 2024 $M	31 Dec 2023 $M
Drawn balance at start of the year	250.0	115.0
Interest and fees expensed	25.4	24.0
Interest and fees paid	(25.4)	(24.0)
Drawdowns	150.0	285.0
Repayments	(100.0)	(150.0)
Drawn balance at the end of the year	**300.0**	**250.0**

Notes to the financial statements

Note 11: Incentive fee

The Fund pays the Investment Manager an incentive fee for each calculation period (a period of three months ending on 31 March, 30 June, 30 September and 31 December in each year or as otherwise determined by the Directors) (the "Calculation Period") equal to 25% of the increase in the NAV of the Fund during the Calculation Period (before deduction of any dividend paid or the amount of any redemptions or repurchases of the shares (or other relevant capital adjustments) during such Calculation Period) above the Reference NAV (as defined below) plus the Hurdle (as defined below) for the Calculation Period. If the Hurdle is not met in any Calculation Period (and no incentive fee is paid), the shortfall will not carry forward to any subsequent Calculation Period.

The Hurdle for any Calculation Period will equal the Reference NAV (as defined below) multiplied by the Hurdle Rate (as defined below). The Hurdle Rate for any Calculation Period, prior to and including 30 June 2023, equals 3-month USD LIBOR determined as of 11:00 a.m. London time on the first London business day of the then current Calculation Period, plus the Hurdle Spread of 2.647858% per annum, multiplied by the actual number of days in the Calculation Period divided by 365. The Hurdle rate for any Calculation Period commencing with the Calculation Period beginning on 1 July 2023, equals Term SOFR as of 5:00 p.m. New York time on the first day of the applicable Calculation Period on which Term SOFR is published, plus the Hurdle Spread of 2.747858% per annum, multiplied by the actual number of days in the Calculation Period, divided by 365.

The "Reference NAV" is the greater of (i) the NAV at the end of the Calculation Period immediately preceding the current Calculation Period and (ii) the NAV as of the end of the Calculation Period immediately preceding the Calculation Period referred to in clause (i). For the purpose of determining the Reference NAV at the end of a Calculation Period, the NAV shall be adjusted by the amount of accrued dividends and the amounts of any redemptions or repurchase of the shares (or other relevant capital adjustments) and incentive fees to be paid with respect to that Calculation Period.

The incentive fee in respect of each Calculation Period is calculated by reference to the NAV before deduction of any accrued incentive fee. If the Investment Management Agreement is terminated other than at the end of a Calculation Period, the date of termination will be deemed to be the end of the Calculation Period. The incentive fee is normally payable in arrears after the end of the Calculation Period.

The incentive fee for the year ended 31 December 2024 was $87.3 million (2023: $16.3 million). $35.6 million (2023: $16.3 million) was outstanding as of 31 December 2024.

Note 12: Share capital

Authorised
The Fund has an authorised share capital of $1.0 million divided into 10 voting shares, having a par value of $0.001 each and 999,999,990 non-voting shares (which are the "shares" referred to herein), having a par value of $0.001 each.

Voting shares
All of the Fund's voting shares are issued at par and are beneficially owned by the Voting Shareholder, a non-U.S. affiliate of the Investment Manager. The voting shares will be the only shares entitled to vote for the election of Directors and on all other matters put to a vote of shareholders, subject to the limited rights of the shares described below. The voting shares are not entitled to receive dividends.

Non-voting shares
The shares carry a right to any dividends or other distributions declared by the Fund. The shares are not entitled to vote on any matter other than limited voting rights in respect of variation of their own class rights.

Dividend rights
Dividends may be paid to the holders of shares at the sole and absolute discretion of the Directors. The voting shares carry no rights to dividends.

Share Transactions	Voting Shares No.	Non-Voting Shares* No. M	Treasury Shares No. M	Shares held in Escrow No. M
Shares in issue at 1 January 2023	10	85.6	43.8	10.3
Stock dividends	–	1.3	(1.8)	0.5
Purchased during the year	–	(5.7)	5.7	–
Shares in issue at 31 December 2023	**10**	**81.2**	**47.7**	**10.8**
Stock dividends	–	1.3	(1.7)	0.4
Issued through release of tranche of escrow shares	–	3.6	–	(3.6)
Transferred to escrow	–	–	(7.7)	7.7
Purchased during the year	–	(4.1)	4.1	–
Shares in issue at 31 December 2024	**10**	**82.0**	**42.4**	**15.3**

*Non-voting shares do not include the treasury shares, or the shares held in escrow.

