

## Second Quarter 2021 Results

29 July 2021

Janus Henderson Group plc (ASX:JHG; 'Janus Henderson') today published its second quarter results for the period ended 30 June 2021.

A copy of the Group's Half Year Results Announcement (Appendix 4D) is included below.

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### Authorised by:

Michelle Rosenberg, Company Secretary

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### About Janus Henderson

Janus Henderson Group is a leading global active asset manager dedicated to helping investors achieve long-term financial goals through a broad range of investment solutions, including equities, fixed income, quantitative equities, multi-asset and alternative asset class strategies.

At 30 June 2021, Janus Henderson had approximately US\$428 billion in assets under management, more than 2,000 employees, and offices in 25 cities worldwide. Headquartered in London, the company is listed on the New York Stock Exchange (NYSE) and the Australian Securities Exchange (ASX).

**Janus Henderson Group plc Reports Second Quarter 2021 Diluted EPS of US\$0.79,  
or US\$1.16 on an Adjusted Basis**

- Solid long-term investment performance, with 66% and 63% of assets under management ('AUM') outperforming relevant benchmarks on a three- and five-year basis, respectively, as at 30 June 2021
- Second quarter 2021 operating income was US\$225.0 million; second quarter 2021 adjusted operating income of US\$269.3 million increased 95% compared to the same period a year ago
- AUM of US\$427.6 billion increased 6% compared to the prior quarter, reflecting positive markets partially offset by net outflows of US\$(2.5) billion
- Board declared quarterly dividend of US\$0.38 per share and approved authorisation of US\$200 million of buybacks through April 2022

LONDON — Janus Henderson Group plc (NYSE/ASX: JHG; 'JHG', 'the Group') published its second quarter 2021 results for the period ended 30 June 2021.

Second quarter 2021 operating income was US\$225.0 million compared to US\$192.5 million in the first quarter 2021 and US\$106.7 million in the second quarter 2020. Adjusted operating income, adjusted for one-time, acquisition and transaction related costs, was US\$269.3 million in the second quarter 2021 compared to US\$201.5 million in the first quarter 2021 and US\$138.4 million in the second quarter 2020.

Second quarter 2021 diluted earnings per share of US\$0.79 decreased 10% compared to US\$0.88 in the first quarter 2021 and increased 44% compared to US\$0.55 in the second quarter 2020. Adjusted diluted earnings per share of US\$1.16 in the second quarter 2021 increased 27% compared to US\$0.91 in the first quarter 2021 and increased 73% versus US\$0.67 in the second quarter 2020.

**Dick Weil, Chief Executive Officer of Janus Henderson Group plc, stated:**

"Second quarter financial results were extremely strong, reflecting growth in assets due to positive markets and good investment performance which translated into significant performance fees, adjusted operating income and EPS. Our strong balance sheet, cash flow generation and financial discipline allow us to increase the return of excess cash to shareholders with the US\$200 million accretive buyback announced today.

"While we continue to make progress towards sustained organic growth, we are winning high-quality new business which is driving our net management fee rate higher during a period of fee compression in the industry. I am confident that our strategy of Simple Excellence has us on the right path to a stronger, more profitable and resilient company positioned well for long-term growth and value creation."

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

These results for announcement to the market include the interim information required to be provided to the Australian Securities Exchange (ASX) under Listing Rule 4.2A and Appendix 4D.

### SUMMARY OF FINANCIAL RESULTS (unaudited) (in US\$ millions, except per share data or as noted)

The Group presents its financial results in US\$ and in accordance with accounting principles generally accepted in the United States of America ('US GAAP' or 'GAAP'). However, JHG management evaluates the profitability of the Group and its ongoing operations using additional non-GAAP financial measures. Management uses these performance measures to evaluate the business, and adjusted values are consistent with internal management reporting. See 'Reconciliation of non-GAAP financial information' below for additional information.

|                                       | Six months ended |                |          |
|---------------------------------------|------------------|----------------|----------|
|                                       | 30 Jun<br>2021   | 30 Jun<br>2020 | % change |
| <b>GAAP basis:</b>                    |                  |                |          |
| Revenue                               | 1,382.4          | 1,072.9        | 29 %     |
| Operating expenses                    | 964.9            | 1,298.6        | (26)%    |
| Operating income (loss)               | 417.5            | (225.7)        | nm       |
| Operating margin                      | 30.2 %           | (21.0)%        | nm       |
| Net income (loss) attributable to JHG | 292.8            | (144.1)        | nm       |
| Diluted earnings (loss) per share     | 1.67             | (0.79)         | nm       |

|                                |         |        |         |
|--------------------------------|---------|--------|---------|
| <b>Adjusted basis:</b>         |         |        |         |
| Revenue                        | 1,120.2 | 856.0  | 31 %    |
| Operating expenses             | 649.4   | 553.1  | 17 %    |
| Operating income               | 470.8   | 302.9  | 55 %    |
| Operating margin               | 42.0 %  | 35.4 % | 6.6 ppt |
| Net income attributable to JHG | 362.0   | 239.3  | 51 %    |
| Diluted earnings per share     | 2.07    | 1.28   | 61 %    |

|                                | Three months ended |                |                |
|--------------------------------|--------------------|----------------|----------------|
|                                | 30 Jun<br>2021     | 31 Mar<br>2021 | 30 Jun<br>2020 |
| <b>GAAP basis:</b>             |                    |                |                |
| Revenue                        | 738.4              | 644.0          | 518.0          |
| Operating expenses             | 513.4              | 451.5          | 411.3          |
| Operating income               | 225.0              | 192.5          | 106.7          |
| Operating margin               | 30.5 %             | 29.9 %         | 20.6 %         |
| Net income attributable to JHG | 137.3              | 155.5          | 102.9          |
| Diluted earnings per share     | 0.79               | 0.88           | 0.55           |

|                                |        |        |        |
|--------------------------------|--------|--------|--------|
| <b>Adjusted basis:</b>         |        |        |        |
| Revenue                        | 603.6  | 516.6  | 413.3  |
| Operating expenses             | 334.3  | 315.1  | 274.9  |
| Operating income               | 269.3  | 201.5  | 138.4  |
| Operating margin               | 44.6 % | 39.0 % | 33.5 % |
| Net income attributable to JHG | 200.5  | 161.5  | 126.6  |
| Diluted earnings per share     | 1.16   | 0.91   | 0.67   |

## DIVIDEND AND SHARE BUYBACK

On 28 July 2021, the Board declared a second quarter dividend in respect of the three months ended 30 June 2021 of US\$0.38 per share. Shareholders on the register on the record date of 9 August 2021 will be paid the dividend on 25 August 2021. Janus Henderson does not offer a dividend reinvestment plan.

Additionally, on 28 July 2021, and subject to formally appointing a corporate broker, the Board authorised JHG commencing a new on-market buyback programme in 2021, on a date to be determined and announced by JHG. The Group intends to spend up to US\$200 million to buy its ordinary shares on the NYSE and its CHES Depositary Interests (CDIs) on the ASX through April 2022. Further information regarding the proposed on-market buyback programme will be announced immediately prior to its finalisation and formal launch.

### Net tangible assets per share

| US\$                                                   | 30 Jun 2021 | 30 Jun 2020 |
|--------------------------------------------------------|-------------|-------------|
| Net tangible assets / (liabilities) per ordinary share | 3.56        | 2.61        |

Net tangible assets are defined by the ASX as being total assets less intangible assets less total liabilities ranking ahead of, or equally with, claims of ordinary shares.

## AUM AND FLOWS (in US\$ billions)

FX reflects movement in AUM resulting from changes in foreign currency rates as non-US\$ denominated AUM is translated into US\$. Redemptions include impact of client switches.

### Total Group comparative AUM and flows

|                           | Three months ended |                |                |
|---------------------------|--------------------|----------------|----------------|
|                           | 30 Jun<br>2021     | 31 Mar<br>2021 | 30 Jun<br>2020 |
| <b>Opening AUM</b>        | <b>405.1</b>       | <b>401.6</b>   | <b>294.4</b>   |
| Sales                     | 18.4               | 20.7           | 17.9           |
| Redemptions               | (20.9)             | (24.0)         | (26.1)         |
| Net sales / (redemptions) | (2.5)              | (3.3)          | (8.2)          |
| Market / FX               | 25.0               | 6.8            | 50.5           |
| <b>Closing AUM</b>        | <b>427.6</b>       | <b>405.1</b>   | <b>336.7</b>   |

### Quarterly AUM and flows by capability

|                           | Equities     | Fixed<br>Income | Multi-Asset | Quantitative<br>Equities | Alternatives | Total        |
|---------------------------|--------------|-----------------|-------------|--------------------------|--------------|--------------|
| <b>AUM 30 Jun 2020</b>    | <b>179.1</b> | <b>70.2</b>     | <b>40.3</b> | <b>37.5</b>              | <b>9.6</b>   | <b>336.7</b> |
| Sales                     | 5.8          | 5.9             | 2.3         | 1.3                      | 0.5          | 15.8         |
| Redemptions               | (10.9)       | (4.1)           | (1.7)       | (1.4)                    | (0.6)        | (18.7)       |
| Net sales / (redemptions) | (5.1)        | 1.8             | 0.6         | (0.1)                    | (0.1)        | (2.9)        |
| Market / FX               | 14.9         | 3.1             | 2.7         | 3.3                      | 0.5          | 24.5         |
| <b>AUM 30 Sep 2020</b>    | <b>188.9</b> | <b>75.1</b>     | <b>43.6</b> | <b>40.7</b>              | <b>10.0</b>  | <b>358.3</b> |
| Sales                     | 10.3         | 8.7             | 3.1         | 0.3                      | 0.8          | 23.2         |
| Redemptions               | (10.4)       | (7.5)           | (1.9)       | (3.7)                    | (0.8)        | (24.3)       |
| Net sales / (redemptions) | (0.1)        | 1.2             | 1.2         | (3.4)                    | —            | (1.1)        |
| Market / FX               | 30.6         | 5.2             | 3.2         | 4.7                      | 0.7          | 44.4         |
| <b>AUM 31 Dec 2020</b>    | <b>219.4</b> | <b>81.5</b>     | <b>48.0</b> | <b>42.0</b>              | <b>10.7</b>  | <b>401.6</b> |
| Sales                     | 10.5         | 5.9             | 3.0         | 0.2                      | 1.1          | 20.7         |
| Redemptions               | (12.0)       | (5.5)           | (2.2)       | (2.3)                    | (2.0)        | (24.0)       |
| Net sales / (redemptions) | (1.5)        | 0.4             | 0.8         | (2.1)                    | (0.9)        | (3.3)        |
| Market / FX               | 7.0          | (2.4)           | 0.7         | 1.4                      | 0.1          | 6.8          |
| <b>AUM 31 Mar 2021</b>    | <b>224.9</b> | <b>79.5</b>     | <b>49.5</b> | <b>41.3</b>              | <b>9.9</b>   | <b>405.1</b> |
| Sales                     | 8.6          | 5.9             | 2.4         | 0.2                      | 1.3          | 18.4         |
| Redemptions               | (10.5)       | (6.0)           | (1.9)       | (1.5)                    | (1.0)        | (20.9)       |
| Net sales / (redemptions) | (1.9)        | (0.1)           | 0.5         | (1.3)                    | 0.3          | (2.5)        |
| Market / FX               | 17.1         | 1.1             | 3.2         | 3.4                      | 0.2          | 25.0         |
| <b>AUM 30 Jun 2021</b>    | <b>240.1</b> | <b>80.5</b>     | <b>53.2</b> | <b>43.4</b>              | <b>10.4</b>  | <b>427.6</b> |

### Average AUM

|                       | Three months ended |                |                |
|-----------------------|--------------------|----------------|----------------|
|                       | 30 Jun<br>2021     | 31 Mar<br>2021 | 30 Jun<br>2020 |
| Equities              | 235.3              | 223.6          | 168.7          |
| Fixed Income          | 80.7               | 80.9           | 68.7           |
| Multi-Asset           | 51.8               | 48.7           | 38.3           |
| Quantitative Equities | 42.9               | 41.5           | 38.0           |
| Alternatives          | 10.1               | 10.6           | 9.3            |
| <b>Total</b>          | <b>420.8</b>       | <b>405.3</b>   | <b>323.0</b>   |

## INVESTMENT PERFORMANCE

### % of AUM outperforming benchmark (at 30 June 2021)

| Capability            | 1-year      | 3-year      | 5-year      |
|-----------------------|-------------|-------------|-------------|
| Equities              | 56 %        | 56 %        | 55 %        |
| Fixed Income          | 98 %        | 96 %        | 97 %        |
| Multi-Asset           | 98 %        | 97 %        | 97 %        |
| Quantitative Equities | 23 %        | 23 %        | 2 %         |
| Alternatives          | 98 %        | 97 %        | 100 %       |
| <b>Total</b>          | <b>66 %</b> | <b>66 %</b> | <b>63 %</b> |

Outperformance is measured based on composite performance gross of fees vs primary benchmark, except where a strategy has no benchmark index or corresponding composite in which case the most relevant metric is used: (1) composite gross of fees vs zero for absolute return strategies, (2) fund net of fees vs primary index or (3) fund net of fees vs Morningstar peer group average or median. Non-discretionary and separately managed account assets are included with a corresponding composite where applicable.

