POLAR CAPITAL

Polar Capital Holdings plc

Annual Report 2025

Contents

At a Glance

Polar Capital Holdings plc is a specialist, investment led, active fund management company with a collegiate and meritocratic culture where the capacity of investment strategies is managed to enhance and protect performance.

Who we are

Since its foundation in 2001, the Polar Capital Group has grown to support 14 investment teams managing 26 funds, 3 investment trusts and a number of segregated mandates across a range of long-only and alternative products, with combined assets under management (AuM) at 31 March 2025 of £21.4bn.

Polar Capital Holdings plc ordinary shares are traded on the Alternative Investment Market under the ticker 'POLR.LN'.

Our Philosophy

- Primacy of investment performance
- Diversified yet complementary set of funds with a focus on fundamental research driven strategies
- Broad equity participation amongst staff
- Institutional robustness across operations, compliance, risk and relationship management
- A flexible, entrepreneurial and transparent culture
- An environment in which talent can flourish and be appropriately rewarded

Combined AuM
£21.4bn

Our Office Locations

- UK
- USA
- China
- France
- Spain
- Germany
- Sweden
- Switzerland
- Singapore

Highlights

Despite market volatility, we had a positive financial year with average AuM increasing by 17%, core operating profit growing by 27%, and we attracted positive net inflows into key strategies — underscoring the resilience of our model and the strength of client relationships.

Gavin Rochussen, CEO

Financial

Average Assets under Management (AuM)

+17%

2025	£22.9bn
2024	£19.6bn

Assets under Management

-2%

2025	£21.4bn
2024	£21.9bn

Core operating profit†

+27%

2025	£56.7m
2024	£44.8m

Profit before tax

-6%

2025	£51.6m
2024	£54.7m

Basic earnings per share

-13%

2025	36.6p
2024	42.3p

Adjusted diluted total earnings per share†

+22%

2025	53.5p
2024	44.0p

Dividend per share

Dividend maintained

2025	46.0p
2024	46.0p

Corporate

During the year, Polar Capital launched the following funds:

- **Polar Capital International Small Company Fund** which seeks long-term capital growth by investing in smaller companies (market capitalisation under $5bn at initial investment) listed outside the US.
- **Polar Capital Emerging Market Healthcare Fund** which seeks to achieve long-term capital appreciation by investing in a portfolio of healthcare companies which are domiciled, have their origin from, or exercise the predominant part of their economic activity, in emerging markets.

† The non-GAAP alternative performance measures shown here are described on page 29.

Assets under Management Analysis

AuM split by type

	£bn	%
Open ended funds	16.0	75%
Investment trusts	4.8	22%
Segregated mandates	0.6	3%
Total	21.4	100%

	£bn	%
Open ended funds	16.0	73%
Investment trusts	5.1	23%
Segregated mandates	0.8	4%
Total	21.9	100%

AuM split by strategy

Ordered according to launch date

	£bn	%
Technology	9.0	42%
European Long/Short[1]	–	–
Healthcare	3.5	16.5%
Global Insurance	2.6	12%
Financials	0.7	3%
Convertibles	0.3	1.5%
North America	0.5	2.5%
Japan Value	0.2	1%
European Income	0.2	1%
UK Value	0.9	4%
Emerging Markets and Asia	3.0	14%
European Opportunities	0.2	1%
Sustainable Thematic Equities	0.2	1%
European Small Cap[2]	–	–
Global Small Company[3]	0.1	0.5%
Total	21.4	100%

	£bn	%
Technology	9.9	45%
European Long/Short	0.1	0.5%
Healthcare	3.9	18%
Global Insurance	2.3	10%
Financials	0.6	3%
Convertibles	0.4	2%
North America	0.7	3%
Japan Value	0.2	1%
European Income	0.2	1%
UK Value	0.9	4%
Emerging Markets and Asia	1.8	8%
European Opportunities	0.6	3%
Sustainable Thematic Equities	0.3	1.5%
European Small Cap[2]	–	–
Global Small Company[3]	–	–
Total	21.9	100%

AuM split by geography of investors

	%
UK	63%
Europe	23%
Asia	7%
Nordics	5%
North America	1%
Other	1%
Total	100%

	%
UK	60%
Europe	29%
Asia	6%
Nordics	3%
North America	1%
Other	1%
Total	100%

[1] Polar Capital European Forager Fund managed under this strategy was closed in September 2024.

[2] The AuM of the Polar Capital European Small Cap Fund managed under this strategy was £8.0m as at 31 March 2025 (2024: £4.0m).

[3] The Polar Capital International Small Company Fund managed under this strategy was launched on 30 September 2024.

Chair's Statement

David Lamb
Chair

Introduction

I focus below on the results of the latest financial year, though much has changed in the few months following our year end. At the time of writing, it simply isn't clear how global economic and investing markets will settle. We will need to be patient to see how governments across the world, and companies, learn to deal with the economic 'winds of change' coming from the US.

For Polar Capital, the financial year started with a resilient US economy and stubborn levels of inflation pushing out the prospect of interest rate cuts, before ending with the US-led trade tariffs and heightened market uncertainty.

The conflicts in Ukraine and the Middle East continued, stoking wider geopolitical tensions. Political cycles added to the backdrop, with anticipation around major elections in the US, UK and across Europe shaping investor behaviour.

Looking ahead, it is clear that challenges persist – notably geopolitics, trade and war. We also see ongoing regulatory shifts, as well as evolving risks such as cybersecurity and climate change. Despite these challenges, we are confident in our business model and in our people. Our balance sheet strength and entrepreneurial culture, together with our continued focus on our clients, ensures that we remain well positioned to take advantage of the opportunities that we believe will arise in the future.

Results

AuM decreased by 2% over the year, from £21.9bn to £21.4 bn, primarily due to negative market movements in the final quarter whilst net flows for the year were broadly flat. Nevertheless, average AuM increased by 17% in the year to £22.9bn.

The higher average AuM, together with a carefully managed cost base, contributed to a 27% increase in core operating profit† to £56.7m (2024: £44.8m). Despite the increase in core operating profit† and a contribution from performance fee profits† totalling £7.9m (2024: £9.6m), profit before tax declined to £51.6m (2024: £54.7m), primarily due to the recognition of a £13.6m impairment charge relating to goodwill and intangible assets.

Dividend

With the increase in earnings during the year and given the strength of our balance sheet and our confidence in the long-term outlook for the Company, the Board recommend maintaining a second interim dividend of 32.0p per share (2024: 32.0p) to be paid in August 2025. This, together with the first interim dividend of 14.0p per share paid in January 2025, means that the total dividend per share for the year is maintained at 46.0p (2024: 46.0p) representing an 86% payout ratio on adjusted diluted total earnings per share† of 53.5p.

Strategy

As described in the CEO's report, our long-term investment performance remains strong, despite the recent tough, volatile operating and investing environment, and our distribution reach continues to grow, with new personnel in the UK, US and Nordic regions. Given significant industry-wide net outflows from active equity managers during the period, it is notable that Polar Capital achieved net inflows into its open-ended fund range of £495m excluding fund closures with net inflows before fund closures across all investment offerings of £123m.

Net flows during the final quarter of the financial year were encouraging, with net inflows of £398m across several funds in our range, including Polar Capital Global Absolute Return, International Small Company (launched at the end of September 2024), Emerging Market Stars, Healthcare Blue Chip, Biotechnology and Artificial Intelligence funds.

† The non-GAAP and alternative performance measures shown here are described on page 29 and reconciled on page 30.

Culture

Since its foundation, Polar Capital has prided itself on its meritocratic and collegiate culture and this has served us well during another tough year for markets, meeting the challenges head on and working together to continue to deliver for our clients.

We have also maintained our voluntary mentoring program and bursary scheme, Polar Capital Aspire Scheme (PCAS) for students at Westminster City School, an academy that is local to our London head office. This ongoing relationship shows the mutual benefit of the support provided by Polar Capital to the students at the school and is a tangible example of our culture in action.

Board

Whilst there have been no changes to the Board during the year, our CEO, Gavin Rochussen, has informed the Board that he intends to retire after the Annual General Meeting (AGM) in September 2025.

Gavin has been an outstanding CEO since joining Polar Capital in 2017, successfully leading the Group during the last eight years through a number of external and market related challenges. From the fallout from the Brexit referendum, to leading the Group through the unprecedented Covid pandemic, successfully adapting the business at a time when all of us were forced to 'stay at home', to more recent challenges for markets that I referred to above.

Throughout his time in post, Gavin has been an ever-present leader and spokesman for the business.

On behalf of everyone at Polar Capital, I want to thank Gavin for everything that he has done in his time with us and for the considerable success that he has brought to the Group, helping to grow the Group and make us a stronger more resilient business.

During Gavin's tenure between 2017 to 2025, AuM increased 130% from £9.3bn to £21.4bn, with the adjusted diluted total EPS[†] increasing 162% from 20.4p to 53.5p.

We wish Gavin well in his retirement and look forward to thanking him at the AGM.

As the door closes on Gavin's tenure, I also want to congratulate Iain Evans on being selected as our new CEO. Iain has been with Polar Capital for the last twenty years, leading our distribution and marketing teams, and successfully helping to build out our client base beyond the UK.

Annual General Meeting

We are planning to hold the Company's forthcoming AGM at 2.00pm on 25 September 2025 at the Company's registered office. Shareholders are encouraged to submit any questions to our Company Secretary before the meeting (by using Investorrelations@polarcapital.co.uk, using the subject title 'PCH AGM') who will arrange for a response to be provided to the questions. There will not be a presentation at the meeting, but a video of the CEO and CFO presenting the results will be available on the Company's website ahead of the meeting. The notice of the meeting is also available on the Company's website.

Thank you

Polar Capital has built an impressive business that I am proud to be Chair of. This would not be possible without the individuals who work here, or our clients, suppliers and partners who support us. I would like to take this opportunity to thank everyone, but particularly the Polar Capital staff and investment teams, for all their hard work and efforts during a tough year for the industry as a whole.

The Board, and I, really appreciate the commitment and dedication shown by all.
Thank you.

David Lamb
Chair

27 June 2025

Chief Executive Officer's Report

Gavin Rochussen
Chief Executive Officer

The financial year presented a complex mix of challenges and opportunities. We navigated high inflation giving way to cooling price pressures, shifting central bank policies, significant political transitions in the UK and US, and ongoing conflicts casting long shadows. By the end of the period, several major uncertainties had cleared – the UK and US elections were behind us and inflation was on a better trajectory - but new concerns such as the return of tariffs and potential global trade wars have since emerged.

By the fourth calendar quarter of 2024, many active strategies enjoyed better performance with global stock markets continuing to climb and many active portfolios finally recouping losses from the prior year. This favourable backdrop also contributed to improved fund performance across Polar Capital's product range, which helped reinforce client confidence.

However, the momentum for active managers shifted sharply as we entered calendar year 2025, when volatility returned. In the first calendar quarter of 2025, global investors became more risk-averse – spooked by the prospects of a renewed trade war and other uncertainties. A swift pivot to risk-off sentiment led to outflows for active funds, as money-market funds and gold attracted inflows as safe havens.

At 31 May 2025, 84% of our UCITS fund AuM was in the top two quartiles versus Lipper peer groups over three years with 82% and 100% in the top two quartiles over five years and since inception respectively. Of our UCITS funds, 82% was in the first quartile against the Lipper peer group since inception with 88% of UCITS AuM delivering benchmark outperformance since inception.

In terms of AuM, Polar Capital delivered a resilient outcome for the financial year despite industry headwinds for active equity managers. Our AuM ended at £21.4bn on 31 March 2025, just 2% lower than the £21.9bn a year prior.

This decline was entirely due to negative market movements in the final quarter, as net flows over the year were flat. In fact, we achieved net inflows of £0.5bn into our open-ended funds before fund closures. These inflows were largely driven by demand for our specialist active funds; Polar Capital Global Absolute Return, Biotechnology, Healthcare Blue Chip, Emerging Market Stars, and our new International Small Company Funds all attracted new money during the year. After accounting for two fund closures, total net flows for the year were broadly flat. Given the wider context of active managers experiencing net outflows, maintaining flat net flows over the financial year is a creditable result and speaks to the strength of our fund performance and client relationships. It is also noteworthy that asset appreciation earlier in the year had put our AuM as high as £23.8bn by December 2024, before the Q1 2025 pullback. The Group's ability to end the year with only a minor dip in AuM, in a period of such pronounced market swings, demonstrates the resilience of our diversified product range and the value clients place on our active investment approach. Markets have recovered as the severity of 'liberation day' tariffs have decreased, although markets have remained volatile following increased uncertainty relating to global trade wars. Total AuM as at 20 June 2025 were £22.6bn.

Financial performance has seen an improvement over the previous year. While AuM at year-end declined 2% to £21.4bn, average AuM increased by 17% to £22.9bn. Maintaining the management fee yield† steady at 78 basis points, net management fees† increased 16% to £178.3m (2024: £153.7m). Core operating profit† increased by 27%, although performance fees were lower than the prior year and exceptional items comprising mainly of goodwill and intangible assets impairment resulted in diluted EPS declining 13.6% to 36.1p (2024: 41.8p). Adjusted diluted core EPS† increased 26% to 44.0p (2024:35.0p). Adjusted diluted total EPS† increased 22% from 44.0p to 53.5p.

The total dividend per share for the year has been maintained at 46.0p (2024: 46.0p).

Polar Capital made progress during the year in delivering our strategy of "growth with diversification" – expanding our capabilities, client base, and geographic reach to drive sustainable growth. In line with this, we welcomed Dan Boston in September 2024 as Head of our new Global Small Company team. Dan's arrival brings us world-class expertise in international small-cap equities and underscores our ability to attract top talent to the Group.

† The non-GAAP and alternative performance measures shown here are described on page 29 and reconciled on page 30.

At the end of September 2024 we launched the Polar Capital International Small Company Fund, a US-domiciled mutual fund created specifically to serve US investors, marking an important expansion of our product range and our work to diversify our client base geographically. US investors now have a third local Polar Capital fund through which they can access our active expertise, complementing the UCITS funds we offer in the UK, Europe, and Asia. Despite coming to market during a volatile period for equities, the Polar Capital International Small Company Fund has been met with encouraging demand. In its first six months since launch, the fund raised approximately $90m in assets and has now surpassed the $100m AuM milestone. Achieving this scale so early is a strong vote of confidence from investors and provides a solid foundation on which the strategy can continue to grow. We believe that as global equity leadership broadens beyond the US mega-caps, there will be increasing interest from US clients in international small-cap opportunities, which bodes well for this franchise's future.

The breadth of our product range – spanning specialisms such as Technology, Healthcare, Financials, Insurance as well as regional such as UK, Europe, Emerging Markets, North America and now International Small Company – allows us to have relevant offerings for different client segments across regions. Our diverse specialist strategies give us multiple avenues to connect with clients globally, helping us to reduce reliance on any single market or channel.

Internally, the year was also about strengthening the platform to support future growth. We invested in our distribution capabilities, including enhancements to our US sales team in tandem with the new fund launch. Additionally, cost discipline and operational efficiency remained a focus, ensuring we can scale up our business without introducing complexity and unnecessary costs, thus maintaining the ability to harness improvements in profit margins through operational gearing.

I am proud of Polar Capital's achievements in a year that challenged the asset management industry, particularly active equity asset managers. We navigated macroeconomic turbulence and delivered on key strategic goals – broadening our investment strategies and client reach – all while staying true to our active management DNA and performance led culture.

I joined Polar Capital as CEO in July 2017, amidst the low-interest rate environment that followed the extensive quantitative easing post the financial crisis almost a decade earlier, and which in turn underpinned the prolonged bull market in equities fuelled by this excessive market liquidity. Brexit, with the UK officially only leaving the EU on 31 January 2020, the 'unprecedented' pandemic in 2020 which resulted in global lockdowns, high inflation in 2021, and interest rates increasing to 40-year highs in 2022 have all shaped our strategic direction during my tenure.

It is over this geopolitically volatile and challenging period for global equity markets that Polar Capital has prospered through a deliberate strategy of 'growth with diversification' and tireless dedication from its staff with support from an increasing client base.

It has been a privilege to have led Polar Capital through this challenging eight-year period and to have worked with amazing colleagues in a firm with a strong culture that is focused on outcomes for clients and shareholders. In September 2025 following the Annual General Meeting, I will hand over leadership to a long-standing colleague, Iain Evans, who has been Global Head of Distribution at Polar Capital for the past two decades during which he has been responsible for the incredible diversification and growth of the distribution footprint. Given the diverse range of differentiated investment strategies and the solid leadership foundation, I am confident that Polar Capital has the attributes to continue to prosper and grow.

Gavin Rochussen
Chief Executive Officer

27 June 2025

Market Review

The year in review marked the end of a long period in which investors broadly embraced a belief in US 'exceptionalism'. This was not without justification, given that research from UBS suggests that the US corporate sector has delivered a seven-fold increase in Economic Value Added (EVA) since 2009, while EVA in Europe is flat. Outside consumer durables, every sector in Europe has a lower median 10-year return on invested capital than its US peer.

At the other end of the spectrum, some regions such as China, and even Europe, had been seen as 'uninvestable' on the grounds of weak economic growth, declining populations, and slow policy response.

Two events in the first few months of calendar year 2025 challenged these divergent assumptions.

The first was the emergence of China's Deepseek as a low-cost alternative to the more established AI models such as OpenAI's Chat GPT-4. This increases the risk that the recent explosion of investment in AI computing power will earn lower returns, casting a shadow over the profitability, growth, and stock market valuation of America's technology giants.

The second was the emergence of tariffs as a threat to global trade. Investors do not like uncertainty; these measures had a material impact on investors' willingness to own US equities, particularly as positioning was already bullish.

European economic growth and company earnings are starting to see upgrades from a low base, while US growth is being downgraded from a higher level, leading to European equity markets rising in early 2025, while US equities, and the technology sector in particular, have been in decline.

It remains to be seen whether the period of innovation in the US, which has led to the extraordinary growth of names such as Google, Meta, and Amazon, is now over. During this period, it is undeniable that Europe has been a less fertile ground for innovation and growth, at least in the technology sector. In contrast to the 1990s, there are very few European representatives among the world's largest tech companies by market capitalisation.