Optional stock dividend
The Fund has an Optional Stock Dividend Plan which offers investors an opportunity to elect to receive any declared dividend in the form of dividend shares at a reference price determined by calculating the five-day weighted average price post ex-dividend date.

During the year, a total dividend of $35.7 million (2023: $37.1 million) was declared, of which $21.7 million was paid out as a cash dividend (2023: $23.3 million), and the remaining $14.0 million (2023: $13.8 million) was reinvested under the Optional Stock Dividend Plan.

Treasury shares and share repurchases
Treasury shares consist of non-voting shares that have been bought-back by the Fund from its investors through various tender offers and plans. Whilst they are held by the Fund, the shares are neither eligible to receive dividends nor are they included in the shares outstanding in the Consolidated Statement of Financial Position.

During 2024, under the terms of "modified Dutch auction", the Fund accepted for purchase approximately 2.4 million (2023: 5.7 million) non-voting shares at an aggregate cost of $25.1 million (2023: $60.3 million), including applicable fees and expenses of $0.1 million (2023: $0.3 million).

Notes to the financial statements

Note 12: Share capital (continued)

The Fund made the following purchases of its own shares from related parties using the then-current share price:

Date	Purchased from	No. of shares	Cost ($M)	Then-current share price
January 2024	TFG Asset Management LP	464,581	4.6	$9.88
July 2024	TFG Asset Management LP	1,245,422	12.9	$10.30

Escrow Shares

Equity-based awards
Periodically, TFG Asset Management has awarded Tetragon's non-voting shares to certain of its senior employees (excluding the principals of the Investment Manager) under an equity-based long-term incentive plan and other equity-based award plans. Such awards are typically spread over multiple vesting periods and are subject to forfeiture provisions.

The arrangements may also include additional periods, beyond the vesting dates, during which employees gain exposure to the performance of the Fund's shares, but the shares are not issued to the employees. Such periods may range from one to five years beyond the vesting dates. The shares underlying these equity-based incentive programmes may be held in escrow until they vest and will be eligible to receive shares under the Optional Stock Dividend Plan.

During 2024, Tetragon contributed 4.2 million shares to the escrow account from treasury shares account in relation to the share awards made in 2021 and 2023, with imputed value of $54.2 million using the then-current price of $13.00.

Under IFRS 2, TFG Asset Management is considered to be the settling entity. As the Fund has contributed these shares, the Fund recorded the imputed value of the shares contributed to escrow as credit to share-based compensation reserve in the year in which the shares were acquired for this purpose, with a corresponding debit to the cost of investment in TFG Asset Management.

As part of the acquisition of TFG Asset Management by Tetragon in 2012, Reade Griffith and Paddy Dear were granted Tetragon non-voting shares which vested between 2015 and 2017.

For Mr. Griffith, this arrangement was replaced by an employment agreement entered into in July 2019, which covered his services to TFG Asset Management for the period through 30 June 2024. Under the terms of this agreement Mr. Griffith received/will receive the following:

- $9.5 million in cash in July 2019;
- $3.75 million in cash in July 2020;
- 0.3 million Tetragon non-voting shares in July 2021;
- 2.1 million Tetragon non-voting shares in July 2024; and
- between zero and an additional 3.15 million Tetragon non-voting shares – with the number of shares based on agreed-upon investment performance criteria – vesting in years 5, 6 and 7.

In July 2024, TFG Asset Management entered into an employment agreement with each of Mr. Griffith and Mr. Dear that covers their respective services to TFG Asset Management for the period through 30 June 2029. In Mr. Griffith's case, TFG Asset Management entered into this agreement to replace the arrangement described immediately above. In Mr. Dear's case, TFG Asset Management entered into this agreement due to a desire to increase Mr. Dear's level of involvement with TFG Asset Management. Mr. Griffith is a Founder and Principal of TFG Asset Management and is its Chief Investment Officer as well as the Chief Investment Officer of Westbourne River Partners (in addition to other roles). Mr. Dear is a Founder and Principal of TFG Asset Management (in addition to other roles).