Cash management vehicles, ETFs, Managed CDOs, Private Equity funds and custom non-discretionary accounts with no corresponding composite are excluded from the analysis. Excluded assets represent 5% of AUM as at 30 June 2021. Capabilities defined by Janus Henderson.

### % of mutual fund AUM in top 2 Morningstar quartiles (at 30 June 2021)

| Capability            | 1-year      | 3-year      | 5-year      |
|-----------------------|-------------|-------------|-------------|
| Equities              | 32 %        | 59 %        | 44 %        |
| Fixed Income          | 57 %        | 80 %        | 75 %        |
| Multi-Asset           | 19 %        | 92 %        | 91 %        |
| Quantitative Equities | 41 %        | 47 %        | 7 %         |
| Alternatives          | 27 %        | 76 %        | 27 %        |
| <b>Total</b>          | <b>33 %</b> | <b>67 %</b> | <b>55 %</b> |

Includes Janus Investment Fund, Janus Aspen Series and Clayton Street Trust (US Trusts), Janus Henderson Capital Funds (Dublin based), Dublin and UK OEIC and Investment Trusts, Luxembourg SICAVs and Australian Managed Investment Schemes. The top two Morningstar quartiles represent funds in the top half of their category based on total return. On an asset-weighted basis, 75% of total mutual fund AUM was in the top 2 Morningstar quartiles for the 10-year period ending 30 June 2021. For the 1-, 3-, 5- and 10-year periods ending 30 June 2021, 42%, 56%, 51% and 60% of the 196, 185, 182 and 148 total mutual funds, respectively, were in the top 2 Morningstar quartiles.

Analysis based on 'primary' share class (Class I Shares, Institutional Shares or share class with longest history for US Trusts; Class A Shares or share class with longest history for Dublin based; primary share class as defined by Morningstar for other funds). Performance may vary by share class. Rankings may be based, in part, on the performance of a predecessor fund or share class and are calculated by Morningstar using a methodology that differs from that used by Janus Henderson. Methodology differences may have a material effect on the return and therefore the ranking. When an expense waiver is in effect, it may have a material effect on the total return, and therefore the ranking for the period.

ETFs and funds not ranked by Morningstar are excluded from the analysis. Capabilities defined by Janus Henderson. © 2021 Morningstar, Inc. All Rights Reserved.

## THIRD QUARTER 2021 RESULTS

Janus Henderson intends to publish its third quarter 2021 results on 28 October 2021.

## SECOND QUARTER 2021 RESULTS BRIEFING INFORMATION

Chief Executive Officer Dick Weil and Chief Financial Officer Roger Thompson will present these results on 29 July 2021 on a conference call and webcast to be held at 8am EDT, 1pm BST, 10pm AEST.

Those wishing to participate should call:

|                      |                                         |
|----------------------|-----------------------------------------|
| United Kingdom       | 0800 279 9489 (toll free)               |
| United States        | 866 270 1533 (toll free)                |
| Australia            | 1 800 121 301 (toll free)               |
| All other countries  | +1 412 317 0797 (this is not toll free) |
| <i>Conference ID</i> | <i>10157508</i>                         |

Access to the webcast and accompanying slides will be available via the investor relations section of Janus Henderson's website ([ir.janushenderson.com](http://ir.janushenderson.com)).

### About Janus Henderson

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## FINANCIAL DISCLOSURES

### Condensed consolidated statements of comprehensive income (unaudited)

| (in US\$ millions, except per share data or as noted)            | Three months ended |                |                |
|------------------------------------------------------------------|--------------------|----------------|----------------|
|                                                                  | 30 Jun<br>2021     | 31 Mar<br>2021 | 30 Jun<br>2020 |
| <b>Revenue:</b>                                                  |                    |                |                |
| Management fees                                                  | 544.1              | 514.9          | 407.7          |
| Performance fees                                                 | 77.4               | 17.0           | 17.2           |
| Shareowner servicing fees                                        | 64.0               | 60.8           | 47.3           |
| Other revenue                                                    | 52.9               | 51.3           | 45.8           |
| <b>Total revenue</b>                                             | <b>738.4</b>       | <b>644.0</b>   | <b>518.0</b>   |
| <b>Operating expenses:</b>                                       |                    |                |                |
| Employee compensation and benefits                               | 192.4              | 174.6          | 145.8          |
| Long-term incentive plans                                        | 49.8               | 53.5           | 49.1           |
| Distribution expenses                                            | 134.8              | 127.4          | 104.7          |
| Investment administration                                        | 13.1               | 12.6           | 12.6           |
| Marketing                                                        | 6.7                | 6.2            | 3.7            |
| General, administrative and occupancy                            | 65.7               | 63.0           | 58.0           |
| Impairment of goodwill and intangible assets                     | 40.8               | 3.6            | 26.4           |
| Depreciation and amortisation                                    | 10.1               | 10.6           | 11.0           |
| <b>Total operating expenses</b>                                  | <b>513.4</b>       | <b>451.5</b>   | <b>411.3</b>   |
| <b>Operating income</b>                                          | <b>225.0</b>       | <b>192.5</b>   | <b>106.7</b>   |
| Interest expense                                                 | (3.2)              | (3.2)          | (3.2)          |
| Investment gains, net                                            | 1.8                | 1.6            | 50.3           |
| Other non-operating income (expense), net                        | (2.7)              | (0.1)          | 8.6            |
| Income before taxes                                              | 220.9              | 190.8          | 162.4          |
| Income tax provision                                             | (79.7)             | (43.1)         | (30.1)         |
| Net income                                                       | 141.2              | 147.7          | 132.3          |
| Net loss (income) attributable to noncontrolling interests       | (3.9)              | 7.8            | (29.4)         |
| <b>Net income attributable to JHG</b>                            | <b>137.3</b>       | <b>155.5</b>   | <b>102.9</b>   |
| Less: allocation of earnings to participating stock-based awards | (3.9)              | (4.8)          | (3.0)          |
| <b>Net income attributable to JHG common shareholders</b>        | <b>133.4</b>       | <b>150.7</b>   | <b>99.9</b>    |
| Basic weighted-average shares outstanding <i>(in millions)</i>   | 167.6              | 171.0          | 181.8          |
| Diluted weighted-average shares outstanding <i>(in millions)</i> | 168.1              | 171.8          | 182.1          |
| <b>Diluted earnings per share <i>(in US\$)</i></b>               | <b>0.79</b>        | <b>0.88</b>    | <b>0.55</b>    |



## Reconciliation of non-GAAP financial information

In addition to financial results reported in accordance with GAAP, we compute certain financial measures using non-GAAP components, as defined by the SEC. These measures are not in accordance with, or a substitute for, GAAP, and our financial measures may be different from non-GAAP financial measures used by other companies. We have provided a reconciliation of our non-GAAP components to the most directly comparable GAAP components. The following are reconciliations of US GAAP revenue, operating expenses, operating income, net income attributable to JHG and diluted earnings per share to adjusted revenue, adjusted operating expenses, adjusted operating income, adjusted net income attributable to JHG and adjusted diluted earnings per share.

| (in US\$ millions, except per share data or as noted)                                              | Three months ended |                |                |
|----------------------------------------------------------------------------------------------------|--------------------|----------------|----------------|
|                                                                                                    | 30 Jun<br>2021     | 31 Mar<br>2021 | 30 Jun<br>2020 |
| <b>Reconciliation of revenue to adjusted revenue</b>                                               |                    |                |                |
| Revenue                                                                                            | 738.4              | 644.0          | 518.0          |
| Management fees <sup>1</sup>                                                                       | (49.6)             | (46.8)         | (40.2)         |
| Shareowner servicing fees <sup>1</sup>                                                             | (53.1)             | (50.0)         | (39.0)         |
| Other revenue <sup>1</sup>                                                                         | (32.1)             | (30.6)         | (25.5)         |
| Adjusted revenue                                                                                   | 603.6              | 516.6          | 413.3          |
| <b>Reconciliation of operating expenses to adjusted operating expenses</b>                         |                    |                |                |
| Operating expenses                                                                                 | 513.4              | 451.5          | 411.3          |
| Employee compensation and benefits <sup>2</sup>                                                    | —                  | —              | (0.5)          |
| Long-term incentive plans <sup>2</sup>                                                             | 0.1                | 0.1            | 0.2            |
| Distribution expenses <sup>1</sup>                                                                 | (134.8)            | (127.4)        | (104.7)        |
| General, administration and occupancy <sup>2</sup>                                                 | (1.7)              | (3.6)          | (2.8)          |
| Impairment of goodwill and intangible assets <sup>3</sup>                                          | (40.8)             | (3.6)          | (26.4)         |
| Depreciation and amortisation <sup>3</sup>                                                         | (1.9)              | (1.9)          | (2.2)          |
| Adjusted operating expenses                                                                        | 334.3              | 315.1          | 274.9          |
| Adjusted operating income                                                                          | 269.3              | 201.5          | 138.4          |
| Operating margin                                                                                   | 30.5 %             | 29.9 %         | 20.6 %         |
| Adjusted operating margin                                                                          | 44.6 %             | 39.0 %         | 33.5 %         |
| <b>Reconciliation of net income attributable to JHG to adjusted net income attributable to JHG</b> |                    |                |                |
| Net income attributable to JHG                                                                     | 137.3              | 155.5          | 102.9          |
| Employee compensation and benefits <sup>2</sup>                                                    | —                  | —              | 0.5            |
| Long-term incentive plans <sup>2</sup>                                                             | (0.1)              | (0.1)          | (0.2)          |
| General, administration and occupancy <sup>2</sup>                                                 | 1.7                | 3.6            | 2.8            |
| Impairment of goodwill and intangible assets <sup>3</sup>                                          | 40.8               | 3.6            | 26.4           |
| Depreciation and amortisation <sup>3</sup>                                                         | 1.9                | 1.9            | 2.2            |
| Investment gains, net <sup>4</sup>                                                                 | —                  | 0.2            | —              |
| Other non-operating income (expense), net <sup>4</sup>                                             | (1.7)              | (1.8)          | (0.6)          |
| Income tax benefit (provision) <sup>5</sup>                                                        | 20.6               | (1.4)          | (7.4)          |
| Adjusted net income attributable to JHG                                                            | 200.5              | 161.5          | 126.6          |
| Less: allocation of earnings to participating stock-based awards                                   | (5.7)              | (5.0)          | (3.7)          |
| Adjusted net income attributable to JHG common shareholders                                        | 194.8              | 156.5          | 122.9          |
| Weighted-average diluted common shares outstanding – diluted (two class) (in millions)             | 168.1              | 171.8          | 182.1          |
| Diluted earnings per share (two class) (in US\$)                                                   | 0.79               | 0.88           | 0.55           |
| Adjusted diluted earnings per share (two class) (in US\$)                                          | 1.16               | 0.91           | 0.67           |

<sup>1</sup> JHG contracts with third-party intermediaries to distribute and service certain of its investment products. Fees for distribution and servicing related activities are either provided for separately in an investment product's prospectus or are part of the management fee. Under both arrangements, the fees are collected by JHG and passed through to third-party intermediaries who are responsible for performing the applicable services. The majority of distribution and servicing fees collected by JHG are passed through to third-party intermediaries. JHG management believes that the deduction of distribution and service fees from revenue in the computation of adjusted revenue reflects the pass-through nature of these revenues. In certain arrangements, JHG performs the distribution and

servicing activities and retains the applicable fees. Revenues for distribution and servicing activities performed by JHG are not deducted from GAAP revenue.

- <sup>2</sup> Adjustments primarily represent rent expense for subleased office space as well as administrative costs related to Dai-ichi Life's secondary offering. JHG management believes these costs are not representative of the ongoing operations of the Group.
- <sup>3</sup> Investment management contracts have been identified as a separately identifiable intangible asset arising on the acquisition of subsidiaries and businesses. Such contracts are recognised at the net present value of the expected future cash flows arising from the contracts at the date of acquisition. For segregated mandate contracts, the intangible asset is amortised on a straight-line basis over the expected life of the contracts. Adjustments also include impairment charges of our goodwill and certain mutual fund investment management agreements, client relationships and trademarks. JHG management believes these non-cash and acquisition-related costs are not representative of the ongoing operations of the Group.
- <sup>4</sup> Adjustments primarily relate to contingent consideration adjustments associated with prior acquisitions. JHG management believes these costs are not representative of the ongoing operations of the Group.
- <sup>5</sup> The tax impact of the adjustments is calculated based on the applicable US or foreign statutory tax rate as it relates to each adjustment. Certain adjustments are either not taxable or not tax-deductible. Adjustments for the three months ended 30 June 2021 include a non-cash deferred tax expense of US\$31.0 million due to the enactment of Finance Act 2021 during the second quarter 2021.