Interestingly, the best performing stock market sector in the US in the year to March 2025 was utilities. Traditionally viewed as defensive investments, utilities began to emerge as growth opportunities due to increasing demand for electricity from data centres, driven by the rapid expansion of AI applications. US electric utilities have been expanding both natural gas and nuclear power plants to supply the requirements of large tech companies.

The performance of gold has also surprised many over the course of the past year. Like the utility sector, gold is an asset that often holds its value in periods of stress, uncertainty, and declining equity markets. In the past year, gold has been outperforming rising markets. Perhaps this is some measure of investors' nervousness about the stability of traditionally safe investments such as US government bonds and the dollar, or a reflection of broader concern about stock market valuation. Data suggests that rising emerging market jewellery demand is also playing a bigger role than before in determining the price of gold.

A US recession has been widely tipped by market strategists during the past couple of years, which perhaps illustrates human difficulties with forecasting. Its absence also underscores the resilience of the US economy in the face of higher interest rates and higher policy uncertainty. Nevertheless, business and consumer confidence can change very quickly, as the UK experienced following the announcement of higher payroll taxes in the 2024 Autumn Budget.

We shall watch with interest.

Strategy and Business Model

The Group's aim is to remain a leading specialist, investment led, active fund manager through a strategy of delivering a range of fundamentally driven investment products that deliver differentiated risk adjusted returns over the long-term to professional and institutional investors.

Objectives

Our focus is investment performance over and above the gathering of assets. We believe there is an alignment of interest between the fund managers we recruit, their focus on delivering superior returns and the interests of professional and institutional clients who are seeking differentiated investment products.

- Remain a leading global investment management boutique
- Deliver first quartile fund performance over the investment cycle
- Sustain high levels of corporate governance and transparency
- Be a strong and dependable partner to our clients offering them a range of attractive and diversified investment products
- Maintain a robust operational infrastructure
- Preserve a strong balance sheet

Business model

The Group operates as a scalable business platform for specialist, active fund management teams and is structured into three main business areas: Fund Management, Operations and Distribution and Client Services.

Fund Management

The Group currently supports 14 investment teams that manage a range of long-only and alternative products, including open-ended UCITS, SICAV, US 40 Act mutual funds as well as closed-ended investment trust companies and segregated mandates. We have created an environment in which fund managers can focus on managing portfolios and not be distracted by other day-to-day aspects of running a business, particularly administration. The capacity of our strategies is actively managed to enhance and preserve investment performance.

Operations

The Group maintains a robust and scalable operational infrastructure and system of risk and controls which, in collaboration with third-party service providers, support all business areas.

Distribution and Client Services

The Group's distribution and client services teams distribute its products in the UK and internationally to professional and institutional investors through our strong digital platform with insightful content.

Strategy for further growth – Growth with diversification

Investment strategies

- Add complementary strategies to appeal to professional investors
- Selectively extend existing teams to provide additional capacity

Distribution and Client Services

- Focus on building the institutional channel
- Increase US client assets over time
- Enhance international distribution capability
- Focus distribution opportunities in Asia and US

Link to KPIs

- Core operating profit
- Performance fee profit
- Core operating margin
- Adjusted diluted total EPS
- Adjusted diluted core EPS
- Total shareholder return
- Net management fee yield
- Net flows
- Investment performance

Progress during 2025

- Despite industry headwinds for the financial year 2025, AuM remained relatively flat as at 31 March 2025 at £21.4bn, down only 2% from £21.9bn from the prior year. Average AuM for the year was £22.9bn which was a 17% increase compared to the £19.6bn to the year ended 31 March 2024.
- Addition of the Global Small Company team in the US.
- Launch of the Polar Capital Emerging Markets Healthcare Fund as an extension strategy, delivered through a collaboration between the Healthcare and Emerging Markets teams.
- Continued interest in our Polar Capital Emerging Market Stars Fund strategies and the launch of the Polar Capital International Small Company Fund, which has raised approximately $90m in its first six months since launch and has now crossed the $100m milestone, has resulted in AuM managed in US products increasing to £246m.
- Maintained total dividend per share at 46.0p.

Key Performance Indicators (KPIs)

We use the following key performance indicators to measure progress against our strategy. The financial performance indicators, alongside the drivers for year on year movements, are discussed in greater detail in the Financial Review on pages 25 to 28.

Despite industry headwinds for the financial year 2025, Polar Capital has demonstrated resilience and maintained long term investment performance.

Financial performance indicators

Core operating profit†
These are Group profits before performance fee related profits, other income and tax.

+27%

2025 £56.7m

2024 £44.8m

Core operating profit margin†
This measure of Group profitability is calculated as core operating profits divided by net management fee revenue.

+3pp

2025 32%

2024 29%

Net management fee yield†
This measures the average management fee charged across our product range by dividing net management fees earned by the average AuM during the year.

Unchanged

2025 78bps

2024 78bps

Performance fee profit†
Gross performance fee revenue less performance fee interests due to staff.

-18%

2025 £7.9m

2024 £9.6m

Adjusted diluted total EPS†
The Group's adjusted profits from management fees, performance fees and other income measured per share.

+22%

2025 53.5p

2024 44.0p

Adjusted diluted core EPS†
The Group's adjusted core operating profits measured per share.

+26%

2025 44.0p

2024 35.0p

Total shareholder return
We measure the value created for shareholders by monitoring the sum of the change in share price plus dividends paid.

-9%

2025 1.5%

2024 11%

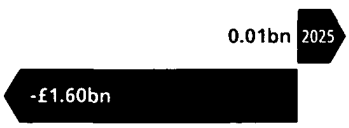
Decline in total shareholder return is primarily due to decrease in the share price as a result of market-wide volatility in the final quarter of the financial year.

† These non-GAAP alternate performance measures are described in more detail on page 29.

Non-financial performance indicators

Net flows

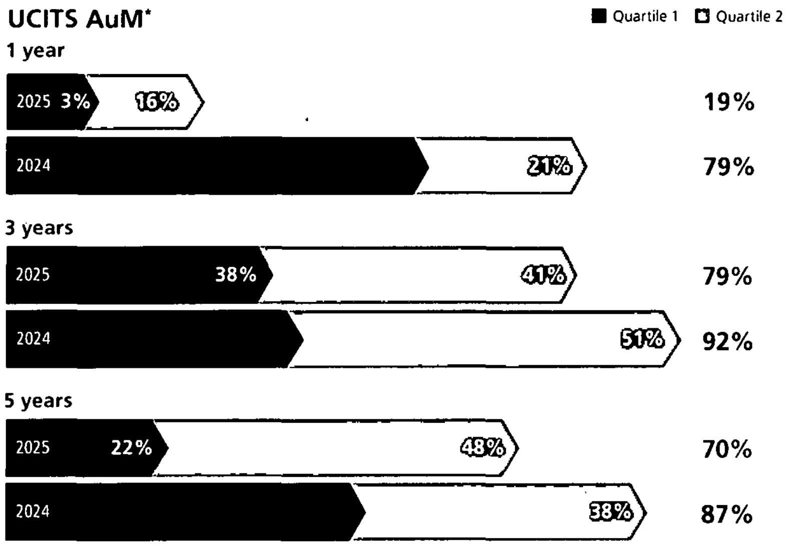
These represent the net amount of inflows into and redemptions from our product range during the year.



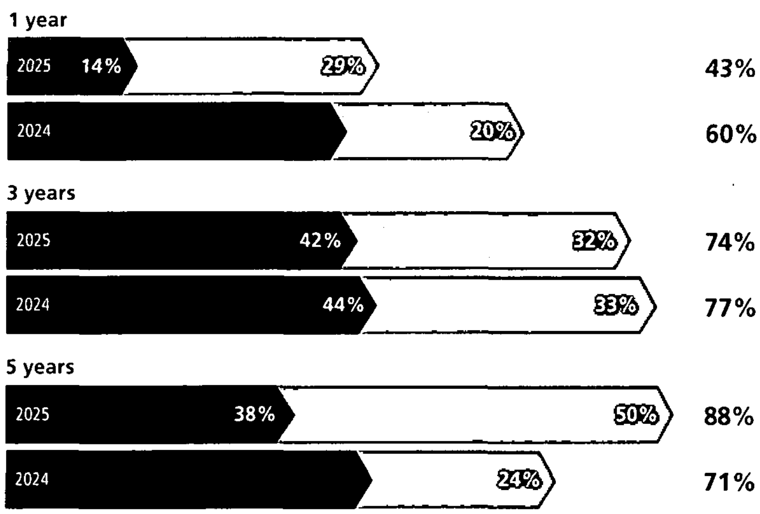
Investment performance

We monitor the percentage of our UCITS AuM and number of funds in the top two quartiles per Lipper figures over 1, 3 and 5 year rolling periods.

UCITS AuM*



UCITS funds*



*Information as at 31 March 2025 relating to our UCITS products which represents 74% of total AuM.
For further detail on investment performance, see the Business Review section on page 17.

Business Review

Assets under Management and Fund Flows

The environment for active managers remains challenging, as investors continue to favour lower-cost index-tracking strategies. Actively managed equity funds have seen net outflows in seven of the past eight years, culminating in a record $450bn[1] withdrawn in calendar year 2024.

Despite these headwinds, Polar Capital has demonstrated relative resilience. We recorded net outflows in just three of those years, and the financial year to 31 March 2025 was broadly flat, with net inflows of £12.3m. Gross inflows remained healthy at £6.1bn.

At the end of the financial year, our reported AuM stood at £21.4bn, down 2% from £21.9bn in March 2024. Average AuM for the year was £22.9bn, compared to £19.6bn in the previous year.

Although we experienced selling pressure across several strategies – particularly in segments that were out of favour with investors, such as UK and European equities – we also recorded encouraging net inflows elsewhere. Our Polar Capital Emerging Market team was a key contributor, attracting net new inflows of £1.3bn. Our Polar Capital Healthcare team delivered total net inflows of £28m, despite a £40m outflow related to the full repayment to ZDP shareholders of the Polar Capital Global Healthcare Trust in June 2024.

Our Polar Capital International Small Company Fund, launched in September 2024, reached approximately $90m in assets within six months, despite a volatile market environment.

Conversely, net outflows from the open-ended Polar Capital Global Technology Fund in the final quarter were £201m compared to £123m in the previous quarter – driven by heightened market volatility and uncertainty surrounding the potential for a tariff-driven global trade war. Total net outflows for the year reached £567m, although these were partially offset by £173m of net inflows into the Polar Capital Artificial Intelligence Fund.

In September 2024, the Polar Capital European Forager Fund was closed following a full redemption by its largest holder, resulting in a total outflow for the year of £105m.

Net outflows on Polar Capital Melchior European Opportunities Fund for the year were £213m.

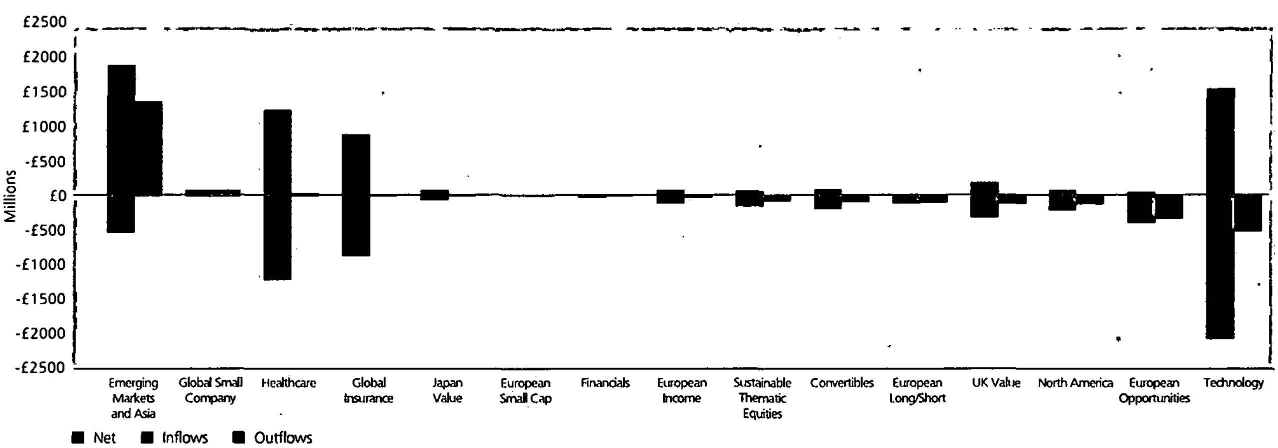
Communicating with our clients

At Polar Capital, a client-centric philosophy is underpinned by clear, consistent and effective communication. Over the past five years, we have significantly enhanced our digital marketing capabilities, recognising the increasing importance of online engagement.

With this digital foundation in place, we continue to deliver targeted communications globally, supporting both client servicing and new business development. These efforts are integral to our strategy of expanding Polar Capital's reach across geographies. We regularly publish written, audio, and video insights from our fund managers, complemented by performance updates and market commentary that are consistently well received.

While digital channels are essential, we also understand the enduring value of direct, personal connection. Our global events programme plays a vital role in our relationship-building and brand engagement. During the year, we participated in 49 events, reaching over 12,000 delegates – including our flagship Annual Conference in London. Notably, 12 events took place in the US or Asia, reflecting our international ambition.

Strategy fund flows for the 12 months to 31 March 2025*



* Source: AuM – Polar Capital

1 Source: Financial Times "Stockpicking funds suffer record $450bn of outflows", 30 December 2024

Our communication and engagement efforts are supported by the strength of our investment strategies, as recognised by several industry awards. In 2024 and 2025, Polar Capital received multiple honours, including the Morningstar Awards for Investing Excellence 2025 (winner in Belgium, shortlisted in the UK and Spain), Emerging Markets Manager of the Year at the European Pension Awards 2024, and the Specialist category award at the Investment Week Fund Manager of the Year Awards 2024 for our Global Insurance Fund.

International diversification

International clients now represent close to 40% of our total AuM, underscoring the growing importance of our global client base. Our approach to overseas expansion remains targeted and disciplined, focusing on markets where we see the greatest long-term growth potential – namely the US, South-East Asia, and seven core markets in Continental Europe.

In the US, we expanded our product offering with the launch of the International Small Company Fund, our third US-domiciled mutual fund. Post year end, assets have crossed the key milestone of $100m. As global equity markets broaden, we expect increasing demand from US investors for international equity exposure, which supports the continued development of this franchise.

We also made strong progress in Scandinavia, where AuM has reached £0.9bn. The region has become a key market for Polar Capital, with growing investor support for our strategies and fund offerings.

During the year, Polar Capital has been recognised in a number of awards, including:

Beyond Finance Awards 2024
Winner – Paying it Forward' Category

Investment Week Fund Manager of the Year Awards 2024
Winner – Specialist Equities
(Polar Capital Global Insurance Fund)

Morningstar Awards for Investing Excellence
Winner (Belgium) Shortlisted
(UK and Spain)

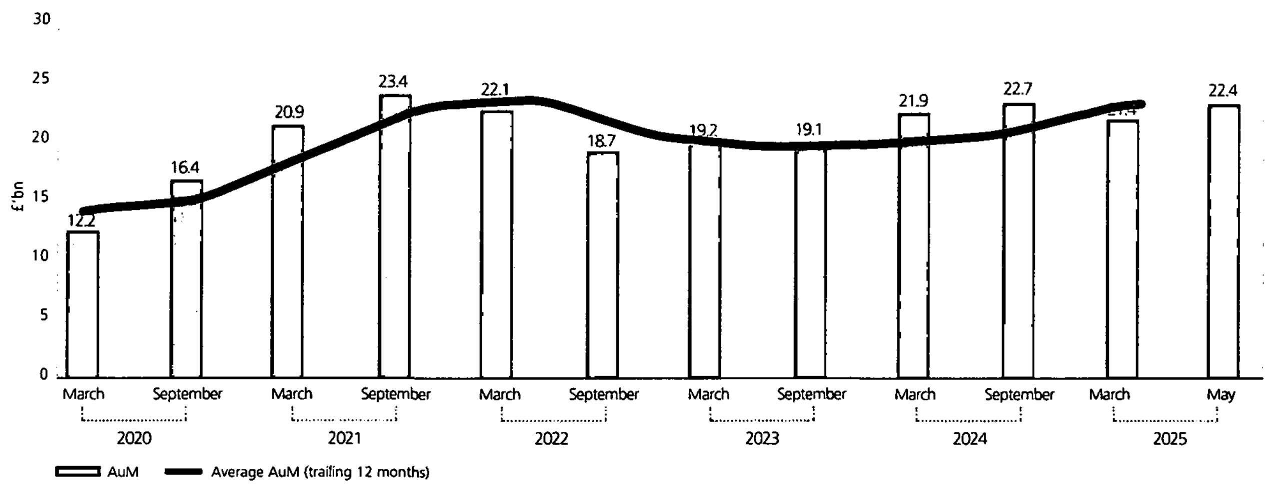
European Pension Awards 2024
Winner – Emerging Markets Manager of the Year

Outlook

Although global economic and political uncertainty continues to weigh on financial markets, we believe that growing return dispersion and a renewed allocator focus on alpha generation will create a more favourable environment for active management. Polar Capital is well positioned to benefit from this shift, underpinned by our differentiated strategies, global distribution capabilities, and scalable operational platform.

We see a strong alignment between long-term thematic trends and our investment expertise, while increasing digitalisation has the potential to level the playing field and broaden investor access. Our well-established brand and specialist active fund strategies equip us to capitalise on emerging opportunities and navigate the challenges facing active asset managers in the years ahead.

Polar Capital AuM



Source: AuM – Polar Capital

Business Review continued

Fund performance and oversight

Two related structural factors, namely equity benchmark concentration, and the underperformance of smaller companies versus broad markets, continue to influence equity markets and manager performance. There is a well-documented inverse relationship between index concentration and the relative performance of active managers; when individual companies become very large index constituents, fund concentration rules make it more difficult for managers to capitalise.