Under the terms of this agreement, Mr. Griffith will receive the following:

- $10 million in cash per annum for five years to 30 June 2029;
- 625,000 Phantom Share Units (PSUs) vesting annually and rateably over the term of the agreement, with the value of each PSU indexed to the average Tetragon share price on Euronext Amsterdam during the five business days preceding the vesting date, plus dividend equivalents, which such vested PSUs will be settled in cash; and
- between zero and an additional 2.5 million Tetragon non-voting shares – with the number of shares based on agreed-upon investment performance criteria – vesting in years 5, 6 and 7.

Under the terms of this agreement, Mr. Dear will receive the following:

- US$ 2.0 million in cash per annum for five years to 30 June 2029;
- 150,000 PSUs vesting annually and rateably over the term of the agreement, with the value of each PSU indexed to the average Tetragon share price on Euronext Amsterdam during the five business days preceding the vesting date, plus dividend equivalents, which such vested PSUs will be settled in cash; and
- between zero and an additional 0.5 million Tetragon non-voting shares – with the number of shares based on agreed-upon investment performance criteria – vesting in years 5, 6 and 7.

All of the Tetragon non-voting shares, as well as certain cash payments, covered by the employment agreements are subject to forfeiture conditions. During 2024, Tetragon added 3.5 million shares to the escrow account. The shares will be held in escrow for release upon vesting and are eligible to participate in the optional stock dividend program, and as a result of subsequent dividends, further shares will be added to the escrow.

As the Fund has the obligation to settle the shares, this award is treated as equity-settled. The fair value of the share award is determined using the share price at grant date. The total expense is determined by multiplying the share price at grant date and the estimated number of shares that will vest. The expense is recognised in Consolidated Statement of Comprehensive Income on a straight-line basis over the vesting period. A corresponding entry is made to the share-based compensation reserve.

Notes to the financial statements

Note 12: Share capital (continued)

On 1 January 2020, the Independent Directors were awarded 24,490 shares each in Tetragon which vested on 31 December 2023. The fair value of the award, as determined by the share price on grant date of $12.25 per share, is $300,000 per Independent Director. In November 2023, a further 7,724 shares were awarded to each Independent Director with one-third of the shares vesting on 31 December 2023, 31 December 2024, and 31 December 2025. The fair value of the award, as determined by the relevant share price on grant date of $9.71 per share, is $75,000 per Independent Director. With respect to Director compensation from 1 January 2024, a further award of 10,122 shares were made to each Independent Director with 5,061 shares vesting on each of 31 December 2024 and 31 December 2025. The fair value of the awards as determined by the relevant share price of $9.88 per share is $100,000 per Independent Director.

The Independent Directors have deferred the settlement of all the awards to the earlier of three to five years from the vesting date and/or separation from service with the Fund. The expense is recognised on a straight-line basis in Consolidated Statement of Comprehensive Income over the vesting period of the awards. A corresponding entry is made to the share-based compensation reserve.

The following table shows the expense for each award up to the vesting date:

Shares estimated to vest (M)	Vesting date	Share price at grant date	2019 to 2022 $M	2023 $M	2024 $M	2025 $M	2026 $M	2027 $M	2028 $M	2029 $M
0.3	30 Jun 2021	$12.50	3.7		–	–	–	–	–	–
2.1	30 Jun 2024	$12.50	18.3	5.3	2.6	–	–	–	–	–
1.575*	30 Jun 2025*	$12.50	13.8	3.9	0.4	1.6	–	–	–	–
2.1**	30 Jun 2029**	$10.30	–		2.2	4.3	4.3	4.3	4.3	2.2
0.1	Up to 31 Dec 2025	$9.71 - $12.25	0.9	0.1	0.3	0.1	–	–	–	–
			36.7	**9.3**	**5.5**	**6.0**	**4.3**	**4.3**	**4.3**	**2.2**

*As of 31 December 2024, it is estimated that 1.575 million (2023: 1.575 million) of the maximum 3.15 million shares will vest according to the agreed-upon investment performance criteria at the end of year 6 with no shares vesting in years 7 (2023: vesting in year 5 with none in year 6 and 7). This estimate will be revised at each reporting date and as a result, future expense may be different from the expense presented in the table above.

**As of 31 December 2024, it is estimated that 2.1 million of the maximum 3.0 million shares will vest according to the agreed-upon investment performance criteria at the end of year 5 with no shares vesting in years 6 and 7. This estimate will be revised at each reporting date and as a result, future expense may be different from the expense presented in the table above.