## Condensed consolidated balance sheets (unaudited)

| (in US\$ millions)                                                       | 30 Jun<br>2021 | 31 Dec<br>2020 |
|--------------------------------------------------------------------------|----------------|----------------|
| <b>Assets:</b>                                                           |                |                |
| Cash and cash equivalents                                                | 966.9          | 1,099.7        |
| Investment securities                                                    | 270.2          | 268.1          |
| Property, equipment and software, net                                    | 66.4           | 77.9           |
| Intangible assets and goodwill, net                                      | 4,027.2        | 4,070.2        |
| Assets of consolidated variable interest entities                        | 228.9          | 226.5          |
| Other assets                                                             | 1,070.9        | 948.4          |
| <b>Total assets</b>                                                      | <b>6,630.5</b> | <b>6,690.8</b> |
| <b>Liabilities, redeemable noncontrolling interests and equity:</b>      |                |                |
| Long-term debt                                                           | 311.9          | 313.3          |
| Deferred tax liabilities, net                                            | 648.2          | 627.4          |
| Liabilities of consolidated variable interest entities                   | 4.2            | 3.2            |
| Other liabilities                                                        | 899.7          | 927.3          |
| Redeemable noncontrolling interests                                      | 124.9          | 85.8           |
| Total equity                                                             | 4,641.6        | 4,733.8        |
| <b>Total liabilities, redeemable noncontrolling interests and equity</b> | <b>6,630.5</b> | <b>6,690.8</b> |

## Condensed consolidated statements of cash flows (unaudited)

| (in US\$ millions)                  | Three months ended |                |                |
|-------------------------------------|--------------------|----------------|----------------|
|                                     | 30 Jun<br>2021     | 31 Mar<br>2021 | 30 Jun<br>2020 |
| <b>Cash provided by (used for):</b> |                    |                |                |
| Operating activities                | 269.0              | 25.8           | 204.6          |
| Investing activities                | (66.3)             | 23.4           | (166.8)        |
| Financing activities                | (62.0)             | (322.5)        | 37.4           |
| Effect of exchange rate changes     | —                  | 1.8            | 3.0            |
| <b>Net change during period</b>     | <b>140.7</b>       | <b>(271.5)</b> | <b>78.2</b>    |

## **STATUTORY DISCLOSURES**

### **Associates and joint ventures**

At 30 June 2021, the Group holds interests in the following associates and joint ventures managed through shareholder agreements with third party investors, accounted for under the equity method:

- LongTail Alpha LLC ownership 20%

### **Basis of preparation**

In the opinion of management of Janus Henderson Group plc, the condensed consolidated financial statements contain all normal recurring adjustments necessary to fairly present the financial position, results of operations and cash flows of JHG in accordance with US GAAP. Such financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The financial statements should be read in conjunction with the annual consolidated financial statements and notes presented in Janus Henderson Group's Annual Report on Form 10-K for the year ended 31 December 2020, on file with the SEC (Commission file no. 001-38103). Events subsequent to the balance sheet date have been evaluated for inclusion in the financial statements through the issuance date and are included in the notes to the condensed consolidated financial statements.

### **Corporate governance principles and recommendations**

In the opinion of the Directors, the financial records of the Group have been properly maintained, and the Condensed Consolidated Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group. This opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## FORWARD-LOOKING STATEMENTS DISCLAIMER

Past performance is no guarantee of future results. Investing involves risk, including the possible loss of principal and fluctuation of value.

This document includes statements concerning potential future events involving Janus Henderson Group plc that could differ materially from the events that actually occur. The differences could be caused by a number of factors including those factors identified in Janus Henderson Group's Annual Report on Form 10-K for the fiscal year ended 31 December 2020 and in other filings or furnishings made by the Company with the Securities and Exchange Commission from time to time (Commission file no. 001-38103), including those that appear under headings such as 'Risk Factors' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations'. Many of these factors are beyond the control of JHG and its management. Any forward-looking statements contained in this document are as at the date on which such statements were made. Janus Henderson Group undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except as required by law.

Annualised, pro forma, projected and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

Not all products or services are available in all jurisdictions.

Mutual funds in the US are distributed by Janus Henderson Distributors.

**Please consider the charges, risks, expenses and investment objectives carefully before investing. For a US fund prospectus or, if available, a summary prospectus containing this and other information, please contact your investment professional or call 800.668.0434. Read it carefully before you invest or send money.**

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# PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements

### JANUS HENDERSON GROUP PLC

#### CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (U.S. Dollars in Millions, Except Share Data)

|                                                                                                                                                                                       | June 30,<br>2021 | December 31,<br>2020 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|
| <b>ASSETS</b>                                                                                                                                                                         |                  |                      |
| <b>Current assets:</b>                                                                                                                                                                |                  |                      |
| Cash and cash equivalents                                                                                                                                                             | \$ 966.9         | \$ 1,099.7           |
| Investment securities                                                                                                                                                                 | 270.2            | 268.1                |
| Fees and other receivables                                                                                                                                                            | 386.0            | 373.6                |
| OEIC and unit trust receivables                                                                                                                                                       | 227.9            | 114.7                |
| Assets of consolidated VIEs:                                                                                                                                                          |                  |                      |
| Cash and cash equivalents                                                                                                                                                             | 10.4             | 8.4                  |
| Investment securities                                                                                                                                                                 | 216.8            | 214.6                |
| Other current assets                                                                                                                                                                  | 1.7              | 3.5                  |
| Other current assets                                                                                                                                                                  | 107.1            | 111.1                |
| Total current assets                                                                                                                                                                  | 2,187.0          | 2,193.7              |
| <b>Non-current assets:</b>                                                                                                                                                            |                  |                      |
| Property, equipment and software, net                                                                                                                                                 | 66.4             | 77.9                 |
| Intangible assets, net                                                                                                                                                                | 2,637.3          | 2,686.3              |
| Goodwill                                                                                                                                                                              | 1,389.9          | 1,383.9              |
| Retirement benefit asset, net                                                                                                                                                         | 193.9            | 191.3                |
| Other non-current assets                                                                                                                                                              | 156.0            | 157.7                |
| Total assets                                                                                                                                                                          | \$ 6,630.5       | \$ 6,690.8           |
| <b>LIABILITIES</b>                                                                                                                                                                    |                  |                      |
| <b>Current liabilities:</b>                                                                                                                                                           |                  |                      |
| Accounts payable and accrued liabilities                                                                                                                                              | \$ 222.2         | \$ 232.1             |
| Current portion of accrued compensation, benefits and staff costs                                                                                                                     | 275.2            | 371.0                |
| OEIC and unit trust payables                                                                                                                                                          | 231.8            | 121.5                |
| Liabilities of consolidated VIEs:                                                                                                                                                     |                  |                      |
| Accounts payable and accrued liabilities                                                                                                                                              | 4.2              | 3.2                  |
| Total current liabilities                                                                                                                                                             | 733.4            | 727.8                |
| <b>Non-current liabilities:</b>                                                                                                                                                       |                  |                      |
| Accrued compensation, benefits and staff costs                                                                                                                                        | 32.3             | 53.7                 |
| Long-term debt                                                                                                                                                                        | 311.9            | 313.3                |
| Deferred tax liabilities, net                                                                                                                                                         | 648.2            | 627.4                |
| Retirement benefit obligations, net                                                                                                                                                   | 4.8              | 4.7                  |
| Other non-current liabilities                                                                                                                                                         | 133.4            | 144.3                |
| Total liabilities                                                                                                                                                                     | 1,864.0          | 1,871.2              |
| <b>Commitments and contingencies (See Note 14)</b>                                                                                                                                    |                  |                      |
| <b>REDEEMABLE NONCONTROLLING INTERESTS</b>                                                                                                                                            |                  |                      |
|                                                                                                                                                                                       | 124.9            | 85.8                 |
| <b>EQUITY</b>                                                                                                                                                                         |                  |                      |
| Common stock, \$1.50 par value; 480,000,000 shares authorized, and 172,349,989 and 180,403,176 shares issued and outstanding as of June 30, 2021, and December 31, 2020, respectively | 258.5            | 270.6                |
| Additional paid-in-capital                                                                                                                                                            | 3,743.6          | 3,815.0              |
| Treasury shares, 1,406,401 and 2,548,063 shares held at June 30, 2021, and December 31, 2020, respectively                                                                            | (67.6)           | (107.3)              |
| Accumulated other comprehensive loss, net of tax                                                                                                                                      | (318.2)          | (324.0)              |
| Retained earnings                                                                                                                                                                     | 1,009.7          | 1,062.1              |
| Total shareholders' equity                                                                                                                                                            | 4,626.0          | 4,716.4              |
| Nonredeemable noncontrolling interests                                                                                                                                                | 15.6             | 17.4                 |
| Total equity                                                                                                                                                                          | 4,641.6          | 4,733.8              |
| Total liabilities, redeemable noncontrolling interests and equity                                                                                                                     | \$ 6,630.5       | \$ 6,690.8           |

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

**JANUS HENDERSON GROUP PLC**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**  
(U.S. Dollars in Millions, Except per Share Data)

|                                                                            | Three months ended<br>June 30, |                 | Six months ended<br>June 30, |                   |
|----------------------------------------------------------------------------|--------------------------------|-----------------|------------------------------|-------------------|
|                                                                            | 2021                           | 2020            | 2021                         | 2020              |
| <b>Revenue:</b>                                                            |                                |                 |                              |                   |
| Management fees                                                            | \$ 544.1                       | \$ 407.7        | \$ 1,059.0                   | \$ 847.3          |
| Performance fees                                                           | 77.4                           | 17.2            | 94.4                         | 31.8              |
| Shareowner servicing fees                                                  | 64.0                           | 47.3            | 124.8                        | 97.6              |
| Other revenue                                                              | 52.9                           | 45.8            | 104.2                        | 96.2              |
| Total revenue                                                              | 738.4                          | 518.0           | 1,382.4                      | 1,072.9           |
| <b>Operating expenses:</b>                                                 |                                |                 |                              |                   |
| Employee compensation and benefits                                         | 192.4                          | 145.8           | 367.0                        | 301.4             |
| Long-term incentive plans                                                  | 49.8                           | 49.1            | 103.3                        | 82.7              |
| Distribution expenses                                                      | 134.8                          | 104.7           | 262.2                        | 216.9             |
| Investment administration                                                  | 13.1                           | 12.6            | 25.7                         | 24.3              |
| Marketing                                                                  | 6.7                            | 3.7             | 12.9                         | 10.4              |
| General, administrative and occupancy                                      | 65.7                           | 58.0            | 128.7                        | 123.2             |
| Impairment of goodwill and intangible assets                               | 40.8                           | 26.4            | 44.4                         | 513.7             |
| Depreciation and amortization                                              | 10.1                           | 11.0            | 20.7                         | 26.0              |
| Total operating expenses                                                   | 513.4                          | 411.3           | 964.9                        | 1,298.6           |
| <b>Operating income (loss)</b>                                             | 225.0                          | 106.7           | 417.5                        | (225.7)           |
| Interest expense                                                           | (3.2)                          | (3.2)           | (6.4)                        | (6.5)             |
| Investment gains (losses), net                                             | 1.8                            | 50.3            | 3.4                          | (0.2)             |
| Other non-operating income (expenses), net                                 | (2.7)                          | 8.6             | (2.8)                        | 40.8              |
| Income (loss) before taxes                                                 | 220.9                          | 162.4           | 411.7                        | (191.6)           |
| Income tax benefit (provision)                                             | (79.7)                         | (30.1)          | (122.8)                      | 38.7              |
| Net income (loss)                                                          | 141.2                          | 132.3           | 288.9                        | (152.9)           |
| Net loss (income) attributable to noncontrolling interests                 | (3.9)                          | (29.4)          | 3.9                          | 8.8               |
| <b>Net income (loss) attributable to JHG</b>                               | <u>\$ 137.3</u>                | <u>\$ 102.9</u> | <u>\$ 292.8</u>              | <u>\$ (144.1)</u> |
| <b>Earnings (loss) per share attributable to JHG common shareholders:</b>  |                                |                 |                              |                   |
| Basic                                                                      | \$ 0.80                        | \$ 0.55         | \$ 1.68                      | \$ (0.79)         |
| Diluted                                                                    | \$ 0.79                        | \$ 0.55         | \$ 1.67                      | \$ (0.79)         |
| <b>Other comprehensive income (loss), net of tax:</b>                      |                                |                 |                              |                   |
| Foreign currency translation gains (losses)                                | \$ 3.2                         | \$ 10.6         | \$ 6.5                       | \$ (138.5)        |
| Actuarial gains                                                            | 0.2                            | 0.1             | 0.3                          | 0.2               |
| Other comprehensive income (loss), net of tax                              | 3.4                            | 10.7            | 6.8                          | (138.3)           |
| Other comprehensive loss (income) attributable to noncontrolling interests | (0.2)                          | (1.4)           | (1.0)                        | 3.7               |
| Other comprehensive income (loss) attributable to JHG                      | <u>\$ 3.2</u>                  | <u>\$ 9.3</u>   | <u>\$ 5.8</u>                | <u>\$ (134.6)</u> |
| Total comprehensive income (loss)                                          | \$ 144.6                       | \$ 143.0        | \$ 295.7                     | \$ (291.2)        |
| Total comprehensive loss (income) attributable to noncontrolling interests | (4.1)                          | (30.8)          | 2.9                          | 12.5              |
| <b>Total comprehensive income (loss) attributable to JHG</b>               | <u>\$ 140.5</u>                | <u>\$ 112.2</u> | <u>\$ 298.6</u>              | <u>\$ (278.7)</u> |