These factors have contributed to the underperformance of Polar Capital's Global Technology Fund, and its closed-end sister strategy, the Polar Capital Technology Trust plc, in the financial year under review. Polar Capital's Technology team also manages a global equity strategy, the Polar Capital Artificial Intelligence Fund, which invests in a range of AI enablers and beneficiaries across all equity market sectors. The Fund is overweight in the technology sector, versus its world benchmark, which has negatively affected performance in the financial year to March 2025 as technology leadership has rolled over. We still believe that the addressable market for AI across the corporate sector is vast (approximating to the size of the global wage bill), and that AI technologies will deliver enormous benefit and efficiency over the long term.

The beginnings of change in market leadership during the first calendar quarter of 2025 are evident in good relative performance from Polar Capital's Japan Value strategy (+880 bps in the year to March 2025) and Polar Capital Europe ex UK Income Fund (+380 bps). As the US underperformed other markets, and technology did less well than other sectors, so value styles of investing recovered. This also benefited Polar Capital North America Fund, which beat its benchmark by 230 bps in Q1 2025, although it lagged over the full 12-month period.

The Group's Emerging Market (EM) and Asia strategies, and its Healthcare funds, had a tougher time in the financial year to March 2025. The strong performance of very large companies played a part here too. In both the EM and Healthcare areas, company performance was closely correlated with size; the returns from companies in the top 40% by market capitalisation of the relevant benchmark indices were substantially higher than those in the bottom 10% of the indices. For EM, the resurgence of the Chinese market, and particularly Chinese tech following the Deepseek reveal, created an additional headwind. For both EM and Healthcare, longer term and since inception returns remain ahead of benchmark, and ahead of many peer funds, but that does not take away from the need to address more recent market changes.

With equity markets weaker towards the end of the business year, and more volatile than earlier, two of Polar Capital's non equity strategies acquitted themselves well. Polar Capital Global Convertibles and its sister strategy, Polar Capital Global Absolute Return, both delivered returns a little above 7% for the financial year to end March 2025. In addition, the recently re-launched Polar Capital Financial Credit Fund returned 11% in its first full year, 460 bps ahead of its reference benchmark.

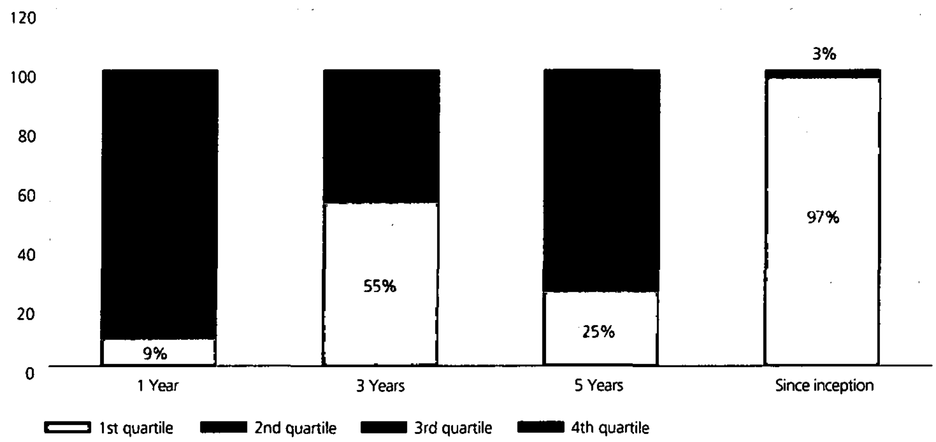
The other significant launch in the year was the Polar Capital Global Small Company strategy, which went live at the end of September 2024. This strategy is designed for US investors who want exposure to, and outperformance from, a portfolio of growing non-US companies. The strategy is led by Dan Boston, from the Group's new office in Tampa, Florida. Initial progress has been very encouraging, with assets under management recently surpassing $100m.

The strongest absolute returns for the financial year to March 2025 came from two areas which are demonstrating that good investment results can come from asset classes which have been overlooked and out of favour. Polar Capital's China Stars strategy, specialising in a country often characterised as 'uninvestable', rose by 31% in the year, beating its benchmark, while the Polar Capital Financials Trust plc, which selects stocks from across the financial services spectrum, was up by 17%.

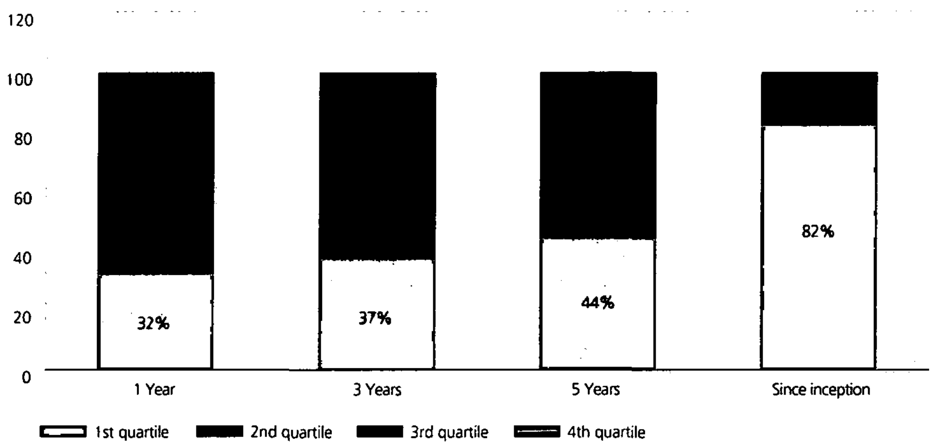
The increased volatility towards the end of the financial year meant that as at 31 March 2025, 19% of our UCITS funds' AuM, representing 74% of total AuM, were in the top two quartiles against the Lipper peer group over one year, 79% in the top two quartiles over three years with 70% and 100% in the top two quartiles over five years and since inception respectively. Of our 22 funds listed within the UCITS umbrella 43% were in the top two quartiles over one year, and 74%, 88% and 86% in the top two quartiles over three years, five years and since inception respectively.

With markets rebounding sharply following the easing of tariffs-induced volatility, as at 31 May 2025, 57% of our UCITS funds' AuM, representing 73% of total AuM, were in the top two quartiles against the Lipper peer group over one year, 84% in the top two quartiles over three years with 82% and 100% in the top two quartiles over five years and since inception respectively. Of our 22 funds listed within the UCITS umbrella 55% were in the top two quartiles over one year, and 79%, 81% and 86% in the top two quartiles over three years, five years and since inception respectively.

Performance over time for UCITS funds AuM - 31 May 2025



Performance over time for UCITS funds - 31 May 2025



Source: Lipper figures for long only and alternative UCITS funds 31 May 2025.

Business Review continued

Profile of investment teams

The Group comprises ***14 investment teams*** *managing* ***26 funds*** *and* ***3 investment trusts*** as well as **a number of segregated mandates**. The following is the profile of each investment team in order of their establishment.

Technology

Established: **2001** | Team size: **11** | Years' experience: **140+** | Team AuM: **£9.0bn**

The team is among the most respected in the industry. It leverages the knowledge and experience of 11 sector specialists who run one of the largest pools of technology assets in Europe and enjoy a strong multi-cycle track record. They look for technology companies exposed to structural, secular trends, applying or enabling AI, which have long-term growth potential as disrupters. This multi-cap, growth-centric investment approach is delivered within a diversified portfolio to capture growth/upside potential while managing risk.

The team believes AI represents the next general purpose technology and a rare example of discontinuous technological change. The vast majority of the portfolio consists of companies they believe are enablers or beneficiaries of AI and they apply an 'AI lens' to all potential and existing portfolio holdings.

The Polar Capital Artificial Intelligence Fund was launched in 2017 to capture the far reaching impact of AI beyond the technology sector and we believe the team's experience in running a dedicated AI fund is a major advantage to help navigate the complexities around AI as the next disruptive technology.

Funds Managed:
- Global Technology
- Artificial Intelligence
- Polar Capital Technology Trust

Healthcare

Established: **2007** | Team size: **7** | Years' experience: **145+** | Team AuM: **£3.5bn**

We believe our well-established and highly experienced healthcare team has a very clearly defined way of managing money: they use a bottom-up, stock-picking approach to construct well-diversified but concentrated portfolios that target growth at a reasonable price. This conviction approach remains the same across the six-strong fund range, each of which has a different risk profile and provides exposure to different aspects of the healthcare sector.

The team views healthcare as a long-term, secular growth sector as an older population drives the demand and the need for increased healthcare provision. Moreover, technology is transforming the way healthcare is managed, delivered and paid for, changing the competitive structure of the industry. This shifting landscape creates investment opportunities that extend well beyond the familiar pharmaceutical companies.

Looking ahead, the team expects returns to be polarised, with the winners being both the smaller companies that innovate to bring breakthrough new medicines and technologies to patients, as well as those larger companies which can adapt to, or perhaps even drive, structural change in the way healthcare is delivered. The team believes smaller companies – the innovators – will disrupt the sector with new technologies, devices, business models, drugs, software and services. At the same time, they believe it is those companies with proactive management using strategies to transform how healthcare is managed, delivered and paid for that will take market share as well as deliver stable earnings growth and compounding returns for investors.

Funds Managed:
- Healthcare Opportunities
- Biotechnology
- Polar Capital Global Healthcare Trust
- Emerging Market Healthcare
- Segregated mandates
- Healthcare Blue Chip
- Healthcare Discovery

Global Insurance

Established: **2010** | Team size: **2** | Years' experience: **40+** | Team AuM: **£2.6bn**

The Global Insurance team invests primarily in the global non-life insurance industry. A key attraction of the sector is that the driver of book value[1] growth for the best companies is underwriting profits. This profit stream tends to be largely disconnected from the broader economy and financial markets. Insurance is mostly a compulsory purchase, often required by law, and therefore the industry exhibits robust demand characteristics and has historically been defensive in challenging economic times.

Non-life insurance company investment portfolios largely consist of cash and short-dated bonds as companies need liquidity to pay claims that can happen at any time, adding to the sector's defensiveness. Non-life insurers have coped well with the low investment returns since the global financial crisis. Insurance policies renew annually so insurers have adjusted premiums to sustain overall returns. Since 2022, companies have seen significant growth in their investment income given the rise in short-term bond yields which, when added to already exceptional underwriting profitability, has resulted in the best earnings power the team has seen in many years.

A well-run insurance company is a compounding machine. In insurance, the rate of compounding is best measured as the growth in book value per share and dividends over time. The team's investment process is to construct a diversified portfolio of 30-35 stocks where the holdings, in aggregate, can grow their book values at an attractive rate over the long term. The team favours smaller, specialist underwriters with significant management ownership rather than large conglomerates. The insurance industry exists to pay claims so having appropriate underwriting diversification and limiting exposure to volatile natural catastrophe (re)insurance, are key to maintaining good returns.

[1] A company's assets after netting out its liabilities

Funds Managed:
- Global Insurance

Financials

Established: **2009** | Team size: **5** | Years' experience: **100+** | Team AuM: **£0.7bn**

The team is one of the largest in the industry dedicated to the Financials sector, responsible for two funds that invest in the equities and bonds of financial companies. The team's investment process looks for high-quality businesses with strong franchises and profitability from a bottom-up, fundamental stock and credit analysis perspective using their proprietary analysis of companies built up over many years.

Financials is the second largest equity investment sector globally and has been a big beneficiary of rising interest rates and bond yields over the past few years which has boosted earnings, leading to stronger performance. Consequently, the sector has outperformed in three of the past four years, notwithstanding the volatility in equity markets not only in recent months but also over the past few years.

With markets moving to the view that interest rates will not return to the levels seen during the pandemic or for much of the decade after the global financial crisis, the team expects the sector to continue to benefit as valuations adjust to reflect the longer-term improvement in profitability. The inclusion of payment companies in the sector in 2023, moved from the technology sector, offers yet more growth opportunities.

Furthermore, with policymakers in the US, and latterly also in the UK and Europe, looking to reduce the regulatory burden on the sector to promote growth, we believe it should benefit from the potential for higher capital returns through dividends and share buybacks, increased merger and acquisition activity and lower costs. Finally, we see the sector benefiting from any shift by investors to diversify their equity allocation away from the small number of US companies that have come to dominate global equity markets.

Funds Managed:
- Global Financials Trust
- Financial Credit

Business Review continued

Convertibles

Established: **2010**

Team size: **4**

Years' experience: **90+**

Team AuM: **£0.3bn**

The team is highly experienced and manages two funds with different risk characteristics. The Global Convertible Fund is long-only and the Global Absolute Return Fund is long convertible/short equity. Nonetheless, both have a similar three-stage investment process, namely fundamental credit analysis followed by convertible analysis and finally the identification of equity catalysts. The primary difference between the two funds is the extent of the hedging of downside risks. Both offer attractive distribution yields.

Over the past three years, the convertible asset class has grown and broadened, leading to a universe today that is as diverse as the S&P 500. This, and the fact convertibles can benefit from higher equity volatility, has led to renewed investor interest in this inherently defensive asset class.

The current global macroeconomic picture is arguably the most uncertain it has been since the onset of Covid in 2020. In the US, economic policy – specifically tariffs – has the potential to disrupt supply chains globally, slow growth and be inflationary.

Consequently, it seems likely that higher equity volatility and market uncertainty will be ongoing for an extended period. Against this backdrop, the team believes convertibles offer investors a true alternative asset class.

For all these reasons, the team believes the outlook for convertibles is one of the most compelling relative and absolute propositions in years.

Funds Managed:
- *Global Absolute Return*
- *Global Convertible*

North America

Established: **2011**

Team size: **3**

Years' experience: **65+**

Team AuM: **£0.5bn**

The team's active approach to investing is driven by bottom-up, fundamental stock analysis. As a team, their investment approach is based on the simple idea that they are investing their clients' savings in North American businesses with the goal of compounding those savings over the long term to generate an attractive return. They believe the best chance of doing this successfully is to invest in businesses that sustainably compound at attractive rates and to invest in those businesses at attractive prices.

The team seeks to identify companies across a broad market-cap spectrum that offer both long-term value creation and value. By focusing on both the value creation delivered via a business's underlying operational growth and capital return as well as taking a disciplined approach to value, the team believes the portfolio has both a higher probability of delivering attractive upside potential and of also benefitting from a two-fold margin of safety – a fundamental margin of safety and a value margin of safety.

Donald Trump's re-election at the end of 2024 came with a lot of promise, but since his tariff announcements in early April, disruption and a seismic shift in trade policy appear to have roiled global markets. Investors have been pricing in a sea change in policy and adapting to a possible reversal in globalisation. There are real ramifications for businesses and consumers and a slowdown, at least, in growth seems likely in the near term.

The Fund is not unscathed, but the team feels assured about the ability of most companies to adjust and continue to compound business value. The capital-light 'services over goods' nature of many businesses in the portfolio, the focus on pricing power in the team's process and generally holding businesses with low reliance on imports mean the direct effect of tariffs at the Fund level should be reasonably limited.

Funds Managed:
- North American

Japan Value

Established:
2012

Team size:
2

Years' experience:
35+

Team AuM:
£0.2bn

The team believes in a long-term, bottom-up, research-driven approach to investing. As a team they have a value philosophy and look to capitalise on the unique investment opportunities presented by Japan, with extreme divergence between intrinsic and market values caused by a combination of behavioural, capital and informational inefficiencies. The team looks to exploit these unique inefficiencies to generate consistently strong risk-adjusted returns by investing in companies trading below their intrinsic value.

The Fund offers an all-cap investment opportunity, but with greater exposure to small and mid-cap companies where the team believes the greatest market inefficiencies exist. They believe the investment opportunities in Japan are attractive when put in a global context and that the return potential is underwritten by unique long-term drivers. One of the core long-term drivers for the Japanese equity market is continued corporate reform.

The team expects the ongoing corporate governance reform to have a material impact on company valuations.

Interestingly, the pace of change across corporate Japan has accelerated materially in the past two years, as management teams have come under even greater pressure to enhance capital efficiency driven by new initiatives from the Tokyo Stock Exchange and a growing number of successful activist investor campaigns. The clearest evidence of change in Japan is the record level of shareholder returns in 2024 with share buybacks almost doubling in scale. The team believes the tailwind from reform is likely to persist in the coming years with a greater number of small and mid-cap enterprises embracing changing corporate governance and capital allocation principles.

Funds Managed:
- Japan Value

European ex-UK Income

Established:
2014

Team size:
3

Years' experience:
30+

Team AuM:
£0.2bn

The Fund targets double-digit annual total shareholder returns by harnessing the compounding power of dividend growth. The team focuses on high-quality, cash-generative European companies with strong balance sheets and sustainable dividends, favouring large-cap, defensive sectors that can grow payouts over time.

The Fund identifies compelling contrarian opportunities, investing in fundamentally sound businesses that are temporarily out of favour. Rigorous due diligence across business fundamentals, capital allocation and ESG (environmental, social and governance) factors underpins the team's selection process. They avoid both overvalued names and low-quality high yielders, typically steering clear of stocks yielding over 6% where dividends often prove unsustainable.

Europe remains a fertile ground for income investing and the team feels the region offers plenty of good companies at attractive starting valuations. The team also believes there is justified excitement around Europe being forced to finally become more growth-friendly (German fiscal stimulus; reforms due from the Mario Draghi report on European Union competitiveness; shifts in global trade dynamics). The recent improved European stock market performance could also be a turning point.

Post-pandemic, dividend policies have also reset. Many companies now blend dividends and share buybacks, accelerating dividend-per-share growth. In today's higher-cost-of-capital environment this trend favours defensive dividend growers, which the team believes are well positioned to outperform. In our view, the team's core competences – valuation discipline and risk management – make the Fund well set given the current regime shift uncertainty.

Funds Managed:
- European ex-UK Income

Business Review continued

UK Value

Established: **2017** | Team size: **2** | Years' experience: **35+** | Team AuM: **£0.9bn**

The team has followed the same bottom-up, company-specific, research-driven process for over a decade. They use a value philosophy in looking to uncover companies trading at a temporary discount to their intrinsic value. The team adopts a multi-cap approach, seeking to take advantage of the best investment opportunities in UK large, mid- and small-cap stocks. The Fund has a high active share with stock holdings differing significantly from those in its benchmark.