As of 31 December 2024, 15.3 million (2023: 10.8 million) shares related to TFG Asset Management's employee reward schemes are held in escrow. During the year, 3.6 million shares (2023: nil) were released from escrow including stock dividends awarded on the original shares. $32.8 million (2023: nil) was transferred from share-based compensation reserve to other equity in relation to the original shares. An amount of $8.0 million (2023: nil) was released against retained earnings, based on the stock reference price at each applicable dividend date. Escrow shares are eligible for stock dividends and during the year, 0.4 million (2023: 0.5 million) shares were allocated to this account as dividends.

Share-based compensation reserve
The balance, $97.9 million (2023: $71.0 million) in share-based compensation reserve is related to equity-based awards as described above.

Capital management
The Fund's capital is represented by the ordinary share capital, other equity, and accumulated retained earnings, as disclosed in the Consolidated Statement of Financial Position. The Fund's capital is managed in accordance with its investment objective. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of its shares.

Notes to the financial statements

Note 13: Dividends

	31 Dec 2024 $M	31 Dec 2023 $M
Quarter ended 31 December 2022 of $0.1100 per share	–	9.4
Quarter ended 31 March 2023 of $0.1100 per share	–	9.2
Quarter ended 30 June 2023 of $0.1100 per share	–	9.2
Quarter ended 30 September 2023 of $0.1100 per share	–	9.3
Quarter ended 31 December 2023 of $0.1100 per share	9.0	–
Quarter ended 31 March 2024 of $0.1100 per share	8.8	–
Quarter ended 30 June 2024 of $0.1100 per share	8.9	–
Quarter ended 30 September 2024 of $0.1100 per share	9.0	–
Total	**35.7**	**37.1**

The fourth quarter dividend of $0.1100 per share was approved by the Directors on 4 March 2025 and has not been included as a liability in these financial statements.

Note 14: Contingencies and commitments

The Fund has the following unfunded commitments:

	31 Dec 2024 $M	31 Dec 2023 $M
Private equity funds	30.3	32.4
Contingency Capital funds	28.5	27.9
BGO investment vehicles	20.7	27.4
Tetragon Credit Income IV	1.3	6.1
TFG Asset Management loan commitments	–	1.6
Total	**80.8**	**95.4**

Note 15: Related-party transactions

Investment Manager

The Investment Manager is entitled to receive management fees equal to 1.5% per annum of the NAV of the Fund payable monthly in advance prior to the deduction of any accrued incentive fee. An incentive fee may be paid to the Investment Manager as disclosed in Note 11.

Voting Shareholder

The Voting Shareholder is an affiliate of the Investment Manager and holds all of the voting shares. As a result of its ownership and the degree of control that it exercises, the Voting Shareholder will be able to control the appointment and removal of the Fund's Directors (subject to applicable law). Affiliates of the Voting Shareholder also control the Investment Manager and, accordingly, control the Fund's business and affairs.

Directors

The remuneration for Directors shall be determined by resolution of the Voting Shareholder. Each of the Directors' annual fee for the year ended 31 December 2024 was $150,000 (2023: $125,000) as compensation for service as Directors of the Fund.

The Directors have the option to elect to receive shares in the Fund instead of the quarterly fee. The Directors did not opt to receive shares during 2024. In addition to the annual fee, the Fund has awarded its shares to the Independent Directors as described in Note 12.

Reade Griffith and Paddy Dear have waived their entitlement to a fee in respect of their services as Directors. The Directors are entitled to be repaid by the Fund all travel, hotel and other expenses reasonably incurred by them in the discharge of their duties. None of the Directors have a contract with the Fund providing for benefits upon termination of employment.

Reade Griffith, Paddy Dear, David O'Leary, Steven Hart, and Deron Haley – all Directors of the Fund during the year – maintained (directly or indirectly) interests in shares of the Fund as at 31 December 2024, with interests of 18,519,530, 5,952,492, 72,500, 41,462 and 41,462 shares respectively (2023: 16,500,187, 5,676,316, 61,596, 31,889 and 31,889 shares respectively).

Mr. Griffith and Mr. Dear have employment agreements with TFG Asset Management as described in Note 12.

Subsidiaries

The Fund has entered into share-based employee reward schemes with its subsidiary, TFG Asset Management LP. See Note 12 for details.