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

**JANUS HENDERSON GROUP PLC**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
(U.S. Dollars in Millions)

|                                                                                          | Six months ended |            |
|------------------------------------------------------------------------------------------|------------------|------------|
|                                                                                          | June 30,         |            |
|                                                                                          | 2021             | 2020       |
| <b>CASH FLOWS PROVIDED BY (USED FOR):</b>                                                |                  |            |
| <b>Operating activities:</b>                                                             |                  |            |
| Net income (loss)                                                                        | \$ 288.9         | \$ (152.9) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                  |            |
| Depreciation and amortization                                                            | 20.7             | 26.0       |
| Impairment of goodwill and intangible assets                                             | 44.4             | 513.7      |
| Deferred income taxes                                                                    | 22.8             | (117.7)    |
| Stock-based compensation plan expense                                                    | 34.7             | 34.1       |
| Gain on sale of Geneva                                                                   | -                | (16.2)     |
| Investment (gains) losses, net                                                           | (3.4)            | 0.2        |
| Contributions to pension plans in excess of costs recognized                             | (0.5)            | (0.2)      |
| Contingent consideration fair value adjustment                                           | -                | (7.1)      |
| Other, net                                                                               | (5.9)            | (22.2)     |
| Changes in operating assets and liabilities:                                             |                  |            |
| OEIC and unit trust receivables and payables                                             | (2.9)            | 16.5       |
| Other assets                                                                             | (33.5)           | 60.4       |
| Other accruals and liabilities                                                           | (70.5)           | (92.1)     |
| Net operating activities                                                                 | 294.8            | 242.5      |
| <b>Investing activities:</b>                                                             |                  |            |
| Sales (purchases) of:                                                                    |                  |            |
| Investment securities, net                                                               | (1.5)            | 77.5       |
| Property, equipment and software                                                         | (1.1)            | (12.4)     |
| Investment securities by consolidated seeded investment products, net                    | (37.5)           | (237.4)    |
| Cash received (paid) on settled seed capital hedges, net                                 | (8.0)            | 6.0        |
| Dividends received from equity-method investments                                        | 1.1              | 0.5        |
| Receipt of contingent consideration payments from sale of Volantis                       | 0.7              | 2.2        |
| Receipt of contingent consideration payments from sale of Geneva                         | 3.4              | -          |
| Proceeds from sale of Geneva                                                             | -                | 38.6       |
| Net investing activities                                                                 | (42.9)           | (125.0)    |
| <b>Financing activities:</b>                                                             |                  |            |
| Proceeds from stock-based compensation plans                                             | 5.5              | -          |
| Purchase of common stock for stock-based compensation plans                              | (72.0)           | (45.7)     |
| Purchase of common stock from Dai-ichi Life and share buyback program                    | (230.2)          | (53.2)     |
| Dividends paid to shareholders                                                           | (126.7)          | (132.3)    |
| Payment of contingent consideration                                                      | -                | (13.8)     |
| Distributions to noncontrolling interests                                                | (0.3)            | (0.5)      |
| Third-party sales in consolidated seeded investment products, net                        | 39.5             | 237.4      |
| Principal payments under capital lease obligations                                       | (0.3)            | (0.5)      |
| Net financing activities                                                                 | (384.5)          | (8.6)      |
| <b>Cash and cash equivalents:</b>                                                        |                  |            |
| Effect of foreign exchange rate changes                                                  | 1.8              | (25.0)     |
| Net change                                                                               | (130.8)          | 83.9       |
| At beginning of period                                                                   | 1,108.1          | 796.5      |
| At end of period                                                                         | \$ 977.3         | \$ 880.4   |
| <b>Supplemental cash flow information:</b>                                               |                  |            |
| Cash paid for interest                                                                   | \$ 7.3           | \$ 7.3     |
| Cash paid for income taxes, net of refunds                                               | \$ 113.1         | \$ 32.9    |
| <b>Reconciliation of cash and cash equivalents:</b>                                      |                  |            |
| Cash and cash equivalents                                                                | \$ 966.9         | \$ 836.6   |
| Cash and cash equivalents held in consolidated VIEs                                      | 10.4             | 43.8       |
| Total cash and cash equivalents                                                          | \$ 977.3         | \$ 880.4   |

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

JANUS HENDERSON GROUP PLC

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**  
(Amounts in Millions)

|                                                                       | Number of<br>shares | Common<br>stock | Additional<br>paid-in<br>capital | Treasury<br>shares | Accumulated<br>other<br>comprehensive<br>loss | Retained<br>earnings | Nonredeemable<br>noncontrolling<br>interests | Total<br>equity |
|-----------------------------------------------------------------------|---------------------|-----------------|----------------------------------|--------------------|-----------------------------------------------|----------------------|----------------------------------------------|-----------------|
| <b>Balance at April 1, 2021</b>                                       | 172.3               | \$ 258.5        | \$ 3,769.0                       | \$ (104.4)         | \$ (321.4)                                    | \$ 937.7             | \$ 15.8                                      | \$ 4,555.2      |
| Net income                                                            | —                   | —               | —                                | —                  | —                                             | 137.3                | —                                            | 137.3           |
| Other comprehensive income                                            | —                   | —               | —                                | —                  | 3.2                                           | —                    | —                                            | 3.2             |
| Dividends paid to shareholders (\$0.38 per share)                     | —                   | —               | 0.1                              | —                  | —                                             | (65.1)               | —                                            | (65.0)          |
| Purchase of common stock from Dai-ichi Life and share buyback program | —                   | —               | —                                | —                  | —                                             | —                    | —                                            | —               |
| Distributions to noncontrolling interests                             | —                   | —               | —                                | —                  | —                                             | —                    | (0.2)                                        | (0.2)           |
| Fair value adjustments to redeemable noncontrolling interests         | —                   | —               | —                                | —                  | —                                             | (0.2)                | —                                            | (0.2)           |
| Purchase of common stock for stock-based compensation plans           | —                   | —               | (10.2)                           | (0.3)              | —                                             | —                    | —                                            | (10.5)          |
| Vesting of stock-based compensation plans                             | —                   | —               | (37.1)                           | 37.1               | —                                             | —                    | —                                            | —               |
| Stock-based compensation plan expense                                 | —                   | —               | 17.1                             | —                  | —                                             | —                    | —                                            | 17.1            |
| Proceeds from stock-based compensation plans                          | —                   | —               | 4.7                              | —                  | —                                             | —                    | —                                            | 4.7             |
| <b>Balance at June 30, 2021</b>                                       | 172.3               | \$ 258.5        | \$ 3,743.6                       | \$ (67.6)          | \$ (318.2)                                    | \$ 1,009.7           | \$ 15.6                                      | \$ 4,641.6      |

|                                                               | Number of<br>shares | Common<br>stock | Additional<br>paid-in<br>capital | Treasury<br>shares | Accumulated<br>other<br>comprehensive<br>loss | Retained<br>earnings | Nonredeemable<br>noncontrolling<br>interests | Total<br>equity |
|---------------------------------------------------------------|---------------------|-----------------|----------------------------------|--------------------|-----------------------------------------------|----------------------|----------------------------------------------|-----------------|
| <b>Balance at April 1, 2020</b>                               | 184.9               | \$ 277.4        | \$ 3,803.7                       | \$ (137.9)         | \$ (511.0)                                    | \$ 942.8             | \$ 18.4                                      | \$ 4,393.4      |
| Net income                                                    | —                   | —               | —                                | —                  | —                                             | 102.9                | 0.1                                          | 103.0           |
| Other comprehensive income                                    | —                   | —               | —                                | —                  | 9.3                                           | —                    | —                                            | 9.3             |
| Dividends paid to shareholders (\$0.36 per share)             | —                   | —               | 0.1                              | —                  | —                                             | (66.5)               | —                                            | (66.4)          |
| Share buyback program                                         | (1.0)               | (1.6)           | —                                | —                  | —                                             | (20.4)               | —                                            | (22.0)          |
| Distributions to noncontrolling interests                     | —                   | —               | —                                | —                  | —                                             | —                    | (0.4)                                        | (0.4)           |
| Fair value adjustments to redeemable noncontrolling interests | —                   | —               | —                                | —                  | —                                             | 0.4                  | —                                            | 0.4             |
| Purchase of common stock for stock-based compensation plans   | —                   | —               | (5.8)                            | (0.1)              | —                                             | —                    | —                                            | (5.9)           |
| Vesting of stock-based compensation plans                     | —                   | —               | (23.4)                           | 23.4               | —                                             | —                    | —                                            | —               |
| Stock-based compensation plan expense                         | —                   | —               | 17.5                             | —                  | —                                             | —                    | —                                            | 17.5            |
| <b>Balance at June 30, 2020</b>                               | 183.9               | \$ 275.8        | \$ 3,792.1                       | \$ (114.6)         | \$ (501.7)                                    | \$ 959.2             | \$ 18.1                                      | \$ 4,428.9      |



JANUS HENDERSON GROUP PLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) (Continued)  
(Amounts in Millions)

|                                                                       | Number of<br>shares | Common<br>stock | Additional<br>paid-in<br>capital | Treasury<br>shares | Accumulated<br>other<br>comprehensive<br>loss | Retained<br>earnings | Nonredeemable<br>noncontrolling<br>interests | Total<br>equity   |
|-----------------------------------------------------------------------|---------------------|-----------------|----------------------------------|--------------------|-----------------------------------------------|----------------------|----------------------------------------------|-------------------|
| <b>Balance at January 1, 2021</b>                                     | 180.4               | \$ 270.6        | \$ 3,815.0                       | \$ (107.3)         | \$ (324.0)                                    | \$ 1,062.1           | \$ 17.4                                      | \$ 4,733.8        |
| Net income                                                            | —                   | —               | —                                | —                  | —                                             | 292.8                | (1.5)                                        | 291.3             |
| Other comprehensive income                                            | —                   | —               | —                                | —                  | 5.8                                           | —                    | —                                            | 5.8               |
| Dividends paid to shareholders (\$0.74 per share)                     | —                   | —               | 0.1                              | —                  | —                                             | (126.8)              | —                                            | (126.7)           |
| Purchase of common stock from Dai-ichi Life and share buyback program | (8.1)               | (12.1)          | —                                | —                  | —                                             | (218.1)              | —                                            | (230.2)           |
| Distributions to noncontrolling interests                             | —                   | —               | —                                | —                  | —                                             | —                    | (0.3)                                        | (0.3)             |
| Fair value adjustments to redeemable noncontrolling interests         | —                   | —               | —                                | —                  | —                                             | (0.3)                | —                                            | (0.3)             |
| Purchase of common stock for stock-based compensation plans           | —                   | —               | (71.4)                           | (0.6)              | —                                             | —                    | —                                            | (72.0)            |
| Vesting of stock-based compensation plans                             | —                   | —               | (40.3)                           | 40.3               | —                                             | —                    | —                                            | —                 |
| Stock-based compensation plan expense                                 | —                   | —               | 34.7                             | —                  | —                                             | —                    | —                                            | 34.7              |
| Proceeds from stock-based compensation plans                          | —                   | —               | 5.5                              | —                  | —                                             | —                    | —                                            | 5.5               |
| <b>Balance at June 30, 2021</b>                                       | <u>172.3</u>        | <u>\$ 258.5</u> | <u>\$ 3,743.6</u>                | <u>\$ (67.6)</u>   | <u>\$ (318.2)</u>                             | <u>\$ 1,009.7</u>    | <u>\$ 15.6</u>                               | <u>\$ 4,641.6</u> |