The team believes the UK remains anomalously undervalued having suffered from a stubbornly high cost of capital and downgraded Gross Domestic Product (GDP) expectations. The team sees two routes to meaningfully higher UK growth. The first is further interest rate cuts feeding through into consumer spending rather than elevated savings, which could unlock £20bn of extra spending per quarter leading to sizable GDP upgrades. Alongside the mortgage refinancing headwind that UK consumers have seen in recent years slowly coming to an end, this could lay the ground for better spending in 2026 at the latest. The second route is lower energy prices and, particularly for the UK, gas prices. Lower gas prices have a remarkably strong correlation with UK GDP given energy prices in the UK are set from the price of gas. The reduction in gas prices in 2025 should be a material positive for the UK.

Investment fundamentals are strong, with portfolio holdings typically trading at a 15% discount to the market with better earnings growth, higher returns on invested capital, more earnings upgrades and stronger balance sheets. The team believes there are opportunities to capitalise on mis-pricings right across the FTSE 350 Index, with particularly exciting discounts available in REITs (real estate investment trusts), housebuilders, consumer shares, infrastructure, insurance and diversified financials.

Funds Managed:
- UK Value Opportunities
- Segregated mandate

Emerging Markets & Asia

Established: **2018** | Team size: **6** | Years' experience: **95+** | Team AuM: **£3.0bn**

The team comprises fundamental, bottom-up stock-pickers who take a long-term investment view. Their core objective is to add alpha by identifying companies whose potential growth in Economic Value Added (EVA)[1] is mispriced. They seek to do this by leveraging their strong analytical skills and company relationships.

Part of this process includes a detailed analysis of a company's ESG (environmental, social and governance) characteristics in seeking to identify those that are most likely to create long-term, sustainable shareholder returns. The team also looks for potential improvements in a company's ESG profile as an indicator of an improved outlook for the company and thereby enhanced returns.

The team believes the outlook for corporate profits in emerging markets is positive, with markets pricing in only relatively low growth and return expectations over the medium term. Consequently, they believe higher quality companies in particular offer a good balance of risk and reward.

[1] Economic value added (EVA) is a measure of a company's financial performance that compares the rate of return on invested capital with the opportunity cost of investing elsewhere

Funds Managed:
- Emerging Market Stars
- China Stars
- Asian Stars
- Emerging Market ex-China Stars
- Segregated mandates

European Opportunities

Established: **2010[1]**

Team size: **3**

Years' experience: **45+**

Team AuM: **£0.2bn**

The team invests in a selective number of companies across the European continent, including the UK, Switzerland and Scandinavia, and across the market-cap spectrum. The patchwork of European equity markets increases the region's complexity and gives rise to inefficiencies and anomalies which the Fund looks to take advantage of. In particular, the team looks to uncover stocks that are not widely known or followed, where there is greater scope to gain a comparative advantage.

The Fund invests in companies where the team sees strong medium-term growth potential, while exercising a valuation discipline. They look for companies that are not reliant on a strong macro tailwind but instead have demonstrated their ability to thrive in less fertile environments. Specifically, the team looks to identify companies with a competitive advantage or differentiation that will enable them to gain market share at the expense of weaker competitors. They also look to invest in companies delivering a steady improvement in returns that is not yet factored in by the market.

European equities went into 2025 unloved and out of favour, with the valuation discount of the MSCI Europe Index to the MSCI US Index rising over 40% compared to a historic average of 17%. With inflation largely under control in Europe, monetary easing should be a greater tailwind for the eurozone in 2025. With the Trump administration in the US presenting significant economic and security challenges to the region, a more supportive policy mix is emerging, with the priority shifting from containing inflation to increasing growth and investment.

The need for Europe to stand on its own two feet has already precipitated the largest shift in German fiscal policy for decades, one that will only be reinforced following US tariffs. After 15 years of austerity, incoming Chancellor Friedrich Merz succeeded in amending the fiscal debt brake to allow increased defence spending, as well as an additional 500bn infrastructure fund, equivalent to 12% of German gross domestic product. This marks a significant shift and the combination of more expansionary fiscal policy with looser monetary policy should lead to a new investment regime in Europe.

[1] Joined Polar Capital in 2021

Funds Managed:
- Melchior European Opportunities

Sustainable Thematic Equities

Established: **2021**

Team size: **5**

Years' experience: **95+**

Team AuM: **£0.2bn**

The team invests in opportunities that enable the transition towards a more sustainable economy. The investment objective of the fund range is to provide long-term capital growth while pursuing the sustainability objective.

A disciplined and rigorous investment process enables consistency in stock selection and focuses on fundamental analysis to build high-conviction portfolios. The fundamental analysis entails an assessment of the attractiveness of the corresponding subthemes, the drivers underpinning them and solutions/technologies that contribute positively to them.

The portfolios are actively managed, flexibly looking for new investment opportunities in attractive growth areas while taking into account general macroeconomic conditions.

An investment is most likely if a company offers strong growth potential and high barriers to entry, is run by an experienced management team and appears underappreciated by market participants. A comprehensive risk framework is in place, allowing an optimisation of each portfolio's risk/return characteristics through sufficient diversification while carefully monitoring stock and cluster-specific risks.

The team's sustainability expertise is integrated at all stages of the investment process and they invest in sustainable companies that make significant positive contributions to the theme through their innovative technologies and solutions. The team believes sustainable companies can mitigate risks while providing positive, long-term returns.

Funds Managed:
- Smart Energy
- Segregated mandate
- Smart Mobility

Business Review continued

European Small Cap

Established:	Team size:	Years' experience:	Team AuM:
2024	**2**	**35+**	**£8m**

The team aims to maximise returns at a low level of risk by applying a bottom-up, value-based approach to stock selection. They focus exclusively on identifying mispriced small-cap European equities, drawing on fundamental research to uncover overlooked opportunities in a large, under-researched universe.

Potential investments are assessed through rigorous due diligence, with particular emphasis on the underlying quality of a company's business model, its ability to defend or grow its market position and its potential to sustain above-average profitability, underpinned by superior returns on capital and strong cash generation. This process includes detailed financial statement analysis and a disciplined approach to valuation, ensuring every portfolio holding is purchased with a clear margin of safety.

The European small-cap market is characterised by niche market leaders and national champions operating in dynamic and evolving competitive landscapes. The region continues to offer compelling opportunities due to persistent valuation dispersion, particularly between modestly growing, high-quality but lesser-known companies and their larger, more widely followed counterparts. These inefficiencies provide a rich hunting ground for high-conviction, long-term investors.

Funds Managed:
- European Small Cap

Global Small Company

Established:	Team size:	Years' experience:	Team AuM:
2024	**3**	**30+**	**£0.1bn**

The Global Small Company team has a distinguished track record in small-cap investing. It uses a proven investment philosophy and process to find and build a concentrated portfolio of Wealth-creating, Alpha-generating Compounders (WAC). WACs have the ability to grow multiple times larger and become more formidable over a 5-10 year holding period.

The team uses a fundamental, deep due diligence process consistently applied to build low-turnover, high-conviction portfolios. It looks for companies that have long-duration growth opportunities, sustainable competitive advantages and a strong ability to execute.

The team builds proprietary models to allow for scenario analysis and uses 10-year discounted cashflow[1] to value companies on a dynamic basis. The companies are held over a 5-10 year period to take advantage of the effect of compounding capital. The result is a best ideas portfolio with guard-rails around sectors, geographies and lifecycle risk to monitor and manage exposures.

The team of researchers has a flat hierarchy to benefit from all members' backgrounds and unique insights. The aim is consensus outcomes but this will not always be attainable. Therefore, Dan Boston serves as a Lead Manager and Researcher to make decisions as needed.

Funds Managed:
- International Small Company

[1] Discounted cashflow estimates the value of an investment based on its expected future cashflows.

Financial Review

Samir Ayub
Chief Financial Officer

AuM

AuM movement in twelve months to 31 March 2025 (£bn)	Open ended funds	Investment Trusts	Segregated mandates	Total
AuM at 1 April 2024	16.0	5.1	0.8	21.9
Net flows	0.5	(0.2)	(0.2)	0.1
Fund closures	(0.1)	–	–	(0.1)
Market movement and performance	(0.4)	(0.1)	–	(0.5)
Total AuM at 31 March 2025	16.0	4.8	0.6	21.4

Over the financial year, closing AuM decreased by 2% from £21.9bn in 2024 to £21.4bn in 2025 through a combination of net flows and fund closures, which in aggregate were flat, and market movement and fund performance of £(0.5)bn.

The mix of AuM between open ended funds, investment trusts and segregated mandates remained unchanged compared to the prior year.

Average AuM for the year was £22.9bn which was a 17% increase compared to £19.6bn for the previous year.

Revenue

Management fees

	31 March 2025 £'m	31 March 2024 £'m
Management and research fees	206.1	176.4
Commissions and fees payable	(27.8)	(22.7)
Net management fees†	178.3	153.7

The higher average AuM over the year and unchanged yield translated into the Group's net management fees† increasing by 16% from £153.7m in 2024 to £178.3m this year.

Net management fee yield

	31 March 2025	31 March 2024
Average AuM (£'bn)	22.9	19.6
Net management fees† (£'m)	178.3	153.7
Net management fee yield† (bps)	78	78

Net management fee yield† over the year measured 78bps (2024: 78bps). Over the medium term our stated guidance is for an annual decrease of at least 1-2bps due to changing client and product mix as well as long term industry trends.

Performance fees

	31 March 2025 £'m	31 March 2024 £'m
Performance fees	16.0	18.7

The strong performance posted by certain underlying funds resulted in performance fees earned for the financial year to 31 March 2025 of £16.0m (2024: £18.7m).

† The non-GAAP and alternative performance measures shown here are described on page 29 and reconciled on page 30.

Financial Review continued

Operating and finance costs

	31 March 2025 £'m	31 March 2024 £'m
Salaries, bonuses and other staff costs[1]	39.6	35.0
Core distributions[2†]	50.6	42.8
Share-based payments[3]	5.0	3.2
Performance fee interests[†]	8.1	9.1
Total staff compensation	103.3	90.1
Other operating costs	28.4	28.7
Exceptional costs	14.8	1.2
Total operating costs	146.5	120.0
Finance costs	0.2	0.2
Operating and finance costs	146.7	120.2

1. Including share awards under deferment plan of £0.8m (2024: £0.7m).
2. Including share awards under deferment plan of £1.2m (2024: £1.2m).
3. Share-based payments on preference shares of £1.9m (2024: £0.7m), LTIPs of £2.4m (2024: £1.9m) and equity incentive plan of £0.7m (2024: £0.6m). Refer to note 3.6.

Total operating and finance costs increased 22% to £146.7m (2024: £120.2m) with the increase resulting partly from higher staff compensation costs as variable compensation increased in line with profitability, and partly due to exceptional costs including an impairment charge on goodwill and intangible assets held.

Core distributions, which are variable compensation amounts payable to investment teams from management fee revenue, increased as a direct consequence of the higher average AuM over most of the year and the resulting higher management fee revenues and core operating profit.

Performance fee interests, which are variable compensation amounts payable to staff from performance fee revenue, declined due to the lower amount of such fees generated this year.

Other operating, non-staff compensation related, costs have marginally decreased compared to prior year.

Exceptional items

	31 March 2025 £'m	31 March 2024 £'m
Recorded in operating costs		
Amortisation of intangibles	1.2	1.2
Impairment of goodwill and intangibles	13.6	–
Total exceptional items recorded in the consolidated statement of profit or loss	14.8	1.2

Exceptional items for both 2025 and 2024 comprised of significant items of income or expenditure related to the non-cash amortisation and impairment of previously acquired goodwill and intangible assets. The items are presented separately to allow a supplemental understanding of the Group's results.

In 2025 exceptional items included £13.6m related to an impairment charge in respect of goodwill and intangible assets connected to the Dalton acquisition and the related CGU. Due to the challenging environment for small and mid-cap European equities and continued net outflows from the CGU, the Group's judgement was that the present value of the goodwill and intangible assets acquired as part of the Dalton acquisition was less than its carrying value at 31 March 2025, resulting in the recognition of the impairment charge. The impairment charge is a non-cash item and does not affect the Group's cashflow.

Profit before tax

	31 March 2025 £'m	31 March 2024 £'m
Core operating profit[†]	56.7	44.8
Performance fee profit[†]	7.9	9.6
Other income[^]	3.7	2.2
Share-based payments on preference shares	(1.9)	(0.7)
Exceptional items	(14.8)	(1.2)
Profit before tax	51.6	54.7
Core operating profit margin[†4]	32%	29%

^ A reconciliation to reported results is given on page 30.
4. This measure is calculated as core operating profit divided by net management fee.

† The non-GAAP and alternative performance measures shown here are described on page 29 and reconciled on page 30.

The statutory profit before tax for the year has decreased by 6% to £51.6m (2024: £54.7m) mainly driven by the impairment of goodwill and related intangible asset.

The analysis of the three key components of profits shows that:

- **Core operating profit**
  Increased by 27% to £56.7m (2024: £44.8m) reflecting higher average AuM over the year and continued discipline around operating costs. Over time, we expect to grow core operating profit† as a proportion of the Group's total earnings and thereby reduce the volatility of total earnings due to performance fees.
- **Performance fee profit**
  Performance fee profits† were lower than the prior year but reflected the strong investment performance on certain specific strategies during the current year.
- **Other income**
  The increase in other income was mainly due to positive marked-to-market gains on the Group's seed portfolio net of hedging costs.

Earnings per share

Basic EPS decreased by 13% to 36.6p during the year (2024: 42.3p) and diluted EPS decreased by 14% to 36.1p (2024: 41.8p) while adjusted diluted total EPS† increased year on year by 22% to 53.5p (2024: 44.0p). The effect of the adjustments made in arriving at the adjusted diluted total EPS† and adjusted diluted core EPS† figures of the Group is as follows:

(pence)	31 March 2025	31 March 2024
Diluted earnings per share	36.1	41.8
Impact of share-based payments on preference shares	2.0	0.7
Impact of deferment, where staff compensation costs are deferred into future periods	0.3	0.3
Impact of exceptional items	15.1	1.2
Adjusted diluted total EPS†	53.5	44.0
Of which: performance fee profit and other income	9.5	9.0
Adjusted diluted core EPS†	44.0	35.0

Preference shares

A separate class of preference share has historically been issued by Polar Capital Partners Limited for purchase by each new team of fund managers on their arrival at the Group.

These shares provide each manager with an economic interest in the funds that they run and ultimately enable the manager to convert their interest in the revenues generated from their funds into equity in Polar Capital Holdings plc.

The equity is awarded in return for the forfeiture of their current core economic interest and vests over three years with the full quantum of the dilution being reflected in the diluted share count (and so diluted EPS) from the point of conversion.

The event has been designed to be, at both the actual and the diluted levels, earnings enhancing to shareholders.

In the year to 31 March 2025 there was one conversion of preference shares into Polar Capital Holdings plc equity (2024: no conversions).

As at 31 March 2025 five sets of preference shares (2024: five sets) have the ability to call for a conversion.

The call must be made on or before 30 November 2025 if any conversion is to take place with effect from 31 March 2025.

As indicated last year, no further preference shares are expected to be issued and any new teams arriving are expected to be on a revenue sharing model with deferment into equity in Polar Capital Holdings plc as the new long-term incentivisation plan for investment teams. This revised model is not expected to change core distributions when measured in percentage terms against net management fee revenue but is expected to be simpler to administer compared to the preference shares arrangement.

Balance sheet and cash

At the year end, the Group's cash and cash equivalents were £121.8m (2024: £105.6m including long-term deposits maturing over a period of 6-12months of £6.7m), see Note 4.9 to the financial statements. In line with the Group treasury policy, cash and cash equivalents are held across several UK banking counterparties on maturity terms ranging from 30 to 90 days. At the balance sheet date the Group also held £37.3m of investments in its funds (2024: £35.8m). See Note 4.5(a) to the financial statements.

† The non-GAAP and alternative performance measures shown here are described on page 29 and reconciled on page 30.

Financial Review continued

Capital management

The Group believes in retaining a strong balance sheet. The capital that is retained in the business is used to seed new investment products, as a buffer for times of uncertainty, pay dividends and fund the EBT to buy Company shares to reduce the dilutive effects of Group share awards. Depending on the market outlook, and as the Group grows in size, the allocation of overall capital amongst these four categories may vary over time as we seek to balance returns to shareholders with the need to re-invest in the business for future growth.

As at 31 March 2025 £37.3m (2024: £35.8m) of the Group's balance sheet was invested to seed fledgling funds and during the year the Group advanced loans to the EBT of £0.5m (2024: £7.5m) to buy shares in the Company.

The Group's dividend policy is to pay an annual dividend within a range of 55% and 85% of adjusted total earnings, dependent on the scale of performance fees in the relevant year and the anticipated trading conditions for the following year.

As at 31 March 2025 the Group had surplus capital of £65.1m (2024: £52.1m) above its regulatory capital requirement of £26.0m (2024: £26.0m) and the August dividend commitment of £30.9m (2024: £30.9m).

Going concern

The Financial Reporting Council has determined that all companies should carry out a rigorous assessment of all the factors affecting the business in deciding to adopt a going concern basis for the preparation of the accounts.

The Directors have reviewed and examined the financial and other processes embedded in the business, in particular the annual budget process and the financial stress testing inherent in the Internal Capital Adequacy and Risk Assessment (ICARA) process.

Based on this review and the significant liquid assets underpinning the balance sheet relative to the Group's predictable operating cost profile, the Directors consider that the adoption of a going concern basis, covering a period of at least 12 months from the date of this report, is appropriate.

Samir Ayub
Chief Financial Officer

27 June 2025

Alternative Performance Measures (APMs)

The Group uses the non-GAAP APMs listed below to provide users of the Annual Report with supplemental financial information that helps explain its results for the current accounting period. There have been no changes to the APMs compared to the prior year.