TFG Asset Management UK LLP and TFG Asset Management US LP (together the Service Providers) provide operational, financial control, trading, marketing and investor relations, legal, compliance, administrative, payroll and employee benefits and other services to the Investment Manager in exchange for fees payable by the Investment Manager to the Service Providers. One of these entities, TFG Asset Management UK LLP, which is authorised and regulated by the United Kingdom Financial Conduct Authority, also provides services to the Investment Manager relating to the dealing in and management of investments, arranging of deals and advising on investments.

TFG Asset Management, through the Service Providers, has implemented a cost-allocation methodology with the objective of allocating service-related costs, including to the Investment Manager. TFG Asset Management then charges fees for the services allocated on a cost-recovery basis that is designed to achieve full recovery of the allocated costs. In the year, the amount recharged to the Investment Manager was $19.6 million (2023: $21.6 million). As at 31 December 2024, the outstanding balance due from the Investment Manager was $0.1 million (2023: $0.3 million). During the year ended 31 December 2024, the Fund purchased its own shares from TFG Asset Management LP. See Note 12 for details.

Notes to the financial statements

Note 15: Related-party transactions (continued)

Reade Griffith and Paddy Dear continue to hold membership interests in TFG Asset Management UK LLP (the "U.K. Investment Manager") which collectively entitle them to exercise all of the voting rights in respect of the U.K. Investment Manager.

As part of the acquisition of TFG Asset Management in 2012, Mr. Griffith and Mr. Dear have agreed that they will (i) exercise their voting rights in a manner that is consistent with the best interests of the Fund and (ii) upon the request of the Fund, for nominal consideration, sell, transfer, and deliver their membership interests in TFG Asset Management UK LLP to the Fund.

Reade Griffith and Paddy Dear also hold membership interests in Pace Cayman Holdco Limited or Pace Holdco, an entity through which the Fund ultimately owns its equity stake in Equitix. These membership interests collectively entitle them to exercise all of the voting rights in respect of Pace Holdco. Mr. Griffith and Mr. Dear have agreed that they will (i) exercise their voting rights in a manner that is consistent with the best interests of the Fund and (ii) upon the request of the Fund, for nominal consideration, sell, transfer, and deliver their membership interests in Pace Holdco to the Fund.

Investments in internally-managed funds

The Fund holds various investments in funds managed within the TFG Asset Management business. Please see Note 5 for details of these investments and Note 14 for the unfunded commitments related to these funds.

Note 16: Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Year ended 31 Dec 2024 $M	Year ended 31 Dec 2023 $M
Earnings for the purposes of basic earnings per share being net profit attributable to shareholders for the year	352.2	141.1
	Millions of shares	**Millions of shares**
Weighted average number of shares for the purposes of basic earnings per share	85.3	87.3
Effect of dilutive potential shares		
Share-based employee compensation – equity-based awards	4.1	4.9
Weighted average number of shares for the purposes of diluted earnings per share	89.4	92.2
Earnings per share	**$**	**$**
Basic	4.13	1.62
Diluted	3.94	1.53

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding assuming conversion of all dilutive potential shares. Share-based employee compensation shares are dilutive potential shares.

In respect of share-based employee compensation – equity-based awards, it is assumed that all of the time-based shares currently held in escrow will be released, thereby increasing the weighted average number of shares. The number of dilutive performance-based shares is based on the number of shares that would be issuable if the end of the period were the end of the performance period.

Notes to the financial statements

Note 17: Segment information

IFRS 8 *Operating Segments* requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes.

For management purposes, the Fund is organised into one main operating segment – its investment portfolio – which invests, either directly or via fund vehicles, in a range of alternative asset classes including equity securities, debt instruments, real estate, infrastructure, loans and related derivatives. The Fund's investment activities are all determined by the Investment Manager in accordance with the Fund's investment objective.

All of the Fund's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Fund as one segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole. The shares in issue are in US Dollars.

The Fund's investment geographical exposure is as follows:

Region	31 Dec 2024	31 Dec 2023
Europe	49%	50%
North America	42%	42%
Asia Pacific	8%	7%
Latin America	1%	1%

Note 18: Subsequent events

The Directors have evaluated the period up to 4 March 2025, which is the date that the financial statements were approved. The Directors have concluded that there are no material events that require disclosure or adjustment to the financial statements.

Note 19: Approval of financial statements

The Directors approved and authorised for issue the financial statements on 4 March 2025.

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