  

|                                                               | Number of<br>shares | Common<br>stock | Additional<br>paid-in<br>capital | Treasury<br>shares | Accumulated<br>other<br>comprehensive<br>loss | Retained<br>earnings | Nonredeemable<br>noncontrolling<br>interests | Total<br>equity   |
|---------------------------------------------------------------|---------------------|-----------------|----------------------------------|--------------------|-----------------------------------------------|----------------------|----------------------------------------------|-------------------|
| <b>Balance at January 1, 2020</b>                             | 187.0               | \$ 280.5        | \$ 3,828.5                       | \$ (139.5)         | \$ (367.1)                                    | \$ 1,284.1           | \$ 19.7                                      | \$ 4,906.2        |
| Net loss                                                      | —                   | —               | —                                | —                  | —                                             | (144.1)              | (1.1)                                        | (145.2)           |
| Other comprehensive loss                                      | —                   | —               | —                                | —                  | (134.6)                                       | —                    | —                                            | (134.6)           |
| Dividends paid to shareholders (\$0.64 per share)             | —                   | —               | 0.1                              | —                  | —                                             | (132.7)              | —                                            | (132.6)           |
| Share buyback program                                         | (3.1)               | (4.7)           | —                                | —                  | —                                             | (48.5)               | —                                            | (53.2)            |
| Distributions to noncontrolling interests                     | —                   | —               | —                                | —                  | —                                             | —                    | (0.5)                                        | (0.5)             |
| Fair value adjustments to redeemable noncontrolling interests | —                   | —               | —                                | —                  | —                                             | 0.4                  | —                                            | 0.4               |
| Purchase of common stock for stock-based compensation plans   | —                   | —               | (42.8)                           | (2.9)              | —                                             | —                    | —                                            | (45.7)            |
| Vesting of stock-based compensation plans                     | —                   | —               | (27.8)                           | 27.8               | —                                             | —                    | —                                            | —                 |
| Stock-based compensation plan expense                         | —                   | —               | 34.1                             | —                  | —                                             | —                    | —                                            | 34.1              |
| <b>Balance at June 30, 2020</b>                               | <u>183.9</u>        | <u>\$ 275.8</u> | <u>\$ 3,792.1</u>                | <u>\$ (114.6)</u>  | <u>\$ (501.7)</u>                             | <u>\$ 959.2</u>      | <u>\$ 18.1</u>                               | <u>\$ 4,428.9</u> |

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

## JANUS HENDERSON GROUP PLC

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

#### Note 1 — Basis of Presentation and Significant Accounting Policies

##### *Basis of Presentation*

In the opinion of management of Janus Henderson Group plc (“JHG,” “the Company,” “we,” “us,” “our” and similar terms), the accompanying unaudited condensed consolidated financial statements contain all normal recurring adjustments necessary to fairly state our financial position, results of operations and cash flows in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Such financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP are not required for interim reporting purposes and have been condensed or omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the annual consolidated financial statements and notes presented in our Annual Report on Form 10-K for the year ended December 31, 2020. Events subsequent to the balance sheet date have been evaluated for inclusion in the accompanying financial statements through the issuance date.

##### *Recent Accounting Pronouncements Adopted*

##### *Income Taxes*

In December 2019, the Financial Accounting Standards Board (“FASB”) issued accounting standards update (“ASU”) 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which is part of the FASB’s initiative to reduce complexity in accounting standards. The ASU eliminates certain exceptions to the general principles of ASC 740, Income Taxes, and simplifies income tax accounting in several areas. We adopted the ASU, which was effective as of January 1, 2021. The adoption of this ASU did not have a material impact on our results of operations or financial position.

#### Note 2 — Consolidation

##### *Variable Interest Entities*

##### *Consolidated Variable Interest Entities*

Our consolidated variable interest entities (“VIEs”) as of June 30, 2021, and December 31, 2020, include certain consolidated seeded investment products in which we have an investment and act as the investment manager. The assets of these VIEs are not available to us or our creditors. We may not, under any circumstances, access cash, cash equivalents or other assets held by consolidated VIEs to use in our operating activities or otherwise. In addition, the investors in these VIEs have no recourse to the credit of JHG.

##### *Unconsolidated Variable Interest Entities*

The following table presents the carrying value of investment securities included on our Condensed Consolidated Balance Sheets pertaining to unconsolidated VIEs (in millions):

|                     | June 30,<br>2021 | December 31,<br>2020 |
|---------------------|------------------|----------------------|
| Unconsolidated VIEs | \$ 101.6         | \$ 9.6               |

Our total exposure to unconsolidated VIEs represents the value of our economic ownership interest in the investment securities.

## ***Voting Rights Entities***

### ***Consolidated Voting Rights Entities***

The following table presents the balances related to consolidated voting rights entities (“VREs”) that were recorded on our Condensed Consolidated Balance Sheets, including our net interest in these products (in millions):

|                                                          | June 30,<br>2021 | December 31,<br>2020 |
|----------------------------------------------------------|------------------|----------------------|
| Investment securities                                    | \$ 34.9          | \$ 29.3              |
| Cash and cash equivalents                                | 2.2              | 2.8                  |
| Other current assets                                     | 0.4              | 0.4                  |
| Accounts payable and accrued liabilities                 | (0.3)            | (0.1)                |
| Total                                                    | \$ 37.2          | \$ 32.4              |
| Redeemable noncontrolling interests in consolidated VREs | (1.9)            | —                    |
| JHG's net interest in consolidated VREs                  | \$ 35.3          | \$ 32.4              |

Our total exposure to consolidated VREs represents the value of our economic ownership interest in these seeded investment products.

### ***Unconsolidated Voting Rights Entities***

The following table presents the carrying value of investment securities included on our Condensed Consolidated Balance Sheets pertaining to unconsolidated VREs (in millions):

|                     | June 30,<br>2021 | December 31,<br>2020 |
|---------------------|------------------|----------------------|
| Unconsolidated VREs | \$ 21.8          | \$ 63.6              |

Our total exposure to unconsolidated VREs represents the value of our economic ownership interest in the investment securities.

## **Note 3 — Investment Securities**

Our investment securities as of June 30, 2021, and December 31, 2020, are summarized as follows (in millions):

|                                                    | June 30,<br>2021 | December 31,<br>2020 |
|----------------------------------------------------|------------------|----------------------|
| Seeded investment products:                        |                  |                      |
| Consolidated VIEs                                  | \$ 216.8         | \$ 214.6             |
| Consolidated VREs                                  | 34.9             | 29.3                 |
| Unconsolidated VIEs and VREs                       | 123.4            | 73.2                 |
| Separate accounts                                  | 54.5             | 63.5                 |
| Pooled investment funds                            | 0.1              | 0.1                  |
| Total seeded investment products                   | 429.7            | 380.7                |
| Investments related to deferred compensation plans | 51.9             | 96.5                 |
| Other investments                                  | 5.4              | 5.5                  |
| Total investment securities                        | \$ 487.0         | \$ 482.7             |

### Trading Securities

Net unrealized gains (losses) on investment securities held as of the three and six months ended June 30, 2021 and 2020, are summarized as follows (in millions):

|                                                                       | Three months ended<br>June 30, |         | Six months ended<br>June 30, |        |
|-----------------------------------------------------------------------|--------------------------------|---------|------------------------------|--------|
|                                                                       | 2021                           | 2020    | 2021                         | 2020   |
| Unrealized gains (losses) on investment securities held at period end | \$ 1.8                         | \$ 48.1 | \$ 3.4                       | \$ 8.6 |

### Investment Gains (Losses), Net

Investment gains (losses), net on our Condensed Consolidated Statements of Comprehensive Income (Loss) included the following for the three and six months ended June 30, 2021 and 2020 (in millions):

|                                                               | Three months ended<br>June 30, |         | Six months ended<br>June 30, |          |
|---------------------------------------------------------------|--------------------------------|---------|------------------------------|----------|
|                                                               | 2021                           | 2020    | 2021                         | 2020     |
| Seeded investment products and hedges, net                    | \$ (2.6)                       | \$ 11.1 | \$ 3.0                       | \$ 6.0   |
| Third-party ownership interests in seeded investment products | 3.9                            | 29.0    | (4.1)                        | (9.4)    |
| Long Tail Alpha equity method investment                      | (0.2)                          | 4.4     | 1.9                          | 5.7      |
| Deferred equity plan                                          | 0.2                            | 4.7     | 2.1                          | (2.6)    |
| Other                                                         | 0.5                            | 1.1     | 0.5                          | 0.1      |
| Investment gains (losses), net                                | \$ 1.8                         | \$ 50.3 | \$ 3.4                       | \$ (0.2) |

### Cash Flows

Cash flows related to investment securities for the six months ended June 30, 2021 and 2020, are summarized as follows (in millions):

|                                                                  | Six months ended June 30,       |                                            |                                 |                                            |
|------------------------------------------------------------------|---------------------------------|--------------------------------------------|---------------------------------|--------------------------------------------|
|                                                                  | 2021                            |                                            | 2020                            |                                            |
|                                                                  | Purchases<br>and<br>settlements | Sales,<br>settlements<br>and<br>maturities | Purchases<br>and<br>settlements | Sales,<br>settlements<br>and<br>maturities |
| Investment securities by consolidated seeded investment products | \$ (45.4)                       | \$ 7.9                                     | \$ (239.6)                      | \$ 2.2                                     |
| Investment securities                                            | (101.6)                         | 100.1                                      | (53.7)                          | 131.2                                      |

#### Note 4 — Derivative Instruments

##### *Derivative Instruments Used to Hedge Seeded Investment Products*

We maintain an economic hedge program that uses derivative instruments to mitigate against market volatility of certain seeded investments by using index and commodity futures (“futures”), index swaps, total return swaps (“TRSs”) and credit default swaps. Foreign currency exposures associated with our seeded investment products are also hedged by using foreign currency forward contracts and swaps.

We were party to the following derivative instruments as of June 30, 2021, and December 31, 2020 (in millions):

|                                              | Notional value |                   |
|----------------------------------------------|----------------|-------------------|
|                                              | June 30, 2021  | December 31, 2020 |
| Futures                                      | \$ 216.7       | \$ 164.5          |
| Credit default swaps                         | 95.2           | 166.2             |
| Total return swaps                           | 36.6           | 35.6              |
| Foreign currency forward contracts and swaps | 334.8          | 205.0             |

The derivative instruments are not designated as hedges for accounting purposes. Changes in fair value of the derivatives are recognized in investment gains (losses), net in our Condensed Consolidated Statements of Comprehensive Income (Loss).

Derivative assets and liabilities are generally recognized on a gross basis and included in other current assets or accounts payable and accrued liabilities on our Condensed Consolidated Balance Sheets. The derivative assets and liabilities as of June 30, 2021, and December 31, 2020, are summarized as follows (in millions):

|                        | Fair value    |                   |
|------------------------|---------------|-------------------|
|                        | June 30, 2021 | December 31, 2020 |
| Derivative assets      | \$ 0.8        | \$ 9.1            |
| Derivative liabilities | 7.6           | 10.8              |

In addition to using derivative instruments to mitigate against market volatility of certain seeded investments, we also engage in short sales of securities to hedge seed investments. As of June 30, 2021, and December 31, 2020, the fair value of securities sold but not yet purchased were \$0.9 million and \$7.9 million, respectively. The cash received from the short sale and the obligation to repurchase the shares are classified in other current assets and accounts payable and accrued liabilities on our Condensed Consolidated Balance Sheets, respectively. Fair value adjustments are recognized in investment gains (losses), net on our Condensed Consolidated Statements of Comprehensive Income (Loss).

##### *Derivative Instruments in Consolidated Seeded Investment Products*

Certain of our consolidated seeded investment products utilize derivative instruments to contribute to the achievement of defined investment objectives. These derivative instruments are classified within other current assets or accounts payable and accrued liabilities on our Condensed Consolidated Balance Sheets. Gains and losses on these derivative instruments are classified within investment gains (losses), net in our Condensed Consolidated Statements of Comprehensive Income (Loss).

Our consolidated seeded investment products were party to the following derivative instruments as of June 30, 2021, and December 31, 2020 (in millions):

|                                              | Notional value |                   |
|----------------------------------------------|----------------|-------------------|
|                                              | June 30, 2021  | December 31, 2020 |
| Futures                                      | \$ 55.1        | \$ 57.0           |
| Credit default swaps                         | 7.3            | 1.5               |
| Interest rate swaps                          | 4.1            | 75.0              |
| Options                                      | 0.1            | 0.5               |
| Foreign currency forward contracts and swaps | 41.6           | 56.1              |

***Derivative Instruments — Used in Foreign Currency Hedging Program***

In January 2021, we implemented a balance sheet foreign currency hedging program (the “Program”) to take reasonable measures to minimize the effects of foreign currency remeasurement of monetary balance sheet accounts. The Program is not designed to eliminate all impacts of foreign currency risk; rather it is designed to reduce income statement volatility. The Program utilizes foreign currency forward contracts and swaps to achieve its objectives and it is considered an economic hedge for accounting purposes.

The notional value of the foreign currency forward contracts and swaps was \$135.9 million at June 30, 2021. The derivative assets and liabilities are generally recognized on a gross basis and included in other current assets or accounts payable and accrued liabilities on our Condensed Consolidated Balance Sheets. The derivative assets and liabilities as of June 30, 2021, are summarized as follows (in millions):

|                        | Fair value    |  |
|------------------------|---------------|--|
|                        | June 30, 2021 |  |
| Derivative assets      | \$ 0.2        |  |
| Derivative liabilities | 1.8           |  |

Changes in fair value of the derivatives are recognized in other non-operating income (expenses), net on our Condensed Consolidated Statements of Comprehensive Income (Loss), and we recognized a gain of \$0.7 million and \$1.3 million during the three and six months ended June 30, 2021, respectively. Foreign currency remeasurement is also recognized in other non-operating income (expenses), net on our Condensed Consolidated Statement of Comprehensive Income (Loss).