APM	Definition	Reconciliation	Reason for use
Core operating profit	Profit before performance fee profits, other income and tax.	Page 30	To present a measure of the Group's profitability excluding performance fee profits and other components which may be volatile, non-recurring or non-cash in nature.
Performance fee profit	Gross performance fee revenue less performance fee interests due to staff.	Page 30	To present a clear view of the net amount of performance fee earned by the Group after accounting for staff remuneration payable that is directly attributable to performance fee revenues generated.
Core distributions	Variable compensation payable to investment teams from management fee revenue.	Page 30	To present additional information thereby assisting users of the Annual Report in understanding key components of variable costs paid out of management fee revenue.
Performance fee interests	Variable compensation payable to investment teams from performance fee revenue.	Page 30	To present additional information thereby assisting users of the Annual Report in understanding key components of variable costs paid out of performance fee revenue.
Adjusted diluted total EPS	Profit after tax but excluding (a) cost of share-based payments on preference shares, (b) the net cost of deferred staff remuneration and (c) exceptional items which may either be non-recurring or non-cash in nature, and in the case of adjusted diluted earnings per share, divided by the weighted average number of ordinary shares.	Page 27 Note 3.8	The Group believes that (a) as the preference share awards have been designed to be earnings enhancing to shareholders (See page 27) adjusting for this non-cash item provides a useful supplemental understanding of the financial performance of the Group, (b) comparing staff remuneration and profits generated in the same time period (rather than deferring remuneration over a longer vesting period) allows users of the Annual Report to gain a useful supplemental understanding of the Group's results and their comparability year on year and (c) removing non-cash amortisation and impairment of goodwill and intangible assets provides a useful supplemental understanding of the Group's results.
Adjusted diluted core EPS	Core operating profit after tax excluding the net cost of deferred core distributions divided by the weighted average number of ordinary shares.	Page 27	To present additional information that allows users of the Annual Report to measure the Group's earnings excluding those from performance fees and other components which may be volatile, non-recurring or non-cash in nature.
Core operating profit margin	Core operating profit divided by net management fees revenue.	Page 26	To present additional information that allows users of the Annual Report to measure the core profitability of the Group before performance fee profits, and other components, which can be volatile and non-recurring.
Net management fee	Gross management fees less commissions and fees payable.	Page 25	To present a clear view of the net amount of management fees earned by the Group after accounting for commissions and fees payable.
Net management fee yield	Net management fees divided by average AuM.	Page 25	To present additional information that allows users of the Annual Report to measure the fee margin for the Group in relation to its assets under management.

Alternative Performance Measures (APMs) continued

Summary of non-GAAP financial performance and reconciliation of APMs to reported results

The summary below reconciles key APMs the Group measures to its reported results for the current year and also reclassifies the line-by-line impact on consolidation of seed investments to provide a clearer understanding of the Group's core business operation of fund management.

Any seed investments in newly launched or nascent funds, where the Group is determined to have control (see Note 2.2), are consolidated. As a consequence, the statement of profit or loss of the fund is consolidated into that of the Group on a line-by-line basis. Any seed investments that are not consolidated are fair valued through a single line item (other income) on the Group consolidated statement of profit or loss.

		Reclassifications				
	2025 reported results £'m	Reclassification on consolidation of seed investments £'m	Reclassification of costs £'m	2025 Non-GAAP results £'m	2024 Non-GAAP results £'m	
Investment management and research fees	206.1	–	–	206.1	176.4	
Commissions and fees payable	(27.8)	–	–	(27.8)	(22.7)	
	178.3	–	–	178.3	153.7	Net management fee
Operating costs	(146.5)	0.3	75.4	(70.8)	(65.9)	
Finance costs	(0.2)	–	–	(0.2)	(0.2)	
	–	–	(50.6)	(50.6)	(42.8)	Core distributions
	31.6	0.3	24.8	56.7	44.8	Core operating profit
Performance fees	16.0	–	–	16.0	18.7	
Performance fee interests	–	–	(8.1)	(8.1)	(9.1)	Performance fee interests
	16.0	–	(8.1)	7.9	9.6	Performance fee profits
Other income	4.0	(0.3)	–	3.7	2.2	
Exceptional items	–	–	(14.8)	(14.8)	(1.2)	
Share-based payments on preference shares	–	–	(1.9)	(1.9)	(0.7)	
Profit for the year before tax	51.6	–	–	51.6	54.7	

Sustainability Report

Introduction

Diverging regional sentiment towards environmental, social and governance (ESG) considerations has become a notable issue in society and challenge for our industry. While some markets, notably in parts of the US, have seen growing political scrutiny and pushback against sustainability themes and initiatives, other regions, particularly in Europe and the UK, continue to reinforce their commitment to sustainability.

The past year has been marked by political, social, and geopolitical changes that have reshaped global attitudes toward sustainability. In particular, political developments around the world have intensified debates and division over the role of sustainability in economic and investment decision-making, and in society more broadly. A renewed focus on energy pragmatism and scepticism towards the pace and cost of decarbonisation has placed political and legal pressure on net zero commitments, especially in the US. Much has been made of asset owners and asset managers leaving climate alliances such as Net Zero Asset Owners Alliance (NZAOA) and Net Zero Asset Managers Initiative (NZAM), often citing legal or reputational risk from involvement. This is a directional change in risk assessment from these businesses, where a lack of participation in such initiatives was previously a driver of reputational risk and market demand.

Conversely, in the UK and much of Europe, sustainability remains firmly embedded in regulatory expectations, client demand, and market practice. Recent developments in the UK such as the advancement of the Sustainability Disclosure Requirements (SDR) illustrate the continued maturing of the regulatory environment, aimed at enhancing transparency and driving meaningful outcomes.

Despite these regional disparities, our clients' interest in responsible investment and stewardship remains strong. Across our client base, there is a consistent expectation that capital should be allocated in a manner that is financially prudent and also considers and is transparent about our portfolios' impacts on the environment and society. Investors continue to seek evidence that sustainability considerations are integrated throughout investment processes, from ESG analysis to active stewardship and engagement with portfolio companies.

At Polar Capital, our approach to sustainability, whether for corporate initiatives or investment practices, has been focused on being pragmatic, realistic, and authentic to our business and investment teams. This report outlines our progress, challenges, and reflections over the past year, as we continue to engage with companies, adapt to regulatory change, and support our clients in achieving their long-term objectives.

We are very proud of the initiatives that we have developed and supported as a company. Over the past few years, our bursary programme with a local school has gone from strength to strength, having a real impact on young students' lives and also helping the school we work with more broadly. Heal Rewilding, the rewilding charity, has also progressed well and hit important milestones. We have started supporting another key charity, Polar Academy, and continue to support charities nominated by our staff.

As global perspectives continue to evolve, we remain committed in our mission: to deliver superior investment outcomes for our clients and to act as responsible stewards of their capital, while promoting responsible business practices.

Responsible investment

Though the ESG narrative has been dominated by negative sentiment in the press, responsible investment and stewardship remains important to our clients.

Regulatory compliance remains important, as reflected in our response to developments such as the SDR and fund-level TCFD reporting. However, our clients are primarily focused on robust standards of RI, effective ESG risk management, strong ESG processes, transparency, and meaningful engagement with investee companies.

Over the past year, we have further developed and formalised our responsible investment and stewardship practices:

In June 2024, we published our first firm-level TCFD report, structured around the four TCFD pillars. This report provides a clear view of climate-related risks and opportunities for both our corporate operations and investment portfolios. We also began producing fund-level TCFD reports, available to clients on request. This work was underpinned by enhancements to our climate data and risk management processes.

In late 2024, we focused our climate strategy to place greater emphasis on net zero alignment and stewardship outcomes, moving beyond NZAM targets alone. This strategic shift reflects both client expectations and the evolving industry focus on credible and measurable climate action.

We developed a proprietary net zero alignment assessment methodology, based on the Net Zero Investment Framework (NZIF) and our own research, to ensure consistency and rigour across our assessments. This has also enhanced investment oversight by integrating high-quality climate data and identifying engagement opportunities for our investments based on these assessments.

Sustainability Report continued

Responsible investment continued

To support our stewardship activity, we have increased our active participation in collaborative initiatives, such as Climate Action 100+ (CA100+), where we act as lead participants in the engagement with Reliance Industries. In 2024, we joined the Net Zero Engagement Initiative (NZEI), through Institutional Investor Group on Climate Chante (IIGCC), this initiative seeks to accelerate progress on net zero alignment through investor-led corporate engagement. Polar Capital joined the Spring initiative led by the UN PRI, this programme focuses on strengthening investor stewardship on sustainability outcomes.

Through these initiatives and our internal enhancements, we are working to ensure that our responsible investment practices continue to evolve in line with both client expectations and global best practice.

Corporate Sustainability

Streamlined Energy and Carbon Reporting (SECR) Regulation

For an asset management company, the majority of our emissions footprint comes from our investee companies, our 'financed emissions'. However, we are also cognisant of our corporate emissions footprint and continue to review our internal practices and seek to reduce consumption where possible.

In addition to SECR requirements, we comply with the Energy Savings Opportunity Scheme (ESOS) regulation. As part of this scheme, we submitted our latest ESOS Phase 3 Action Plan on 5 March 2025, outlining measures to improve energy efficiency across our operations and committing to report on our progress.

The following statement has been prepared in accordance with our regulatory obligation to report GHG emissions and energy consumption under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the government's policy on Streamlined Energy and Carbon Reporting:

GHG boundary and methodology

We quantify and report our Scope 1 and 2 emissions in alignment with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, including the Scope 2 Guidance. In addition, we voluntarily report selected Scope 3 emissions in accordance with the greenhouse gas (GHG) Protocol Scope 3 Accounting and Reporting Standard. We apply the operational control approach to define our organisational and reporting boundary, covering sources over which we have operational control. Where data is unavailable, values have been estimated using standard extrapolation methods based on currently available data or, where appropriate, proxy data from the previous year.

The majority of our GHG emissions result from indirect activities. As such, we voluntarily disclose Scope 3 emissions for relevant categories where data is available. Over the past four years, as we have continued to collect and report emissions data, we have progressively enhanced our data capture and measurement processes. For this reporting year, we expanded the scope of our measurement to include our Tampa (Florida, US) office, which was opened in September 2024.

Certain sub-categories of emissions are excluded from our GHG inventory where they are not material to the Group's operations. These exclusions generally relate to activities not representative of a financial services business. For example, category 3.12 covers emissions from the end-of-life treatment of sold products, an area not applicable to the Group, given our service-based operating model. Accordingly, emissions from these sources are not included in our inventory.

We have not yet reported other Scope 3 emissions such as Purchased Goods and Services, which may contribute significantly to our overall Scope 3 emissions.

GHG performance and energy efficiency actions

During the year 1 April 2024 to 31 March 2025, our global measured Scope 1 and 2 emissions (location-based) totalled 95 tCO_2e. This figure includes 37 tCO_2e from Scope 1 emissions in our offices.

Our London office is supplied with certified 100% renewable electricity from SmartestEnergy. SmartestEnergy's electricity products are certified by the Carbon Trust and conform to the GHG Protocol guidance for reporting Scope 2 emissions. In addition to renewable electricity, energy efficiency continues to be a focus in our London office. The building is equipped with power-saving devices, including automated lighting systems that reduce electricity use when spaces are unoccupied.

	31 March 2025			31 March 2024 (Restated[1])		
Energy, kWh	**UK**	**Rest of world**	**Total**	UK	Rest of world	Total
Scope 1 fuels	201,234	519	201,753	335,790	563	336,353
Scope 2 electricity (location based)	205,765	65,353	271,118	205,959	41,911	247,870
Total Scope 1 & 2	406,999	65,872	472,871	541,749	42,474	584,223

1 The prior year figure for Scope 2 location-based emissions and energy has been restated to reflect more accurate data for our Zurich office.

More significantly, our landlord, Land Securities, has initiated a major retrofit programme to replace all gas-powered heating and cooling systems in the building with electric alternatives. This transition, scheduled for full completion by Q4 2025, will be key to reducing our environmental impact. While the project is ongoing, its partial implementation has already led to a notable reduction in gas use and Scope 1 emissions.

As an initial step towards long-term decarbonisation, we have committed to reducing our operational emissions across Scope 1 and 2 in line with a science-based trajectory, targeting at least a 42% absolute reduction by 2030 from our chosen baseline year of FY 2024.

Global scope 3 emissions for selected measured categories totalled 904 tCO_2e in 2024-25, making up 90% of the Group's total known location-based emissions. This includes the impact of the Group's capital goods (category 3.2), business travel (category 3.6), waste generated in operations (category 3.5), employee commuting and remote working (category 3.7) as well as fuel and energy-related activities (FERA) not already included in Scope 2 (category 3.3).

Compared to the previous year, our Scope 1 emissions decreased by 39%, largely driven by the ongoing retrofit programme in our London office, which is phasing out gas-powered systems.

In contrast, Scope 2 emissions rose by 7% primarily due to the inclusion of our new Tampa office in this year's reporting boundary, and Scope 3 emissions saw a moderate increase of 5%, largely attributed to a 10% rise in business travel.

Taking all reported scopes into account and using a location-based approach for Scope 2, our total carbon emissions have remained stable, increasing by 2% compared to the prior year.

Total CO_2e emissions (tonnes)

999

Scope 1: Natural gas, on-site fuels and company vehicles

Scope 2: Electricity (location-based)

Scope 3: Business travel; capital goods; waste; FERA; employee commuting and remote working

	31 March 2025			31 March 2024 (Restated[1])		
GHG emissions, tCO_2e	**UK**	**Rest of world**	**Total**	UK	Rest of world	Total
Scope 1	37	–	37	61	–	61
Scope 2: location-based	43	15	58	43	11	54
Scope 2: market-based	–	15	15	–	11	11
Total Scope 1 & 2: location-based	80	15	95	104	11	115
Total Scope 1 & 2: market-based	37	15	52	61	11	72
Scope 3 (optional reporting)	N/A	N/A	904	N/A	N/A	863
Capital goods	N/A	N/A	58	N/A	N/A	74
Fuel and energy-related activities	N/A	N/A	31	N/A	N/A	34
Waste generated in operations	N/A	N/A	1	N/A	N/A	–
Business travel	N/A	N/A	716	N/A	N/A	650
Employee commuting & remote working	N/A	N/A	98	N/A	N/A	104
Total all scopes (location-based)	N/A	N/A	999	N/A	N/A	978
Total all scopes (market-based)	N/A	N/A	956	N/A	N/A	935
Intensity ratio per £'m net income	N/A	N/A	0.5	N/A	N/A	0.7
Intensity ratio per FTE	N/A	N/A	0.5	N/A	N/A	0.6

1 The prior year figure for Scope 2 location-based emissions and energy has been restated to reflect more accurate data for our Zurich office.

Sustainability Report continued

Corporate Sustainability continued

Charitable giving

We believe we have a responsibility to make a positive impact on the environment and the communities in which we live. Each year we support charities that are important to members of staff and the business from a percentage of our annual core operating profit. In the year under review, the Group made financial contributions to 22 charities.

We now have a number of core charities and initiatives that we support on an ongoing basis; Heal Rewilding, a UK charity, who actively engaged in impactful initiatives aimed at restoring ecosystems and promoting biodiversity, the Polar Academy, who engage with "invisible kids" who struggle to fit in, transforming the lives of young people with mental health challenges, for life, embarking on Arctic expeditions to boost confidence, integration and team building, and the Polar Capital Aspire Scheme (PCAS).

Employees were encouraged to nominate a charity of their choice for consideration of a donation. In addition to financial donations, we offer an employee volunteering scheme. Under the scheme, employees can take up to two days leave per year to support charitable causes.

In the financial year ending 2026, the Group will continue to commit up to 1% of annual core operating profit to core and nominated charities.

Heal Rewilding

We have continued our support for Heal Rewilding, the UK-based rewilding charity dedicated to restoring nature, combating climate change, and enhancing community wellbeing. Founded during the pandemic, Heal Rewilding's mission is to purchase and rewild land across England.

Polar Capital's support has helped Heal Rewilding grow and adapt, enabling the charity to continue advancing their rewilding efforts and deepen their impact on the land, nature and the community.

We look forward to watching the real-world impact that Heal Rewilding is achieving in Somerset, and hopefully more widely across England in the future.

Social responsibility

Polar Capital Aspire Scheme

As we have reported in previous years, Polar Capital launched our Polar Capital Aspire Scheme (PCAS) in 2021 in partnership with Westminster City School (WCS) with the aim of supporting further education for students who wish to pursue three-year university degrees in the UK. We will be awarding full and partial bursaries to the fourth batch of WCS sixth formers to attend university. We currently have 11 PCAS winners studying and continuing their mentorship with Polar Capital employees with a further 4 winners to be selected this year.

In partnership with the Diversity Project, the Beyond Finance Awards, recognise the industry's trailblazers who are driving positive change through their philanthropic endeavours and commitment to diversity and inclusion. From ground-breaking community outreach programs to innovative diversity and inclusion initiatives, these awards celebrate the leaders who are shaping a more equitable and sustainable future for the wealth and asset management industry.

For the category of 'Paying It Forward' for 2024, we were delighted to learn that the Polar Capital Aspire Scheme (PCAS) won the top honour. We are proud of PCAS and the positive impact it is having on the students at Westminster City School and our local community.

Polar Academy

We are very proud to have started supporting the Polar Academy, an unrelated and independent charitable organisation, which has demonstrated its ability over a decade to make a positive impact on young people's lives. Polar Academy work with young people between 13 and 18 years old with mental health challenges, or who have been exposed to or experienced abuse, neglect, bullying and bereavement.

The Academy selects a group of children, who undertake an intensive one year physical and mental training programme which culminates in an expedition in East Greenland. The Academy has worked with over 200 young people since its founding in 2013, and its mission is clear: provide a transformative impact on the young people and their families and communities, and to build role models that inspire others around them through respect, dignity, self-belief, connections, and kindness.

Our people

Polar Capital is proud of its culture which is underpinned by the people within the Group. Our people are the heart of our business and attracting and retaining key talent is of utmost importance to the Group. We achieve this by providing a supportive and inclusive working environment, with an open-door policy, focussing on workforce wellbeing and establishing a diverse culture, where rewards are based on merit and opportunities are given for personal development.