## Note 5 — Fair Value Measurements

The following table presents assets and liabilities reflected in the financial statements or disclosed in the notes to the financial statements at fair value on a recurring basis as of June 30, 2021 (in millions):

|                                                        | Fair value measurements using:                                                             |                                                     |                                                 |  |            |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|--|------------|
|                                                        | Quoted prices in<br>active markets for<br>identical assets<br>and liabilities<br>(Level 1) | Significant other<br>observable inputs<br>(Level 2) | Significant<br>unobservable inputs<br>(Level 3) |  | Total      |
| <b>Assets:</b>                                         |                                                                                            |                                                     |                                                 |  |            |
| Cash equivalents                                       | \$ 539.5                                                                                   | \$ —                                                | \$ —                                            |  | \$ 539.5   |
| <b>Investment securities:</b>                          |                                                                                            |                                                     |                                                 |  |            |
| Consolidated VIEs                                      | 162.4                                                                                      | 44.1                                                | 10.3                                            |  | 216.8      |
| Other investment securities                            | 242.6                                                                                      | 27.6                                                | —                                               |  | 270.2      |
| Total investment securities                            | 405.0                                                                                      | 71.7                                                | 10.3                                            |  | 487.0      |
| Seed hedge derivatives                                 | —                                                                                          | 0.8                                                 | —                                               |  | 0.8        |
| Derivatives in consolidated seeded investment products | —                                                                                          | 0.1                                                 | —                                               |  | 0.1        |
| Derivatives used in foreign currency hedging program   | —                                                                                          | 0.2                                                 | —                                               |  | 0.2        |
| Volantis contingent consideration                      | —                                                                                          | —                                                   | 2.2                                             |  | 2.2        |
| Geneva contingent consideration                        | —                                                                                          | —                                                   | 14.0                                            |  | 14.0       |
| Total assets                                           | \$ 944.5                                                                                   | \$ 72.8                                             | \$ 26.5                                         |  | \$ 1,043.8 |
| <b>Liabilities:</b>                                    |                                                                                            |                                                     |                                                 |  |            |
| Derivatives in consolidated seeded investment products | \$ —                                                                                       | \$ 0.8                                              | \$ —                                            |  | \$ 0.8     |
| Derivatives used in foreign currency hedging program   | —                                                                                          | 1.8                                                 | —                                               |  | 1.8        |
| Securities sold, not yet purchased                     | 0.9                                                                                        | —                                                   | —                                               |  | 0.9        |
| Seed hedge derivatives                                 | —                                                                                          | 7.6                                                 | —                                               |  | 7.6        |
| Long-term debt <sup>(1)</sup>                          | —                                                                                          | 340.2                                               | —                                               |  | 340.2      |
| Deferred bonuses                                       | —                                                                                          | —                                                   | 35.6                                            |  | 35.6       |
| Total liabilities                                      | \$ 0.9                                                                                     | \$ 350.4                                            | \$ 35.6                                         |  | \$ 386.9   |

(1) Carried at amortized cost and disclosed at fair value.

The following table presents assets and liabilities reflected in the financial statements or disclosed in the notes to the financial statements at fair value on a recurring basis as of December 31, 2020 (in millions):

|                                                        | Fair value measurements using:                                                 |                                               |                                           | Total             |
|--------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|-------------------|
|                                                        | Quoted prices in active markets for identical assets and liabilities (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |                   |
| <b>Assets:</b>                                         |                                                                                |                                               |                                           |                   |
| Cash equivalents                                       | \$ 525.0                                                                       | \$ —                                          | \$ —                                      | \$ 525.0          |
| Investment securities:                                 |                                                                                |                                               |                                           |                   |
| Consolidated VIEs                                      | 125.7                                                                          | 77.7                                          | 11.2                                      | 214.6             |
| Other investment securities                            | 230.9                                                                          | 37.2                                          | —                                         | 268.1             |
| Total investment securities                            | 356.6                                                                          | 114.9                                         | 11.2                                      | 482.7             |
| Seed hedge derivatives                                 | —                                                                              | 9.1                                           | —                                         | 9.1               |
| Derivatives in consolidated seeded investment products | —                                                                              | 0.9                                           | —                                         | 0.9               |
| Volantis contingent consideration                      | —                                                                              | —                                             | 2.8                                       | 2.8               |
| Geneva contingent consideration                        | —                                                                              | —                                             | 17.4                                      | 17.4              |
| Total assets                                           | <u>\$ 881.6</u>                                                                | <u>\$ 124.9</u>                               | <u>\$ 31.4</u>                            | <u>\$ 1,037.9</u> |
| <b>Liabilities:</b>                                    |                                                                                |                                               |                                           |                   |
| Derivatives in consolidated seeded investment products | \$ —                                                                           | \$ 0.2                                        | \$ —                                      | \$ 0.2            |
| Securities sold, not yet purchased                     | 7.9                                                                            | —                                             | —                                         | 7.9               |
| Seed hedge derivatives                                 | —                                                                              | 10.8                                          | —                                         | 10.8              |
| Long-term debt <sup>(1)</sup>                          | —                                                                              | 348.4                                         | —                                         | 348.4             |
| Deferred bonuses                                       | —                                                                              | —                                             | 65.2                                      | 65.2              |
| Total liabilities                                      | <u>\$ 7.9</u>                                                                  | <u>\$ 359.4</u>                               | <u>\$ 65.2</u>                            | <u>\$ 432.5</u>   |

(1) Carried at amortized cost and disclosed at fair value.

#### **Level 1 Fair Value Measurements**

Our Level 1 fair value measurements consist mostly of investments held by seeded investment products, investments in advised mutual funds, cash equivalents and investments related to deferred compensation plans with quoted market prices in active markets. The fair value level of consolidated investments held by seeded investment products is determined by the underlying securities of the product. The fair value level of unconsolidated investments held in seeded investment products is determined by the net asset value (“NAV”), which is considered a quoted price in an active market.

#### **Level 2 Fair Value Measurements**

Our Level 2 fair value measurements consist mostly of consolidated seeded investment products, derivative instruments and our long-term debt. The fair value of consolidated seeded investment products is determined by the underlying securities of the product. The fair value of our long-term debt is determined using broker quotes and recent trading activity, which are considered Level 2 inputs.



## Level 3 Fair Value Measurements

### Investment Securities

As of June 30, 2021, and December 31, 2020, certain securities within consolidated VIEs were valued using significant unobservable inputs, resulting in Level 3 classification. In addition, we have an investment in a private equity vehicle where the significant valuation inputs are unobservable.

### Geneva Contingent Consideration

On December 3, 2019, Henderson Global Investors (North America), Inc. (“HGINA”), a subsidiary of the Company, entered into an agreement to sell its 100% ownership interest in Geneva Capital Management LLC (“Geneva”) to GCM Purchaser, LLC. The sale closed on March 17, 2020. Consideration included aggregate cash consideration of \$38.4 million and contingent consideration (the “Earnout”) based on future revenue. Payments under the Earnout are to be made quarterly over a five-year term, with minimum aggregate payments of \$20.5 million and maximum aggregate payments of \$35.0 million. During the three and six months ended June 30, 2021, we received a \$1.8 million and \$3.4 million contingent consideration payment, respectively.

### Volantis Contingent Consideration

On April 1, 2017, we completed the sale of the Volantis UK Small Cap (“Volantis”) alternative team assets. Consideration for the sale was a 10% share of the management and performance fees generated by Volantis (excluding one particular fund) for a period of three years following the sale. In addition, consideration for the sale included 50% of the first £12 million of performance fees generated by the excluded fund referenced above. As of June 30, 2021, the fund has not reached the £12 million performance fee threshold. As a result, this fee sharing arrangement will remain in effect until the performance threshold is reached.

As of June 30, 2021, and December 31, 2020, the fair value of the Volantis contingent consideration was \$2.2 million and \$2.8 million, respectively.

### Deferred Bonuses

Deferred bonuses represent liabilities to employees over the vesting period that will be settled by investments in our products. The significant unobservable inputs used to value the liabilities are investment designations and vesting periods.

### Changes in Fair Value

Changes in fair value of our Level 3 assets for the three and six months ended June 30, 2021 and 2020, were as follows (in millions):

|                                              | Three months ended<br>June 30, |                | Six months ended<br>June 30, |                |
|----------------------------------------------|--------------------------------|----------------|------------------------------|----------------|
|                                              | 2021                           | 2020           | 2021                         | 2020           |
| Beginning of period fair value               | \$ 27.2                        | \$ 30.8        | \$ 31.4                      | \$ 12.8        |
| Contingent consideration from sale of Geneva | —                              | (0.2)          | —                            | 20.3           |
| Settlements                                  | (1.8)                          | (2.2)          | (4.0)                        | (2.2)          |
| Fair value adjustments                       | 1.4                            | —              | (2.5)                        | (0.3)          |
| Purchases of securities                      | 0.4                            | 0.8            | 2.7                          | —              |
| Sales of securities                          | (0.7)                          | —              | (1.1)                        | (1.4)          |
| End of period fair value                     | <u>\$ 26.5</u>                 | <u>\$ 29.2</u> | <u>\$ 26.5</u>               | <u>\$ 29.2</u> |

Changes in fair value of our individual Level 3 liabilities for the three and six months ended June 30, 2021 and 2020, were as follows (in millions):

|                                  | Three months ended June 30, |                  |
|----------------------------------|-----------------------------|------------------|
|                                  | 2021                        | 2020             |
|                                  | Deferred bonuses            | Deferred bonuses |
| Beginning of period fair value   | \$ 73.6                     | \$ 74.3          |
| Fair value adjustments           | 2.0                         | 3.8              |
| Vesting of deferred bonuses      | (48.2)                      | (44.4)           |
| Amortization of deferred bonuses | 8.1                         | 8.8              |
| Foreign currency translation     | 0.1                         | 0.4              |
| End of period fair value         | \$ 35.6                     | \$ 42.9          |

|                                  | Six months ended June 30, |                          |                  |
|----------------------------------|---------------------------|--------------------------|------------------|
|                                  | 2021                      | 2020                     |                  |
|                                  | Deferred bonuses          | Contingent consideration | Deferred bonuses |
| Beginning of period fair value   | \$ 65.2                   | \$ 21.2                  | \$ 76.6          |
| Fair value adjustments           | 4.3                       | (7.1)                    | (1.1)            |
| Vesting of deferred bonuses      | (50.7)                    | —                        | (46.7)           |
| Amortization of deferred bonuses | 16.1                      | —                        | 18.6             |
| Unrealized gains (losses)        | —                         | 0.3                      | —                |
| Distributions                    | —                         | (13.8)                   | —                |
| Foreign currency translation     | 0.7                       | (0.6)                    | (4.5)            |
| End of period fair value         | \$ 35.6                   | \$ —                     | \$ 42.9          |

#### Nonrecurring Fair Value Measurements

Nonrecurring Level 3 fair value measurements include goodwill and intangible assets. We measure the fair value of goodwill and intangible assets on initial recognition using discounted cash flow (“DCF”) analysis that requires assumptions regarding projected future earnings and discount rates. Because of the significance of the unobservable inputs in the fair value measurements of these assets, such measurements are classified as Level 3.

#### Note 6 — Goodwill and Intangible Assets

The following tables present movements in our intangible assets and goodwill during the six months ended June 30, 2021 and 2020 (in millions):

|                                     | December 31,<br>2020 | Amortization | Disposal | Impairment | Foreign<br>currency<br>translation | June 30,<br>2021 |
|-------------------------------------|----------------------|--------------|----------|------------|------------------------------------|------------------|
| Indefinite-lived intangible assets: |                      |              |          |            |                                    |                  |
| Investment management agreements    | \$ 2,242.9           | \$ —         | \$ —     | \$ (40.8)  | \$ (0.1)                           | \$ 2,202.0       |
| Trademarks                          | 373.2                | —            | —        | (3.6)      | —                                  | 369.6            |
| Definite-lived intangible assets:   |                      |              |          |            |                                    |                  |
| Client relationships                | 170.9                | —            | —        | —          | (0.6)                              | 170.3            |
| Accumulated amortization            | (100.7)              | (3.9)        | —        | —          | —                                  | (104.6)          |
| Net intangible assets               | \$ 2,686.3           | \$ (3.9)     | \$ —     | \$ (44.4)  | \$ (0.7)                           | \$ 2,637.3       |
| Goodwill                            | \$ 1,383.9           | \$ —         | \$ —     | \$ —       | \$ 6.0                             | \$ 1,389.9       |

|                                            | December 31,<br>2019 | Amortization | Disposal  | Impairment | Foreign<br>currency<br>translation | June 30,<br>2020 |
|--------------------------------------------|----------------------|--------------|-----------|------------|------------------------------------|------------------|
| <b>Indefinite-lived intangible assets:</b> |                      |              |           |            |                                    |                  |
| Investment management agreements           | \$ 2,490.3           | \$ —         | \$ —      | \$ (263.5) | \$ (32.5)                          | \$ 2,194.3       |
| Trademarks                                 | 380.8                | —            | —         | (7.7)      | (0.2)                              | 372.9            |
| <b>Definite-lived intangible assets:</b>   |                      |              |           |            |                                    |                  |
| Client relationships                       | 364.7                | —            | (79.3)    | (119.0)    | (3.3)                              | 163.1            |
| Accumulated amortization                   | (147.2)              | (8.6)        | 61.4      | —          | 2.7                                | (91.7)           |
| Net intangible assets                      | \$ 3,088.6           | \$ (8.6)     | \$ (17.9) | \$ (390.2) | \$ (33.3)                          | \$ 2,638.6       |
| Goodwill                                   | \$ 1,504.3           | \$ —         | \$ (23.5) | \$ (123.5) | \$ (46.9)                          | \$ 1,310.4       |

### ***Interim Impairment Assessment***

During the second quarter of 2021, we performed an interim impairment assessment on a certain indefinite-lived intangible asset due to a significant decrease in assets under management (“AUM”) and unfavorable changes in the forecast on these specific assets. A discounted cash flow (“DCF”) model was used to determine the estimated fair value of the investment management agreements. Some of the inputs used in the DCF model required significant management judgment, including the discount rate, terminal growth rate, forecasted financial results and market returns. The results of the DCF model revealed a fair value of nil and we therefore impaired the entire \$40.8 million balance of the intangible asset. The impairment charge is included in the table above and recorded in goodwill and intangible asset impairment charges on the Condensed Consolidated Statements of Comprehensive Income (Loss).