Diversity and inclusion

We believe a diverse and inclusive workplace allows us to achieve the best for our business and our clients. We actively promote a culture which enables our employees to be comfortable in themselves and to flourish in their role.

We are committed to ensuring our workforce is representative of the society we live in and that all voices and perspectives are heard.

We are an equal-opportunities employer, and our staff is made up of a mix of genders, backgrounds and nationalities. We aim to ensure that nobody receives less favourable treatment on any grounds, including gender, sexual orientation, disability, background or race.

The Group's staff (including the Board) were broken down on a gender basis as follows:

2025

Board non-executive Directors (NEDs)	Board	Senior executive
50% / 50%	38% / 62%	33% / 67%

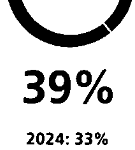
● Female ● Male

2024

Board NEDs	Board	Senior executive
50% / 50%	38% / 62%	22% / 78%

Female representation

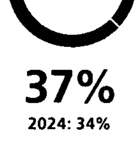
All Polar Capital
(full-time staff – including ExCo)



39%

2024: 33%

All other staff
(full-time staff – excluding ExCo)



37%

2024: 34%

Sustainability Report continued

Our people continued

Diversity survey

As we have done for the past two years, in January 2025 the Group conducted an anonymous diversity data survey, administered by a third party. The purpose of the survey is to gain a better understanding of the workforce's composition and identify areas where we might need to focus efforts to attract more diverse talent, as well as support the development and progression of existing talent. The diversity monitoring categories were based on the nine protected characteristics under the Equality Act 2010—including ethnicity, disability, sex, and gender identity—as well as other factors such as socioeconomic background and caring responsibilities. The survey received a 76% response rate from full-time staff (2024: 78%).

Chart 1: Ethnicity

White	73%
Asian	17%
Black/African American	4%
Mixed or multiple ethnic groups	3%
Any other ethnic group	1%
Prefer not to say	2%

Chart 2: Sexual orientation

Heterosexual/straight	93%
Asexual	1%
Bisexual	1%
Lesbian/Gay	2%
Prefer not to say	3%

Chart 3: Socio-economic background

State-run or state-funded school – non-selective	33%
Attended school outside the UK	30%
Independent or fee-paying school – no bursary	16%
State-run or state-funded school selective on academic, faith or other grounds	14%
Independent or fee-paying school – bursary	5%
Prefer not to say	2%

Staff training and turnover

Staff development and training are important contributors to our organisation's effectiveness. By building knowledge and supporting individual performance, training can help improve productivity, strengthen engagement, and support motivation and retention over time.

Training and development opportunities may include:

- On-the-job training: delivered through coaching, mentoring, and job-shadowing, to ensure employees gain the necessary practical skills and knowledge.
- Formal training: identified through regular performance evaluations and in line with business requirements, which may include external courses, professional qualifications, or workshops.

A formal annual appraisal process takes place annually, during which employees are encouraged to discuss any training and development needs or suggestions with their line manager.

Staff turnover for the 12 months to March 2025 was 11% (2024: 11%).

Risk Management

The principal risks and uncertainties facing the Group are addressed through a risk management framework that provides a structured process for identifying, assessing and managing risks associated with the Group's business objectives and strategy.

Risk Governance

The Board of Directors of the Group is ultimately responsible for maintaining and reviewing the effectiveness of risk management and internal controls and for determining the nature and extent of the risks it is willing to accept in achieving its strategic objectives.

The Board is also responsible for assessing and managing the principal and emerging risks supported by the Audit and Risk Committee (ARC), a sub-committee of the Board, and the management Group Risk Committee (GRC).

ARC

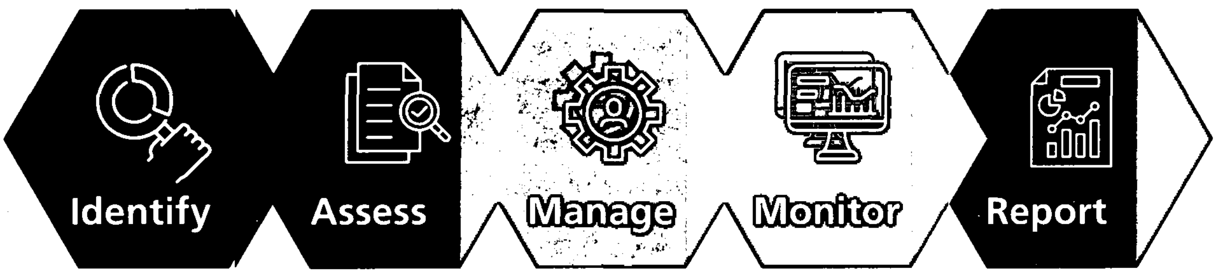
The ARC assists the Board in fulfilling its oversight responsibilities by reviewing and monitoring the Group's internal controls, risk management, compliance and financial reporting frameworks.

GRC

The GRC is responsible for all risk management activity across the Group. This includes identifying emerging risks, ongoing risk assessment monitoring and ensuring each business unit takes appropriate actions to mitigate risks.

Risk Management Framework

The Group's risk management framework is based on the following pillars and provides adequate and continual support to the Board in order for them to understand, identify, measure, manage and mitigate risks to which the Group is exposed to.



Risks may be identified through various sources, including assessments by business process owners, internal or external incidents, industry developments, and findings from internal or external audit reviews.	Risks are assessed based on the likelihood of occurring and the potential impact	Controls are designed and used to manage a risk within its risk appetite and eliminate or reduce the potential impact and likelihood of a specific risk related event	Risks are monitored to evaluate the Group's risk profiles over time versus the established tolerance levels	All significant risks and issues are reported to the GRC, the ARC and the Board as appropriate

Risk Appetite

A fundamental part of the Board's duties is to determine the Group's key risks and associated appetites, as well as the tolerance levels within which the Group must operate for these risks. Risk appetite levels range from Low to High, according to whether the Group actively avoids or is willing to accept a given risk. As a business, we have a low appetite for risks that could cause harm to our customers, or damage our operational integrity and reputation.

Risk and Control Assessment

The risk and control self-assessment programme (RCSA) ensures that business units are aware of and can manage their own risks within the tolerances of the Group's risk appetite.

The RCSA programme progressed during the financial year, with successful assessments completed in the Operations department. The programme is now being rolled out across the wider Group, with the objective of establishing a comprehensive view of business-identified risks.

Completed RCSAs are subject to an annual review to ensure that emerging risks and changes to existing risk profiles are identified and reflected in a timely manner. Regular updates on the RCSA programme and the risks identified are provided to the ARC.

Emerging Risks

The Group also looks to monitor and respond to emerging risks that may arise from factors in the markets it operates in, changes in investor demand and the impact of technological change on the financial services industry, as well as its internal environment.

Risk Monitoring

The Group operates a comprehensive risk monitoring programme to support the Group's core business, fund management.

First line of defence

The first line of defence is the business units that are primarily responsible for the day-to-day running of the Group's core activities. They are responsible for implementing and embedding controls in their key processes that mitigate and manage their risks.

Second line of defence

The Group's second line of defence is responsible for setting the framework through which the first line of defence should manage their risks. This includes providing challenge and oversight to ensure that risk management is aligned with organisational goals. The second line of defence is the Compliance, Operational Risk and Portfolio Risk teams.

Third line of defence

Review and oversight is performed by the outsourced internal audit function. Internal audit provides an independent, objective review and assessment of the adequacy of internal control arrangements in place to manage the risks that Polar Capital faces in seeking to achieve its objectives. It objectively examines, evaluates and reports on the adequacy of the control environment, as a contribution to the proper economic, efficient and effective use of resources and the management of risk.

Risk Management continued

Key risks and reporting

The following section outlines our assessment of the key risks facing the Group, including how their significance has evolved during the financial year and the measures in place to mitigate them.

Strategic risk

Strategy & business model

Description

Failure to deliver against the Group's strategic goals and disruption to the business model from external factors such as technological, regulatory and legislative changes could lead to lower AuM and revenues generated.

Assessment

●

Mitigation

The Board reviews the business strategy periodically and considers whether management's business plans and targets are aligned with the delivery of the Group's strategic goals and also reviews the impact of changes in the external environment.

Shift in culture

Description

A shift away from culture over time could erode the ability to support the effective execution of our strategic goals.

Assessment

●

Mitigation

The Group believes building and maintaining our distinct culture as well as providing a positive working environment is vital to the future success of our business and the engagement and retention of its key staff, therefore, we invest in our people, including through mandatory training and qualifications.

Fund manager retention

Description

The Group has a number of key fund managers whose loss could result in significant investor redemptions from the funds they manage and loss of revenue to the Group.

Assessment

●

Mitigation

Through a combination of culture, team support and providing each team with an economic interest in the success of their funds and the overall business, the Group offers a highly attractive environment for investment professionals.

By diversifying the business and assets under management across more investment teams the fund manager retention risk can be reduced.

● No change in risk ● Increase in risk ● Decrease in risk

Sustainability risk

Description
Failure to effectively manage the risks that arise from ESG factors, could result in financial, reputational and/or regulatory harm to the Group.

Assessment

Mitigation
Our investment teams lead the implementation of their ESG processes, with support from the central sustainability team.

ESG monitoring is an integral part of the sustainability team's oversight process. The team conducts ongoing reviews of each investment team, supplemented by formal periodic assessments, which address any issues identified through the monitoring process.

Market risk

Description
The Group is subject to risk from volatility in global equity markets and therefore, macroeconomic conditions and events could adversely affect the business.

Assessment

Mitigation
Our investment strategy primarily focuses on Long Only Equity funds, making market risk an inherent aspect of our approach and a key driver of potential returns.

As active managers, we have greater flexibility to respond to market fluctuations and position our portfolios accordingly, leveraging the expertise of our experienced investment teams to navigate and capitalise on market events. The Group also maintains a strong balance sheet with no debt to ensure it is able to respond to market shocks.

Fund performance risk

Description
Poor fund performance could lead to outflows of AuM and consequent damage to the financial position of the Group.

Assessment

Mitigation
Clearly defined investment processes exist to enable outperformance to be delivered within agreed investment mandates.

The GRC considers corporate, operational, distribution as well as investment and portfolio risk. The Committee reviews all the portfolios managed by the Group and analysis compiled by the Group risk function relating to portfolio structure, exposure, concentration, performance and liquidity risks.

The Chief Investment Officer (CIO) and Group risk function carry out regular oversight and reviews of the fund management teams.

No change in risk   Increase in risk   Decrease in risk

Risk Management continued

Operational risk

Cybersecurity risk

Description
The probability of exposure or loss resulting from a cyber-attack or data breach could result in significant loss or harm to the technical infrastructure, use of technology or reputation of the Group.

Assessment

●

Mitigation
The Group has implemented IT policies and procedures to ensure best practice controls over cybersecurity.

The Group has an established cybersecurity committee comprising members of senior management who ensure that policies, procedures and the Group's control environment remain relevant and appropriate to the risk landscape.

Disaster recovery plans ensure that data and systems are backed up regularly, retained offsite and regularly tested for recoverability.

Regular training also ensures that staff remain cognisant of potential cyber threats.

Reputational risk

Description
The Group's reputation is one of its most important assets since it operates in an industry where integrity, customer trust and confidence are paramount. The risk that this reputation is harmed, resulting in a negative perception of Polar Capital from our stakeholders is a key risk to the Group.

Assessment

●

Mitigation
The Group maintains a strong culture of conduct and compliance, underpinned by regular training and clear behavioural expectations. We have established frameworks and controls that address key areas which could give rise to reputational harm, including around client onboarding, product development, investment risk, conduct, and regulatory compliance.

Reputational risk awareness has been embedded across the business, with Group Risk Committee oversight.

Process failure and operational resilience risk

Description
If any of the Group's financial, accounting or other data processing systems and processes do not operate properly or are disabled or, if the Group is unable to operate critical business services, including outsourced third party services, the Group could suffer financial loss, business disruption, liability to clients, regulatory sanction and damage to its reputation.

Assessment

●

Mitigation
The Group's core businesses have disaster recovery plans in place covering current business requirements, which are tested annually to ensure an appropriate level of resilience in the day to day operations and minimise the risk of severe disruption occurring. The Group has undergone an operational resilience impact assessment and prepared an Operational Resilience Programme.

The Operational Risk Team provides oversight and challenge to the first line of defence in the assessment of their risk and control environment.

The Group performs oversight procedures on third-party providers at least annually.

No change in risk   Increase in risk   Decrease in risk

Regulatory risk

Description
Failure to comply with regulations in the jurisdictions in which it operates, particularly those issued by the Financial Conduct Authority or the London Stock Exchange, could result in the Group losing the ability to operate as a regulated financial services business or its AIM quotation being suspended or withdrawn. This can also result in damage to the Group's reputation.

Assessment

Mitigation
The Group reviews regulatory updates on an ongoing basis from all relevant regulatory authorities and works alongside third parties including legal advisers, compliance consultants and investment trade bodies.

No change in risk Increase in risk Decrease in risk

Directors' Duties and Section 172 Statement

The Board recognises its duties to act in accordance with the Companies Act 2006. These include a fundamental duty to promote the success of the Company for the benefit of its shareholders, while having regard to other matters as set out in S172 (1) of the Act.

The Board fulfils its duties in collaboration with the executive and senior management team, to which day to day management has been delegated, and through the application of the corporate governance framework as set out on pages 54 to 63. The following overview provides further insight into how the Board has discharged their duties in engaging with key stakeholders. Page 47 sets out examples of how the Board has considered key stakeholders as part of its focus during the year.

Stakeholder group

Clients

Our clients are the people and firms that invest in our funds or engage us to manage their funds. Our goal is to help them achieve their long-term investment objectives.

How we engage with them

Our client services, distribution, investment management, corporate secretariat, and operations teams all maintain contact with our clients through meetings, presentations and an annual investor conference.

During the year 2,873 client engagements were held, in 1,357 of which, a fund manager was present. The Board of Directors receive a report on distribution and client servicing at each Board meeting.

Additionally, the Chair, CEO and CFO meet with the chairs and board members of the client funds to update them on the Group, receive feedback on service provided by functional areas of the Group and share with them experience in matters of a regulatory or other nature.

Shareholders

The ongoing support and engagement of our shareholders is vital in helping us deliver our long-term strategic objectives and grow the business.

How we engage with them

Investor meetings are arranged each year after the annual and interim results to allow the CEO and the CFO to meet with potential and existing shareholders and discuss the performance of the Group.

Our 2024 AGM was held at our offices in London and was open for shareholders to attend in person. All voting was carried out through a poll and the final votes were disclosed on the London stock Exchange and the Company's website following the meeting, showing a comfortable majority in favour of each resolution. The 2025 AGM will be held in person in September 2025 and shareholders will again be able to engage directly with the Board and members of the senior management team.

The Chair contacts, and is available to meet, major shareholders without the Executive Directors present to permit direct feedback. Throughout the year, the Chair is also available to meet with shareholders, voting agencies and other interested parties regarding governance or other matters pertinent to the management of the Board and or the Group

People

Our people continue to be our most valuable asset and the ability to attract, retain, develop and motivate the right people is critical to our current business needs and plans for growth.

How we engage with them

The Board and senior management engage with staff and fund managers regularly through various methods including management communications, an internal magazine and presentations. An open-door culture is fostered where staff are encouraged to interact and feedback not only to direct reports but also the Executive Directors and the wider Executive Committee.

The Board and the ARC also engage regularly with departmental heads through direct meetings and regularly meet with the Executive Committee which is responsible for the day to day management of the Company on behalf of the Board.

Flexible and hybrid working patterns have continued to be the norm, the Executives regularly engage with the staff of all levels to ensure that workplace, whether office or remote, needs are being considered and where possible accommodated.

The Diversity and Inclusion (D&I) Committee meets regularly and has been key in promoting events, activities, and initiatives for the mental and physical wellbeing of the people within, and connected to, the organisation.

These measures have continued both in terms of business and training opportunities but also social functions, including informal lunches with members of senior management and the Executive Directors, to ensure the regular interaction of all staff irrespective of any individual hybrid working arrangements.

Periodic staff satisfaction and diversity surveys are carried out which enable all staff to provide anonymous comments and feedback on the Company, how it is managed, how staff feel they are managed, the opportunities available to them and how their views are taken into account. At least annually, all staff members have an appraisal with their line or senior managers, that give all staff members the chance to give and receive written and verbal feedback as well as providing the opportunity to discuss roles and potential progression should it be appropriate. These meetings can also be used to enable views to be shared on the wider business including raising any concerns.

External service partners

Our external service partners include third-party service providers such as our fund administrators and other key suppliers. Their services and support are vital in helping us deliver on our core competency of investment management.

How we engage with them

Each area of the business has responsibilities for the day to day contact with our external service partners. Key individuals are responsible for the relationship management of service partners reporting to their area. For example, our Head of Operations and the wider Operations team are responsible for engagement with our third-party administrators, while our Head of Client Services and the Client Services team is responsible for engagement with the third-party distributors and platforms. Regular meetings with representatives of the service providers and members of our senior management team are also held to ensure engagement at the executive level.

The service partner due diligence meetings are held in person with hybrid flexibility. Where appropriate these include process reviews connected to changes made in working practices or regulatory requirements.

The ARC, as part of operational resilience, reviews management reports on outsourced service providers on an annual basis.

Directors' Duties and Section 172 Statement continued

Society and environment

We recognise our responsibility to ensure a wider contribution to society and a positive impact on the environment.

How we engage with them

The Group exercises stewardship of the assets it invests on behalf of its clients and is a signatory to the UK Stewardship Code. Corporate responsibility is also discharged by ensuring that investment management teams engage on ESG matters with the companies in which they invest.

The Group attempts to deliver a positive impact in local communities, by way of its annual charity contributions. All Group staff are invited to participate in the allocation of charity contributions. The Group also runs the Polar Capital Aspire Scheme (PCAS) in partnership with Westminster City School, see page 34 for more details.