### ***Perkins Trademark***

During the first quarter of 2021, as part of our ongoing strategic initiatives and looking globally at delivering excellent service to our clients and positioning our business for success, we completed a review of Perkins Investment Management (“Perkins”). To right-size our product portfolio and better align with the changing needs of clients, certain strategies were closed and the funds were liquidated during the second quarter of 2021. The majority of the Perkins value equity strategies are unaffected by this reorganization and they will continue under the Janus Henderson brand. The Perkins brand will be discontinued and future marketing efforts for value equity strategies will be incorporated under the Janus Henderson brand. During the first quarter 2021, we impaired the entire balance of the intangible asset associated with the Perkins trademark. The impairment charge of \$3.6 million is included in the table above and recorded in goodwill and intangible asset impairment charges on the Condensed Consolidated Statements of Comprehensive Income (Loss).

### ***Sale of Geneva***

On December 3, 2019, HGINA, a subsidiary of JHG, entered into an agreement to sell its 100% ownership interest in Geneva to GCM Purchaser, LLC. The sale closed on March 17, 2020. The transaction included \$17.9 million of net intangible assets and goodwill of \$23.5 million, as disclosed in the disposal column above.

## 2020 Goodwill and Intangible Asset Impairments

In March 2020, the World Health Organization declared COVID-19 a pandemic, and global financial markets declined. This drove a sudden and severe decline in our AUM, which was a triggering event for performing an interim impairment assessment of our goodwill and intangible assets. Our interim impairment assessment revealed the carrying value of certain investment management agreements, trademarks, client relationships and goodwill exceeded their estimated fair value, and we recognized impairments of \$263.5 million, \$7.7 million, \$92.6 million and \$123.5 million, respectively, during the three months ended March 31, 2020. The results of the March 2020 interim assessment are included in the table above. The impairment charges were recorded in goodwill and intangible asset impairment charges on the Condensed Consolidated Statements of Comprehensive Income (Loss).

### Future Amortization

Expected future amortization expense related to client relationships is summarized below (in millions):

| Future amortization      | Amount         |
|--------------------------|----------------|
| 2021 (remainder of year) | \$ 3.9         |
| 2022                     | 7.7            |
| 2023                     | 7.4            |
| 2024                     | 6.0            |
| 2025                     | 6.0            |
| Thereafter               | 34.7           |
| Total                    | <u>\$ 65.7</u> |

## Note 7 — Debt

Our debt as of June 30, 2021, and December 31, 2020, consisted of the following (in millions):

|                              | June 30, 2021  |            | December 31, 2020 |            |
|------------------------------|----------------|------------|-------------------|------------|
|                              | Carrying value | Fair value | Carrying value    | Fair value |
| 4.875% Senior Notes due 2025 | \$ 311.9       | \$ 340.2   | \$ 313.3          | \$ 348.4   |

### 4.875% Senior Notes Due 2025

The 4.875% Senior Notes due 2025 (“2025 Senior Notes”) have a principal value of \$300.0 million, pay interest at 4.875% semiannually on February 1 and August 1 of each year, and mature on August 1, 2025. The 2025 Senior Notes include unamortized debt premium, net at June 30, 2021, of \$11.9 million, which will be amortized over the remaining life of the notes. The unamortized debt premium is recorded as a liability within long-term debt on our Condensed Consolidated Balance Sheets. JHG fully and unconditionally guarantees the obligations of Janus Capital Group Inc. (“JCG”) in relation to the 2025 Senior Notes.

### Credit Facility

At June 30, 2021, we had a \$200 million, unsecured, revolving credit facility (“Credit Facility”). JHG and its subsidiaries may use the Credit Facility for general corporate purposes. The rate of interest for each interest period is the aggregate of the applicable margin, which is based on our long-term credit rating and the London Interbank Offered Rate (“LIBOR”); the Euro Interbank Offered Rate (“EURIBOR”) in relation to any loan in euro (“EUR”); or in relation to any loan in Australian dollar (“AUD”), the benchmark rate for that currency. As LIBOR is scheduled to be phased out at the end of 2021, we are working with our banking syndicate to find a suitable replacement. We are required to pay a quarterly commitment fee on any unused portion of the Credit Facility, which is also based on our long-term credit rating. Under the Credit Facility, our financing leverage ratio cannot exceed 3.00x EBITDA. At June 30, 2021, we were

in compliance with all covenants contained in, and there were no outstanding borrowings under, the Credit Facility. The maturity date of the Credit Facility is February 16, 2024.

## Note 8 — Income Taxes

Our effective tax rates for the three and six months ended June 30, 2021 and 2020, were as follows:

|                    | Three months ended<br>June 30, |        | Six months ended<br>June 30, |        |
|--------------------|--------------------------------|--------|------------------------------|--------|
|                    | 2021                           | 2020   | 2021                         | 2020   |
| Effective tax rate | 36.1 %                         | 18.5 % | 29.8 %                       | 20.2 % |

The effective tax rate for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, was impacted by the enactment of Finance Act 2021 during the second quarter of 2021, which increased the United Kingdom (“UK”) corporation tax rate from 19% to 25% beginning in April 2023. As a result, the UK deferred tax assets and liabilities expected to be settled after 2023 were revalued from 19% to 25%, creating a non-cash deferred tax expense of \$31.0 million. In addition, an intangible asset impairment charge was recognized in the three months ended June 30, 2021 which impacted pre-tax income. The impairment charge was related to temporary differences, which adjusted deferred income taxes and did not have a direct impact on the effective tax rate.

The effective tax rate for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, was impacted by the enactment of Finance Act 2021 and impairment charges, as discussed above, which is off-set by the tax windfall related to equity compensation plans. In addition, there were significant impairments of intangible assets and goodwill in the first quarter of 2020, which contributed to a pre-tax book loss for the six months ended June 30, 2020. The majority of the impairment charges were related to temporary differences, which adjusted deferred income taxes and did not have a direct impact on the effective tax rate.

As of June 30, 2021, and December 31, 2020, we had \$15.3 million and \$15.8 million of unrecognized tax benefits held for uncertain tax positions. We estimate that the existing liability for uncertain tax positions could decrease by up to \$1.1 million within the next 12 months, without giving effect to changes in foreign currency translation.

## Note 9 — Noncontrolling Interests

### *Redeemable Noncontrolling Interests*

Redeemable noncontrolling interests as of June 30, 2021, and December 31, 2020, consisted of the following (in millions):

|                                           | June 30,<br>2021 | December 31,<br>2020 |
|-------------------------------------------|------------------|----------------------|
| Consolidated seeded investment products   | \$ 109.2         | \$ 70.6              |
| Intech:                                   |                  |                      |
| Employee appreciation rights              | 12.5             | 12.3                 |
| Founding member ownership interests       | 3.2              | 2.9                  |
| Total redeemable noncontrolling interests | \$ 124.9         | \$ 85.8              |

### *Consolidated Seeded Investment Products*

Noncontrolling interests in consolidated seeded investment products are classified as redeemable noncontrolling interests when there is an obligation to repurchase units at the investor’s request.

Redeemable noncontrolling interests in consolidated seeded investment products may fluctuate from period to period and are impacted by changes in our relative ownership, changes in the amount of third-party investment in seeded products and volatility in the market value of the underlying securities included in the portfolios of seeded products.

Redemptions of investments by third parties in any particular seeded product are redeemed from the net assets of such seeded product and cannot be redeemed from the assets of our other seeded products or from our other assets.

The following table presents the movement in redeemable noncontrolling interests in consolidated seeded investment products for the three and six months ended June 30, 2021 and 2020 (in millions):

|                              | Three months ended<br>June 30, |          | Six months ended<br>June 30, |          |
|------------------------------|--------------------------------|----------|------------------------------|----------|
|                              | 2021                           | 2020     | 2021                         | 2020     |
| Opening balance              | \$ 83.7                        | \$ 448.7 | \$ 70.6                      | \$ 662.8 |
| Changes in market value      | 3.9                            | 29.0     | (2.4)                        | (7.9)    |
| Changes in ownership         | 21.5                           | (25.3)   | 40.1                         | (196.9)  |
| Foreign currency translation | 0.1                            | 1.3      | 0.9                          | (4.3)    |
| Closing balance              | \$ 109.2                       | \$ 453.7 | \$ 109.2                     | \$ 453.7 |

#### *Intech*

Intech Investment Management LLC (“Intech”) ownership interests held by a founding member had an estimated fair value of \$3.2 million as of June 30, 2021, representing an approximate 1.1% ownership of Intech. This founding member is entitled to retain his remaining Intech interests for the remainder of his life and has the option to require us to purchase his ownership interests in Intech at fair value.

Intech employee appreciation rights are amortized using a graded vesting method over the respective vesting period. The appreciation rights are exercisable upon termination of employment from Intech to the extent vested. Upon exercise, the appreciation rights are settled in Intech equity.

#### *Nonredeemable Noncontrolling Interests*

Nonredeemable noncontrolling interests as of June 30, 2021, and December 31, 2020, were as follows (in millions):

|                                              | June 30,<br>2021 | December 31,<br>2020 |
|----------------------------------------------|------------------|----------------------|
| Nonredeemable noncontrolling interests in:   |                  |                      |
| Seed capital investments                     | \$ 2.9           | \$ 4.6               |
| Intech                                       | 12.7             | 12.8                 |
| Total nonredeemable noncontrolling interests | \$ 15.6          | \$ 17.4              |

#### **Note 10 — Long-Term Incentive and Employee Compensation**

The following table presents restricted stock and mutual fund awards granted during the three and six months ended June 30, 2021 (in millions):

|                    | Three months<br>ended<br>June 30,<br>2021 | Six months<br>ended<br>June 30,<br>2021 |
|--------------------|-------------------------------------------|-----------------------------------------|
| Restricted stock   | \$ 3.6                                    | \$ 68.5                                 |
| Mutual fund awards | 7.8                                       | 75.4                                    |
| Total              | \$ 11.4                                   | \$ 143.9                                |

Restricted stock and mutual fund awards generally vest and will be recognized using a graded vesting method over a three- or four-year period.

## Note 11 — Retirement Benefit Plans

We operate defined contribution retirement benefit plans and defined benefit pension plans.

Our primary defined benefit pension plan is the defined benefit section of the Janus Henderson Group UK Pension Scheme ("JHGPS").

### *Net Periodic Benefit Credit*

The components of net periodic benefit credit in respect of defined benefit plans for the three and six months ended June 30, 2021 and 2020, include the following (in millions):

|                                    | Three months ended<br>June 30, |             | Six months ended<br>June 30, |             |
|------------------------------------|--------------------------------|-------------|------------------------------|-------------|
|                                    | 2021                           | 2020        | 2021                         | 2020        |
| Service cost                       | \$ (0.3)                       | \$ (0.2)    | \$ (0.5)                     | \$ (0.4)    |
| Interest cost                      | (2.8)                          | (4.3)       | (5.6)                        | (8.6)       |
| Amortization of prior service cost | (0.1)                          | (0.1)       | (0.2)                        | (0.2)       |
| Expected return on plan assets     | 3.4                            | 4.6         | 6.7                          | 9.2         |
| Net periodic benefit credit        | <u>\$ 0.2</u>                  | <u>\$ —</u> | <u>\$ 0.4</u>                | <u>\$ —</u> |

## Note 12 — Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss, net of tax for the three and six months ended June 30, 2021 and 2020, were as follows (in millions):

|                                                                                     | Three months ended June 30, |                                     |                   |                     |                                     |                   |
|-------------------------------------------------------------------------------------|-----------------------------|-------------------------------------|-------------------|---------------------|-------------------------------------|-------------------|
|                                                                                     | 2021                        |                                     |                   | 2020                |                                     |                   |
|                                                                                     | Foreign<br>currency         | Retirement<br>benefit<br>asset, net | Total             | Foreign<br>currency | Retirement<br>benefit<br>asset, net | Total             |
| Beginning balance                                                                   | \$ (311.1)                  | \$ (10.3)                           | \$ (321.4)        | \$ (530.2)          | \$ 19.2                             | \$ (511.0)        |
| Other comprehensive income (loss)                                                   | 3.2                         | 0.1                                 | 3.3               | 12.0                | 0.1                                 | 12.1              |
| Amounts reclassified from accumulated<br>other comprehensive loss                   | —                           | 0.1                                 | 0.1               | (1.4)               | —                                   | (1.4)             |
| Total other comprehensive income (loss)                                             | 3.2                         | 0.2                                 | 3.4               | 10.6                | 0.1                                 | 10.7              |
| Less: other comprehensive loss (income)<br>attributable to noncontrolling interests | (0.2)                       | —                                   | (0.2)             | (1.4)               | —                                   | (1.4)             |
| Ending balance                                                                      | <u>\$ (308.1)</u>           | <u>\$ (10.1)</u>                    | <u>\$ (318.2)</u> | <u>\$ (521.0)</u>   | <u>\$ 19.3</u>                      | <u>\$ (501.7)</u> |

|                                                                                     | Six months ended June 30, |                                     |                   |                     |                                     |                   |
|-------------------------------------------------------------------------------------|---------------------------|-------------------------------------|-------------------|---------------------|-------------------------------------|-------------------|
|                                                                                     | 2021                      |                                     |                   | 2020                |                                     |                   |
|                                                                                     | Foreign<br>currency       | Retirement<br>benefit<br>asset, net | Total             | Foreign<br>currency | Retirement<br>benefit<br>asset, net | Total             |
| Beginning balance                                                                   | \$ (313.6)                | \$ (10.4)                           | \$ (324.0)        | \$ (386.2)          | \$ 19.1                             | \$ (367.1)        |
| Other comprehensive income (loss)                                                   | 10.7                      | 0.1                                 | 10.8              | (137.1)             | 0.2                                 | (136.9)           |
| Amounts reclassified from accumulated<br>other comprehensive loss                   | (4.2)                     | 0.2                                 | (4.0)             | (1.4)               | —                                   | (1.4)             |
| Total other comprehensive income (loss)                                             | 6.5                       | 0.3                                 | 6.8               | (138.5)             | 0.2                                 | (138.3)           |
| Less: other comprehensive loss (income)<br>attributable to noncontrolling interests | (1.0)                     | —                                   | (1.0)             | 3.7                 | —                                   | 3.7               |
| Ending balance                                                                      | <u>\$ (308.1)</u>         | <u>\$ (10.1)</u>                    | <u>\$ (318.2)</u> | <u>\$ (521.0)</u>   | <u>\$ 19.3</u>                      | <u>\$ (501.7)</u> |

The components of other comprehensive income (loss), net of tax for the three and six months ended June 30, 2021 and 2020, were as follows (in millions):

|                                          | Three months ended June 30, |               |               |                   |                 |                |
|------------------------------------------|-----------------------------|---------------|---------------|-------------------|-----------------|----------------|
|                                          | 2021                        |               |               | 2020              |                 |                |
|                                          | Pre-tax<br>amount           | Tax<br>impact | Net<br>amount | Pre-tax<br>amount | Tax<br>impact   | Net<br>amount  |
| Foreign currency translation adjustments | \$ 2.6                      | \$ 0.6        | \$ 3.2        | \$ 12.1           | \$ (0.1)        | \$ 12.0        |
| Retirement benefit asset, net            | —                           | 0.1           | 0.1           | 0.1               | —               | 0.1            |
| Reclassifications to net income          | 0.1                         | —             | 0.1           | (1.4)             | —               | (1.4)          |
| Total other comprehensive income (loss)  | <u>\$ 2.7</u>               | <u>\$ 0.7</u> | <u>\$ 3.4</u> | <u>\$ 10.8</u>    | <u>\$ (0.1)</u> | <u>\$ 10.7</u> |

|                                          | Six months ended June 30, |               |               |                   |               |                   |
|------------------------------------------|---------------------------|---------------|---------------|-------------------|---------------|-------------------|
|                                          | 2021                      |               |               | 2020              |               |                   |
|                                          | Pre-tax<br>amount         | Tax<br>impact | Net<br>Amount | Pre-tax<br>amount | Tax<br>impact | Net<br>Amount     |
| Foreign currency translation adjustments | \$ 9.7                    | \$ 1.0        | \$ 10.7       | \$ (139.2)        | \$ 2.1        | \$ (137.1)        |
| Retirement benefit asset, net            | —                         | 0.1           | 0.1           | 0.2               | —             | 0.2               |
| Reclassifications to net income          | (4.0)                     | —             | (4.0)         | (1.4)             | —             | (1.4)             |
| Total other comprehensive income (loss)  | <u>\$ 5.7</u>             | <u>\$ 1.1</u> | <u>\$ 6.8</u> | <u>\$ (140.4)</u> | <u>\$ 2.1</u> | <u>\$ (138.3)</u> |



## Note 13 — Earnings (Loss) and Dividends Per Share

### Earnings (Loss) Per Share

The following is a summary of the earnings (loss) per share calculation for the three and six months ended June 30, 2021 and 2020 (in millions, except per share data):

|                                                            | Three months ended<br>June 30, |                | Six months ended<br>June 30, |                   |
|------------------------------------------------------------|--------------------------------|----------------|------------------------------|-------------------|
|                                                            | 2021                           | 2020           | 2021                         | 2020              |
| Net income (loss) attributable to JHG                      | \$ 137.3                       | \$ 102.9       | \$ 292.8                     | \$ (144.1)        |
| Allocation of earnings to participating stock-based awards | (3.9)                          | (3.0)          | (8.6)                        | —                 |
| Net income (loss) attributable to JHG common shareholders  | <u>\$ 133.4</u>                | <u>\$ 99.9</u> | <u>\$ 284.2</u>              | <u>\$ (144.1)</u> |
| Weighted-average common shares outstanding — basic         | 167.6                          | 181.8          | 169.5                        | 181.4             |
| Dilutive effect of nonparticipating stock-based awards     | 0.5                            | 0.3            | 0.5                          | —                 |
| Weighted-average common shares outstanding — diluted       | <u>168.1</u>                   | <u>182.1</u>   | <u>170.0</u>                 | <u>181.4</u>      |
| Earnings (loss) per share:                                 |                                |                |                              |                   |
| Basic (two class)                                          | <u>\$ 0.80</u>                 | <u>\$ 0.55</u> | <u>\$ 1.68</u>               | <u>\$ (0.79)</u>  |
| Diluted (two class)                                        | <u>\$ 0.79</u>                 | <u>\$ 0.55</u> | <u>\$ 1.67</u>               | <u>\$ (0.79)</u>  |

The following instruments are anti-dilutive and have not been included in the weighted-average diluted shares outstanding calculation (in millions):

|                                        | Three months ended<br>June 30, |      | Six months ended<br>June 30, |      |
|----------------------------------------|--------------------------------|------|------------------------------|------|
|                                        | 2021                           | 2020 | 2021                         | 2020 |
| Unvested nonparticipating stock awards | 0.6                            | 0.9  | 0.6                          | 1.6  |

### Dividends Per Share

The payment of cash dividends is within the discretion of our Board of Directors and depends on many factors, including, but not limited to, our results of operations, financial condition, capital requirements, legal requirements and general business conditions.

The following is a summary of cash dividends paid during the six months ended June 30, 2021:

| Dividend<br>per share | Date<br>declared | Dividends paid<br>(in US\$ millions) | Date<br>paid  |
|-----------------------|------------------|--------------------------------------|---------------|
| \$ 0.36               | February 3, 2021 | \$ 61.7                              | March 3, 2021 |
| \$ 0.38               | April 28, 2021   | \$ 65.0                              | May 27, 2021  |

On July 28, 2021, our Board of Directors declared a cash dividend of \$0.38 per share. The quarterly dividend will be paid on August 25, 2021, to shareholders of record at the close of business on August 9, 2021.

## Note 14 — Commitments and Contingencies

Commitments and contingencies may arise in the normal course of business. As of June 30, 2021, there were no material changes in the commitments and contingencies as reported in our Annual Report on Form 10-K for the year ended December 31, 2020.

## ***Related Party Transactions***

On February 4, 2021, Dai-ichi Life Holdings, Inc. (“Dai-ichi Life”) announced its intention to sell all 30,668,922 shares of JHG common stock it owned by means of a registered secondary public offering. On February 9, 2021, Dai-ichi Life completed the secondary offering, and as part of the offering, we repurchased 8,048,360 shares of common stock from Dai-ichi Life for approximately \$230.0 million through Goldman Sachs & Co. LLC (“as underwriter”) at the price at which the shares of common stock were sold to the public in the secondary offering, less the underwriting discount. As a result of the completion of the secondary offering, Dai-ichi Life no longer owns any shares of JHG common stock. We did not receive any proceeds from Dai-ichi Life’s sale of common stock in the secondary offering.

## ***Litigation and Other Regulatory Matters***

We are periodically involved in various legal proceedings and other regulatory matters.

### ***Eisenberg v. Credit Suisse AG and Janus Indices and Qiu v. Credit Suisse AG and Janus Indices***

On March 15, 2018, a class action lawsuit was filed in the U.S. District Court for the Southern District of New York (“SDNY”) against a subsidiary of JHG, Janus Index & Calculation Services LLC, which, effective January 1, 2019, was renamed Janus Henderson Indices LLC (“Janus Indices”), on behalf of a class consisting of investors who purchased VelocityShares Daily Inverse VIX Short-Term ETN (Ticker: XIV) between January 29, 2018, and February 5, 2018 (*Eisenberg v. Credit Suisse AG and Janus Indices*). Credit Suisse AG (“Credit Suisse”), the issuer of the XIV notes, was also named as a defendant in the lawsuit. The plaintiffs generally alleged statements by Credit Suisse and Janus Indices, including those in the registration statement, were materially false and misleading based on its discussion of how the intraday indicative value (“IIV”) was calculated and that the IIV was not an accurate gauge of the economic value of the notes.

On May 4, 2018, an additional class action lawsuit was filed on behalf of investors who purchased XIV between January 29, 2018, and February 5, 2018, against Janus Indices and Credit Suisse in the SDNY (*Qiu v. Credit Suisse AG and Janus Indices*). The *Qiu* allegations generally copied the allegations in the *Eisenberg* case.

On August 20, 2018, an amended complaint was filed in the *Eisenberg* and *Qiu* cases (which were consolidated in the SDNY under the name *Set Capital LLC, et al. v. Credit Suisse AG, et al.*), adding Janus Distributors LLC, doing business as Janus Henderson Distributors, and Janus Henderson Group plc as parties, and adding allegations of market manipulation by all of the defendants. The Janus Henderson Group plc and Credit Suisse defendants moved to dismiss the *Set Capital* amended complaint, and on September 25, 2019, the court dismissed all claims against all defendants. The court denied the plaintiffs’ request for an opportunity to further amend their complaint and dismissed the case in its entirety. Plaintiffs thereafter filed an appeal in the U.S. Court of Appeals for the Second Circuit. On April 27, 2021, the Second Circuit affirmed the dismissal of all claims against the Janus defendants except for one claim that it held the district court did not address and remanded to the district court for further proceedings. On June 30, 2021, the plaintiffs voluntarily dismissed all Janus entities from the suit without prejudice, subject to a one-year tolling agreement between the parties, thereby resolving the litigation.

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With respect to the unaudited financial statements of Janus Henderson Group plc as of and for the three-month and six-month periods ended June 30, 2021, appearing herein, PricewaterhouseCoopers LLP (United States) reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated July 29, 2021, appearing herein, states that they did not audit and they do not express an opinion on the unaudited financial statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP (United States) is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their report on the unaudited financial statements because that report is not a “report” or a “part” of the registration statement prepared or certified by PricewaterhouseCoopers LLP (United States) within the meaning of Sections 7 and 11 of the Act.



## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Janus Henderson Group plc

### ***Results of Review of Interim Financial Statements***

We have reviewed the accompanying condensed consolidated balance sheet of Janus Henderson Group plc and its subsidiaries (the “Company”) as of June 30, 2021, and the related condensed consolidated statements of comprehensive income (loss) and of changes in equity for the three-month and six-month periods ended June 30, 2021 and 2020 and the condensed consolidated statements of cash flows for the six-month periods ended June 30, 2021 and 2020 including the related notes (collectively referred to as the “interim financial statements”). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated February 24, 2021, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2020, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

### ***Basis for Review Results***

These interim financial statements are the responsibility of the Company’s management. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ PricewaterhouseCoopers LLP  
Denver, Colorado  
July 29, 2021