The Group encourages staff to volunteer their time and effort through a formal volunteering leave policy. A payroll-giving arrangement is also available.

The Board considered ESG development, and the Group's approach to ESG is set out on pages 31 to 36.

Regulators and state authorities

The Group operates in several global locations and is therefore subject to the oversight of various regulators and state authorities across those locations.

How we engage with them

We engage with our regulators and relevant state authorities, primarily through the Group's compliance and finance functions, by way of regular mandatory reporting as well as any ad hoc interactions as required by evolving regulatory requirements.

The ARC and Board receive regular reports from the Group Compliance and Legal Officer and Risk Manager, on the Group's regulatory processes and procedures, its risk management framework and its interaction with regulators in various jurisdictions. Reports are also provided by the Group Company Secretary on corporate governance and updates to best practice.

Stakeholder interests

Stakeholder interests are a focus across all levels of the organisation, and guided by the Board, our culture, values, governance framework, code of conduct and training all help to support these. The Board considers information from across the Group and considers stakeholders in its decision making. Over the year there was further development work and consideration given to consumer duty and the requirement to deliver good outcomes for consumers.

It should be understood that stakeholders can have different, and at times conflicting, interests, priorities and views, which the Board need to consider. Where possible these views are balanced within the wider duty of the Board to promote the long-term sustainable success of the Group. However, it is accepted that not all decisions can deliver the desired outcomes for all stakeholders.

During the year when considering any principal decisions, the Board, has focused on how such decisions relate to the key stakeholders (as set out on pages 44 to 47) while maintaining a reputation for high standards of business conduct and governance and the need to act fairly between the shareholders of the Company.

Considerations and outcomes	Stakeholder group considered
Over the year, the Board received further presentations from management on the implementation of Consumer Duty and the additional reporting and processes that have been introduced in order for the business to meet the challenge and expectations. Through the work of various teams across the business, all areas of the requirements were met and deadlines adhered to during the year. The CIO who was appointed as the Consumer Duty Champion, is aided by the Head of Product and supported by direct board representation. Where appropriate, external advice and guidance is sought. In implementing the requirements, the Board discusses any recommendations with management to ensure the interests of the various stakeholders are considered including the viability and delivery of appropriate funds and products in line with the expectations of current investors and attractiveness of such to potential new investors. The appropriate levels of staff and any training required in connection with such funds and products is also considered. Where necessary the Board directly reviews the strategy of various funds and the associated performance level and will make recommendations to the Executives to consider in the wider business context.	Clients Shareholders People Society and environment
The Board continually consider existing and proposed regulations to ensure the appropriate requirements are able to be met, the business has the ability to service investors, and that any operations of the business are placed with outsourced suppliers in a regulatorily compliant manner. In light of market turmoil and the challenges faced following President Trump's 'Liberation Day', the Board and Executives met to reconsider the budget for the year ahead along with other Group wide financial matters.	Clients Shareholders People External service Society and environment Regulators and state authorities
The Board met with the Executives to consider the current and the future business strategy and aspirations for the business. A clear growth plan was established in 2024 and the Board has reconfirmed that the spirit of such continues and remains supported. The plan is underpinned by the culture of the business and considers both the current and potential future market conditions, regulatory requirements and investor needs.	Clients Shareholders People External service partners Society and environment Regulators and state authorities

Pages 1 to 47 constitute the strategic report, which was approved by the Board on 27 June 2025 and signed on its behalf by:

Tracey Lago, FCG
Group Company Secretary

Governance

In this section

Board of Directors

The biographies of the Directors who served during the year are set out on pages 49 to 51 and demonstrate the skills and experience brought to the Board by each individual which, together, contribute to the long-term sustainable success of the Company for shareholders.

All Directors in office at the end of the year, apart from Gavin Rochussen, will stand for re-election by Shareholders at the AGM to be held on 25 September 2025.

The Nomination Committee considers the composition of the Board and makes recommendations to the Board in relation to the directors. The Nomination Committee supports the re-election of all the Directors standing for re-election at the AGM, the rationale for such support is provided in each of the Directors profile.

David Lamb
Independent Non-Executive Chair

Appointed to the Board in April 2020 and became Chair of the Board in July 2020.

Skills and experience: David has more than 40 years' leadership experience within the asset management sector, including roles as Managing Director and Chair of the Investment Committee at St James's Place, he was also a director of the main PLC board between 2007 and 2019 having joined the firm at inception.

Other appointments: David is currently chair of New Ireland Assurance Company Plc, a leading provider of a range of pension schemes and funds, life insurance and investments.

Committee membership: Nomination Committee (Chair), Remuneration Committee (Member), Audit and Risk Committee (Guest by invitation).

Rationale for re-election: David has extensive experience in asset management and a comprehensive understanding of listed companies. He demonstrates strong leadership skills, fostering consensus among his colleagues. In addition to presiding over Board meetings, he maintains frequent informal and formal interactions with his fellow Directors and regularly engages with the Executive team, Investment Teams and senior management. This ensures the promotion of an open and supportive organisational culture.

Gavin Rochussen
Executive Director and Chief Executive Officer

Appointed to the Board in July 2017.

Skills and experience: Before joining Polar Capital, Gavin was Group CEO at J O Hambro Capital Management Limited (JOHCM). Prior to JOHCM, Gavin was Group CEO at Fleming Family & Partners Limited, a European multi-family office. Gavin qualified as a Chartered Accountant in 1983 in South Africa.

Other Appointments: Gavin is advisor to Amigona Holdings Inc, an investment holding Company and a non-executive advisor to James Hambro & Partners LLP, a wealth management boutique. He is also Chair of the Governors and Trustees of Tonbridge School, Kent.

Committee membership: As an Executive Director, Gavin is not a member of any committee but attends various committees by invitation to make proposals or respond to questions.

Rationale for re-election: Having indicated his intention to retire, Gavin will not be standing for re-election.

Board of Directors continued

Samir Ayub
Executive Director and Chief Financial Officer

Appointed to the Board in November 2021.

Skills and Experience: Samir has over 25 years' experience in the financial services sector across several jurisdictions around the world. He has been with Polar Capital since 2010 as Head of Finance and in 2019 took on responsibilities as CFO. He is a Chartered Accountant having qualified with Ernst & Young LLP and worked with them in Asia, the Middle East and the UK.

Other Appointments: None.

Committee membership: As an Executive Director, Samir is not a member of any committee but may attend a committee by invitation to make proposals or respond to questions.

Rationale for re-election: Samir has significantly contributed to the Company's growth, particularly in the strategic decision making process, developing and enhancing the people strategy, and financial management. His experience and understanding of the operational and financial elements necessary to achieve the organisation's strategic goals underscores his importance to the continued success of the business.

Laura Ahto
Independent Non-Executive Director

Appointed to the Board in November 2021.

Skills and Experience: Laura retired in 2021 as COO, Global Asset Servicing and Digital (New York) for BNY Mellon Corp. having been with BNY Mellon in various posts in Europe since 2012 including CEO and Executive Director of the Bank of New York Mellon SA/NV in Belgium. Prior to this, between 2002 and 2012, Laura was deputy COO for Baring Asset Management and SVP, Head of Operations, Administration and European Funds for PIMCO Europe Ltd. in London.

Laura also served on the Board of the American Chamber of Commerce in Belgium until 2018 and was a founder member of Woman in Finance (Belgium). She also served as a member of the BNY Mellon CEO's Diversity and Inclusion Advisory Council.

Other Appointments: Laura is a non-executive director of Global Give Back Circle, a charity focused on providing skills to at-risk girls in Africa.

Committee membership: Audit and Risk Committee (Member) and Nomination Committee (Member).

Rationale for re-election: Laura has extensive international operational and leadership experience in financial services, encompassing both US and European markets. Since her appointment to the Board, Laura has actively contributed to the advancement of the business's operational functions.

Anand Aithal
Independent Non-Executive Director

Appointed to the Board in January 2022.

Skills and Experience: Anand is an entrepreneur with expertise in knowledge-intensive professional services organisations. He was a co-founder of Amba Investment Services Ltd, a leading provider of data analysis services to the financial services industry. Previously, Anand had been a managing director at Goldman Sachs where he gained extensive business experience in international and emerging markets, having worked in multiple locations in Asia, Europe and the Americas.

Other Appointments: Anand is a non-executive board member of Saga PLC, Nationwide Building Society and Persimmon Plc, he is also a non-executive appointee to the Council Board of the Association of Chartered Certified Accountants.

Committee membership: Audit and Risk Committee (Member) and Nomination Committee (Member).

Rationale for re-election: Anand has extensive experience in developing businesses with international exposure within the financial services sector. This is further enhanced by his diverse array of other appointments. He offers a distinct perspective to Board deliberations, leveraging his entrepreneurial acumen and regulatory and governance expertise.

Alexa Coates
Independent Non-Executive Director

Appointed to the Board in July 2018.

Skills and experience: Alexa is a Chartered Accountant with over 30 years' experience in finance and accounting. She spent the last nine years of her executive career at HSBC, where she was the Global CFO of the Asset Management division before heading up the finance function of its Commercial Banking business in Europe.

Other Appointments: Alexa is a non-executive director and audit committee chair of Aviva Investor Holdings Limited and Aviva Investors UK Funds Services Limited, a global asset manager. She is also a non-executive director at Marsh Limited, the UK subsidiary of the insurance broker, MMC Inc. and non-executive director and audit and risk committee chair of Schroders Oriental Income Fund Limited, a FTSE 250 investment trust.

Committee membership: Audit and Risk Committee (Chair) and Nomination Committee (Member).

Rationale for re-election: Alexa has extensive financial expertise from her previous executive roles and current positions. She collaborates with the external Auditors and the Finance team to ensure accurate Financial Statements that comply with accounting standards. As audit committee chair of another listed entity and other regulated organisations, she brings valuable, up-to-date knowledge to the Group's audit and risk process.

Win Robbins
Independent Non-Executive Director

Appointed to the Board in June 2017.

Skills and experience: Win has wide experience in the investment management industry having held senior positions at a number of asset management firms culminating as Head of European Fixed Income at Barclays Global Investors. Win has previously held non-executive director and senior independent director roles at Blackrock Income and Growth Investment Trust plc and Henderson Diversified Income Trust plc respectively.

Other Appointments: None.

Committee membership: Remuneration Committee (Chair) and Nomination Committee (Member).

Rationale for re-election: Win brings extensive asset management experience to the Board. As the Remuneration Committee Chair, she regularly works with the Executives and independent remuneration consultants to develop and implement remuneration policies across the Group, considering both peer companies and broader industry knowledge.

Andrew Ross
Independent Non-Executive Director

Appointed to the Board in April 2020.

Skills and experience: Andrew is a highly experienced financial services practitioner having spent over 20 years in senior roles at investment and wealth management firms. He was CEO of Cazenove Capital Management from 2001 until its acquisition by Schroders plc in 2013, when he became Global Head of Wealth Management.

Other Appointments: Andrew is currently the non-executive deputy chairman of Alliance Witan plc and a non-executive director of Cadogan Settled Estates. He is also a trustee of the Harris (Belmont) Charity and of the National Gallery Trust.

Committee membership: Nomination Committee (Member) and Remuneration Committee (Member).

Rationale for re-election: Andrew has significant experience in building and leading asset management businesses. He serves as the deputy chairman of a major investment trust company, providing an informed perspective in boardroom discussions and assisting the Board in its decision-making processes. Andrew has also contributed to establishing business requirements and ensuring compliance with Consumer Duty regulations.

Directors' Report

The Directors present their report and the audited consolidated financial statements of Polar Capital Holdings plc (the Company) and the Group for the year ended 31 March 2025.

Status and trading

The financial results for the year ended 31 March 2025 are set out in the attached financial statements.

Details of subsidiaries are included in Note 4.6 to the financial statements.

The Group's financial risk management objectives and policies, and its exposure to risks arising from the use of financial instruments, are set out in Note 4.14 to the financial statements.

The results for the year are given on page 97.

No political donations were made during the year to 31 March 2025 (2024: none).

Information on how we consider stakeholder interests including our S172 statement are disclosed in the Strategic Report on pages 44 to 47.

Polar Capital's objectives and matters relating to the future development of the business are set out in the Strategic Report on page 10. The Group's main country of operation is the UK.

The Company is incorporated in England and Wales as a public limited Company under registered number 4235369 and its registered office is at 16 Palace Street, London SW1E 5JD.

The Company is subject to the rules of the Alternative Investment Market (AIM), UK regulations including Company law, financial reporting standards, taxation law, and supervised by the Financial Conduct Authority and other regulators in countries in which the Company carries out its regulated business and its own Articles of Association.

Directors

At the date of this report, the Board comprises two Executive Directors and six Non-Executive Directors. The Directors who served during the year and were in office at the year-end are set out on pages 49 to 51.

There were no changes to the board composition during the year and all of the Directors held office throughout the year under review and up to the signing of this Report.

The remuneration, principal terms of employment and the interests of the Directors in the Company's shares and options are detailed in the Remuneration Report on pages 72 to 85.

Under the provisions of the Articles of Association all Directors are required to stand for re-election at each AGM. Having indicated his intention to retire, Gavin Rochussen will not stand for re-election at the AGM to be held in September 2025.

None of the Non-Executive Directors have any interest in any contract with the Group or Company.

The Board has approved a policy on the disclosure, approval and management of Directors' conflicts of interest and its application is described on page 59.

Details of the Deeds of Indemnity granted to each Director in respect of their duties is given on page 77.

Dividends

The Directors have declared two interim dividends in respect of the financial year ended 31 March 2025 amounting to 46.0p per share (2024: 46.0p per share). The first interim dividend of 14.0p per share was paid on 10 January 2025 to shareholders on the register on 13 December 2024. The second interim dividend of 32.0p per share will be paid on 7 August 2025 to shareholders on the register on 11 July 2025. The shares will trade ex-dividend from 10 July 2025.

Remuneration code

Disclosure of the Group's Remuneration Code is made alongside its MIFIDPRU public disclosure document which is available on the Group's website: www.polarcapital.co.uk.

Capital structure

The capital structure of the Company is detailed in Note 4.12 to the financial statements. The fully paid ordinary shares of the Company are traded on AIM and it has not made any arrangements for its shares to be admitted or traded on any other exchanges or trading platforms.

The Board seeks shareholder approval at each Annual General Meeting to allot ordinary shares, disapply pre-emption rights and to make market purchases of ordinary shares. The separate Notice of Annual General Meeting sets out the resolutions and the Chair's letter accompanying the notice explains their purpose and any use made by the Board of the authorities.

Rights attaching to the shares

On a show of hands at a general meeting of the Company every holder of an ordinary share present, in person or by proxy, shall have one vote and, on a poll, each ordinary share has one vote. All ordinary shares rank equally for dividends.

There are no restrictions on the transfer of the fully paid ordinary shares other than those where the Company is entitled to refuse to register a transfer of a fully paid ordinary share under the Uncertificated Securities Regulations.

There are no special rights with regard to control attached to the shares, no agreements between holders of the shares regarding their transfer known to the Company and no agreement to which the Company is a party that affects its control following a takeover bid. The Company is subject to the UK City code on Takeovers and Mergers.

Upon a winding up, after meeting the liabilities of the Company, the surplus assets would be distributed to shareholders pro-rata to their holdings of ordinary shares.

Issued share capital and changes in the year

The number of ordinary shares in issue at the year-end was 101,560,405 (2024: 101,195,879). During the year the Company issued 364,526 (2024: 405,154) ordinary shares to cover the issue of new shares against previously crystallised preference shares.

No shares have been purchased by the Company to hold in treasury or for cancellation.

Since the year-end and up to the date of this report a further 7,969 shares have been issued to satisfy the preference share crystallisations. The issued share capital at the date of this report is 101,568,374 ordinary shares.

Employee benefit trust arrangements

The Company operates an Employee Benefit Trust (EBT) which is funded by the Company to make market purchases of the Company's shares which may be used to satisfy share awards made to Directors and employees.

The EBT undertakes regular market purchases and as at the year-end 31 March 2025 the EBT held 5,173,948 ordinary shares in the unallocated general account (2024: 5,163,669).

The Trustee has waived the dividend in respect of the shares held in the unallocated general account. Where it holds shares as the result of a vesting of employee long term incentive plans, but subject to a further holding period, it receives dividends to pass on to the respective staff members.

The Trustee seeks directions from the Company for the casting of votes in respect of the shares, the Company has requested that the votes attached to the shares in the unallocated general account are not cast.

Substantial shareholdings

As at 27 June 2025, the Company had received notices for the purposes of Part 5 of the FCA's Disclosure and Transparency Rules and PDMR notifications from the undernoted shareholders. The percentage voting rights are calculated based on the number of shares shown in the notice divided by 101,568,374, the number of shares in issue as at 27 June 2025:

Holder	Number of ordinary shares shown in notice	% of voting rights held
Harwood Capital LLP[1]	7,015,000	7%
Canaccord Genuity Group[2]	5,090,081	5%
Apex Financial Services (Trust Company) Limited[2]	4,943,888	5%
Caledonia Investments plc[1]	3,999,130	4%
Perpetual Limited (JO Hambro)[2]	3,039,697	3%

1. Direct holding.
2. Indirect holding.

Annual General Meeting (AGM)

The AGM will be held at 16 Palace Street, London SW1E 5JD at 2.00pm on Thursday, 25 September 2025.

Full details of the resolutions and explanations of each resolution are given in the separate notice of meeting sent to shareholders. Approved by the Board on 27 June 2025 and signed by order of the Board.

Tracey Lago, FCG
Group Company Secretary

Corporate Governance Report

Dear Shareholder

The Board of Directors considers good corporate governance to be important to the long-term success of the business and understands the reliance and reassurance that shareholders and other stakeholders place on the Board setting the standards and ethos. The Board has reported against the Quoted Companies Alliance (QCA) Corporate Governance Code 2023 (the 2023 QCA Code), which is the third iteration of the QCA Code, and is applicable to accounting periods beginning on or after 1 April 2024 with a transitional period of one-year, as the recognised corporate governance code applicable to the Company for the year under review.

As a Group operating in the financial services sector, the business of the Group is highly regulated and subject to scrutiny by the various regulators. This regulation and scrutiny brings into sharp focus the responsibilities of the Directors to analyse and manage risk throughout the business. In July 2022 we appointed an external firm to provide us with internal audit services, which continued during part of this financial year. Following a tender process, EY were appointed as our new outsourced internal audit firm from 1 March 2025. Further information in relation to internal audit is provided in the ARC report on pages 67 to 71. The compliance and operational risk functions of the Group remain central to the Group's operations and risk monitoring and work closely with the internal audit function. The compliance and risk monitoring program is embedded throughout the Group and through the GRC, the Executives are provided with information on the control environment and reporting of risks as well as breaches. A summary is then provided to the ARC including recommendations to address regulatory changes and improvements to the control environment. The ARC also considers recommendations from the outsourced internal audit function and once agreed with management, monitors in conjunction with the internal auditor, the implementation of these recommendations.

The Board remains committed to continue to develop best practice throughout the Group and will continue to lead the business by setting standards for behaviour expected by all staff in their actions within the business, in dealing with customers and when engaged in wider social interactions so that the reputation of the Group is enhanced.

The composition of the Board needs to contain the skills and experience required to guide and challenge the Executives.

As reported in the Nomination Committee Report on pages 64 to 66 the Board, its composition and that of its Committees, have been considered and reviewed through a Chair-led Board and Committee evaluation process, an externally facilitated Board and Committee evaluation process was undertaken in 2023.

The following report describes how the ten principles of the 2023 QCA Code have been addressed and it provides the disclosures required by such. The Board has reviewed the Corporate Governance disclosures set out below and believes that the Group complies with the relevant principles and disclosure requirements of the 2023 QCA Code in full.

David Lamb
Chair

27 June 2025

The ten principles of the 2023 QCA Code: Delivering Growth – Principles 1-5

Principle 1 *(Principle 1 of the 2018 QCA Code)*

Establish a purpose, strategy and business model which promotes long-term value for shareholders.

The Strategic Report set out on pages 1 to 47 describes the business objectives and business model which, when read with the Chief Executive and the Chief Financial Officer's Reports, covers the past year's achievements and the future prospects for the growth of the business. The Board meets at least annually with the Executives to specifically discuss the present and future strategy of the business including any areas for development, or changes required, within the business and future focus points for consideration when describing the purpose of the business in future reporting.

The Sustainability Report on pages 31 to 36 expands on the work that has been carried out throughout the business to address and report on ESG progress and awareness in the investment process and corporate culture including the requirements of the Task Force on Climate-Related Disclosures (TCFD).

The risk management framework, including key risks to the business and our risk monitoring and reporting, is set out on pages 38 to 43.

The statement on how Directors have discharged their duties in relation to the requirements of section 172 of the Companies Act 2006 is set out on pages 44 to 47 of the Strategic Report. Further reporting on how the Board has considered shareholders and other stakeholders can be found across the reports from the various Committees.

Principle 2 *(Principle 8 of the 2018 QCA Code)*

Promote a corporate culture that is based on ethical values and behaviours.

The Board acknowledges that it is responsible for promoting a corporate culture that provides a bedrock for the business. The Group's success is largely dependent on recruiting, retaining, and developing the best financial services professionals.

To achieve this the Group seeks to ensure that physical working conditions are of a high standard and that staff have the flexibility to work remotely when appropriate but also spend time together in the office to retain a creative environment and build teamwork.

The provision of staff wellbeing services is considered, and feedback from staff is monitored through the periodic staff survey. There are regular staff communications, with monthly updates from the CEO to all staff, internal briefings on developments and regular social events for departments as well as the entire Company.

The Group also encourages staff to engage in decisions and an open-door policy is promoted so that managers and staff engage across all parts of the business. Staff are also encouraged to participate in the success of the business through the all staff Save As You Earn share scheme and the Group offers a range of benefits to support staff, including ill health protection and life cover.

A staff Diversity and Inclusion Committee (the D&I Committee) has been established which promotes all staff engagement, equal opportunities and diversity across the business. The D&I Committee supports community connections and opines on the allocation of charitable donations in support of staff engagement in external activities. The D&I Committee is also fundamental in the management of the Polar Capital Aspire Scheme (PCAS) which provides technical equipment and financially supports through the award of bursaries to cover their university placements, a number of students from the local Westminster City School. The Group considers all appropriate applications for employment from people from any sector of society. The Board follows the Group's policy on diversity and seeks to appoint the best qualified person to a particular role and to ensure that nobody receives less favourable treatment on any grounds, including gender, sexual orientation, disability, background, race or any other diverse characteristic.

The Group aims to remunerate staff in line with market practice, to provide development opportunities and to encourage staff motivation and retention.

Further information is provided in the Sustainability Report on pages 31 to 36 and on page 47 when reviewing the work of the Board in considering the various stakeholders' interests.

Corporate Governance Report continued

Principle 3 *(Principle 2 of the 2018 QCA Code)*

Seek to understand and meet shareholder needs and expectations.

The Company welcomes dialogue with shareholders in order to achieve a mutual understanding of objectives. The Board has regular reports from the Executive Directors on shareholder visits and meetings which include meeting current and potential shareholders as part of the road shows arranged by the Company's brokers, after the announcement of the annual and half yearly results, plus ad hoc meetings as needed throughout the year.

The Chair of the Remuneration Committee engages with independent consultants and when appropriate, shareholders, in advance of publishing updated remuneration proposals. As in previous years, following the announcement of the results in June 2024, David Lamb as Chair, contacted major shareholders and offered the opportunity to meet and discuss their views. The results of these interactions were reported to the Board which noted no adverse comments which required following up. Engagement with shareholders is an important aspect of the Chair's role and the ability of shareholders to meet him, without the Executive present, will be offered again in 2025.

The Annual General Meeting (AGM) provides a forum for investors to meet the Directors, both formally and informally as well as engaging with the Chairs of the Board Committees. Shareholder engagement prior to the AGM is provided by a dedicated email address for shareholders to ask questions. Voting at the 2024 AGM was conducted on a poll vote (one vote for each share held) and all but two of the resolutions were passed with in excess of 98% of votes cast in favour, the remaining two resolutions to re-elect two directors were passed with 93% of votes cast in favour. The next AGM will be held on 25 September 2025 at the offices of the Group, and shareholders will be offered the ability to ask questions in advance of the meeting as well as to attend and question the Directors in person.

A website (www.polarcapital.co.uk) is maintained and regularly updated for shareholders to access information about the Company. This provides information about the business, its funds and investment teams, as well as corporate information on policies, corporate governance, the share price and announcements to the London Stock Exchange. There are also video presentations of the latest results.

Principle 4 *(Principle 3 of the 2018 QCA Code)*

Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success.

The Board takes collective responsibility for Environmental Social and Governance (ESG) matters and recognises the needs of society and the impact on the environment from the organisation's activities.

The Board meets with senior executives and heads of departments on a regular basis and through the reporting structures receives information on key customer and supplier relationships. The Board and its Committees, in addition to ad hoc deep-dive investment sessions, have the opportunity to meet portfolio managers at least once a year and hear them present on their funds.

The Chief Legal and Compliance Officer reports to the ARC and the Board on all regulatory matters and the Nominated Advisor and Corporate Broker is available to the Directors to advise on stock exchange matters and ensures that any regulatory concerns are raised with the Board. The Board has nominated Andrew Ross, NED as the Consumer Duty lead and he works closely with the Head of Product and the Executive Consumer Duty Champion to ensure provision is made in all business processes to address the needs of consumers and promote the consumer duty principles.

Appropriate steps have been taken in relation to the Anti-bribery and Modern Slavery Acts and a statement is available on the Company's website. The Company also has a whistleblowing policy and has appointed Alexa Coates as the whistleblowing champion.

Principle 4

The Head of HR reports to the Board on staff matters and issues such as diversity and inclusion, staff survey results and staff turnover. As referenced in Principle 2, the Group has established a D&I Committee which is also reported on to the Board by the CEO and the Head of HR. The Board continues to take an interest in the PCAS scheme run in conjunction with the Westminster City School. A flexible working pattern continues to be adopted across the business, with staff able to agree with their line managers a hybrid working pattern.

The Head of Sustainability regularly presents to the Board on developments and the setting and meeting of appropriate ESG targets including the implementation of the TCFD recommendations as they apply to the business. He is supported by a dedicated team and by a committee drawn from staff throughout the organisation to act as a central point for corporate and investment sustainability across the Group. Further information on ESG and climate change is provided in the Sustainability Report.

Principle 5

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.

The Board, through the work of the ARC, considers the identified and emerging risks inherent in the business model and the management of such risks within the internal control environment. The Board considers the strategic direction in conjunction with the Executive and the Strategic Report identifies the key business risks. The MIFIDPRU public disclosure document, available on the Company's website, also describes the risk and control environment.

The Group's compliance and operations functions undertake a formal process on a regular basis to review the levels of service provided by third-party service providers to the Company or to the Company's clients such as investors in the Company's funds. This process is supplemented by the day-to-day interaction with the third-party service providers and permits senior management to review the arrangements and risks inherent in outsourced services.

The Group's sales and client service teams keep in close contact with existing and potential investors in the Group's funds.

Internal control

The Board has overall responsibility for the Group's and Company's system of internal control including risk management framework, compliance and financial reporting as detailed on pages 67 to 71.

The Group's system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives. It is recognised that such a system can only provide reasonable, but not absolute, assurance against material misstatement or loss. Any incidents are reviewed to ensure there are no systemic issues and additional controls are put in place to prevent recurrence.

The ARC as part of its role, has reviewed and monitored the effectiveness of the internal controls for the year ended 31 March 2025 which includes the ISAE 3402 internal controls report for the 12 months to 31 December 2024.

As referenced within the ARC Report, an outsourced internal audit function was engaged in 2022 and a series of internal audit reviews were carried out by Minerva Risk Consulting (Minerva). A number of recommendations were made as a result of each review process and where appropriate to the business, the recommendations have been adopted by management and additional processes put in place. Within the year under review, and following a tender process, the outsourced internal audit provider changed from Minerva to Ernst & Young LLP (EY). Recommendations made as a result of each internal audit process, once agreed with management, are actively monitored and tracked by the ARC in conjunction with the outsourced provider. More information on the activities of the ARC is set out in its report on pages 67 to 71. Overall, the ARC, and thereby the Board, has concluded that there is an appropriate risk and control framework in place, which continues to mature and develop in line with the growth of the business.

Corporate Governance Report continued

Maintain a Dynamic Management Framework – Principles 6-9

Principle 6 *(Principle 5 of the 2018 QCA Code)*

Establish and maintain the Board as a well-functioning, balanced team led by the chair.

Composition

The composition of the Board is described in the Directors Report. The individual biographies are listed on pages 49 to 51. At the date of this report the Board comprises of two Executive Directors, Gavin Rochussen and Samir Ayub, and six Non-Executive Directors, all of whom have been in office for the full financial year. The skills and experience of each Director is detailed in their biographies. The Board is satisfied that there is the necessary mix of skills and personal qualities to deliver the strategy of the Company.

Directors' appointment, election and re-election

In accordance with the Articles of Association, any new Director, appointed by the Board, is required to seek election by shareholders at the next general meeting of the Company notice of which has been given after their appointment. No Directors have been appointed in the year under review and all Directors, with the exception of Gavin Rochussen who has indicated his intention to retire, are therefore seeking annual re-election in accordance with good corporate governance practice.

Non-Executive Directors do not have specific time commitments, but it is estimated that between 20 and 25 days each year is required to fulfil their responsibilities. Executive Directors are full time employees of the Group.

Role and responsibilities

The Directors' general duties are set out under sections 171–181 of the Companies Act 2006 and the Board has responsibility to promote the success and interests of the Company and as a whole is responsible for the Group's success, its objectives and policies and the proper governance of the Group and Company.

The Directors have regard to the interests of a wider group of stakeholders in the success of the longer-term business and when exercising their judgement take such interests into account. The Board provides overall strategic direction to the Executives by monitoring the operating and financial results against plans and budgets; reviewing the performance of management; assessing the adequacy of risk management systems and monitoring their application.

The Board in conjunction with the Executives, defines the culture and sets the Company's values and standards ensuring that the Company's obligations to its shareholders and others are understood and met.

In upholding the culture of the Company, the Directors have the opportunity to engage with staff at informal gatherings as well as at more formal meetings throughout the year.

The Board, as noted elsewhere, receive reports and feedback from other parts of the business on suppliers, shareholders and investors in the Group's funds.

The role of the Non-Executive Directors is to challenge constructively, and contribute to, the development of strategy; to scrutinise the performance of executive management in meeting agreed goals and objectives, monitor their performance; and, through the various Committees, to satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and remuneration across the Group is considered.

Principle 6

All Directors receive appropriate and timely information to ensure that they are properly briefed in advance of Board and Committee meetings and have unlimited access to the advice and services of the Company Secretary and other senior management should further information be required. The Company Secretary is responsible for advising the Chair and the Board on governance matters.

A procedure has been established for Non-Executive Directors to have access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as Directors. No such advice has been sought in the year to 31 March 2025.

As reported in the Nomination Committee report the independence, time commitments, conflicts and succession considerations of each Director are annually reviewed. The Board has noted and adopted the recommendations of the Nomination Committee.

Conflicts of interests

The Companies Act 2006 (the Act) imposes a duty on Directors to avoid a situation in which they have or could have a conflict of interest or possible conflict with the interests of the Company. Directors are required to disclose all actual and potential conflicts of interest to the Board as they arise for consideration and approval.

The Board may impose restrictions or refuse to authorise such conflicts if they consider them to conflict with the interests of the Group. Only Directors not involved in the conflict or potential conflict participate in the authorisation process taking into account their duty to promote the Group's success.

Directors are reminded at each Board meeting of their obligations to notify any changes in their statement of conflicts and also to declare any benefits received from third parties in their capacity as a Director of the Company.

Each new Director on appointment is required to declare any potential conflict situations.

The register of conflicts is updated as and when a change arises and is formally reviewed in full annually. The Board has concluded that the process has operated effectively during the year and no Director has declared the receipt of any benefits during the year in their capacity as a Director of the Company.

Board meetings

The Board has a regular schedule of meetings and also meets on an ad hoc basis as required. It receives detailed papers in advance of the meetings and verbal reports at each meeting from the executive management covering the financial performance of the Group, updates on fund performance and distribution, business development, matters affecting the general trading conditions and operational issues, including risk and compliance.

The Board also receives reports from Committee Chairs on matters which relate to the Committee's responsibilities as well as reports and presentations from the heads of departments on matters affecting the Group. The Board receives presentations from third party advisors on regulatory, legal and strategic updates.

Corporate Governance Report continued

Principle 6 *(Principle 5 of the 2018 QCA Code)*

The following table sets out the Board and Committee meetings schedule and attendance for the year 31 March 2024 to 31 March 2025:

	Board	Nomination	Audit and Risk	Remuneration	AGM 25 September 2024
Number of meetings in the year	6	2	7	4	1
Directors throughout the year **(Committee membership shown in brackets)**					
David Lamb (Nomination and Remuneration)	6	2	–	4	1
Gavin Rochussen (None)	6	–	–	–	1
Samir Ayub (None)	6	–	–	–	1
Laura Ahto (Nomination and ARC)	6	2	7	–	1
Anand Aithal (Nomination and ARC)	6	2	7	–	1
Alexa Coates (Nomination and ARC)	6	2	7	–	1
Win Robbins (Nomination and Remuneration)	6	2	–	4	1
Andrew Ross (Nomination and Remuneration)	6	2	–	4	1

In addition to the above there were various Allotment Committee meetings to deal with the issue of shares and exercise of share awards by staff.

Where a director may be unable to attend a meeting, they have full access to the meeting papers and the opportunity to share their views on the matters to be discussed with the Chair prior to the meeting and are briefed on proceedings and outcomes following the meeting.

Directors other than Committee members may attend a Committee meeting as a guest for information purposes at the invitation of the Chair of that Committee. As a guest, they are not part of the deliberations or decisions of that Committee. Guest attendance is excluded from this analysis. Executive Directors attend Committee meetings when required to present or comment on matters for the Committee to consider.

Principle 7 *(Principle 6 and 9 of the 2018 QCA Code)*

Maintain appropriate governance structures and ensure that, individually and collectively, directors have the necessary up-to-date experience, skills and capabilities.

On appointment, new Directors are offered an induction and training considered appropriate by the Board and subsequently as necessary. The Directors receive briefings at Board meetings on regulatory and other issues relevant to the Group and its business sector and may attend external courses to assist in their professional development. Regular compliance training is required of all Executive Directors and is available to the Non-Executive Directors. All Directors are encouraged to keep up to date with industry matters through their networks and other roles they undertake.

The skills and experience of each Director is detailed in the biographies on pages 49 to 51 and is assessed as part of the annual appraisal process which is explained in more detail in the Nomination Committee report. Each director was appointed with varying skill sets which are complementary to one another and the business to be conducted.

The posts of Chair and CEO are held by different Directors, with the Chair being an independent non-executive role. The specific responsibilities of each role are set by the Board and are available on the Company's website.

The Chair's primary role, through their leadership, is to ensure that the Board and individual Directors are able to operate efficiently and by setting the agenda, style and tone of Board discussions, to promote effective decision making and constructive debate. The Chair also provides a sounding board for the CEO and leads on succession planning for the Board and senior executive positions.

The CEO leads the executive management team; the Executive Committee which meets regularly, is primarily responsible for the implementation of the Board's policies and strategies, effective communication with shareholders, ensuring that all Board members develop an understanding of the views of investors and for managing the activities of the Group other than in relation to those matters specifically reserved to the Board or delegated to its Committees.

The Board has a formal agenda of items for consideration at each scheduled meeting, but it will also meet at additional times when required and address ad hoc items as required.

The Board has established guidelines requiring specific matters to be decided by the full Board of Directors. These include the appointment and removal of Directors, terms of reference for Board Committees and membership thereof; approval of strategy including material acquisitions and disposals, annual financial budgets, investments and capital projects. Matters that are reserved for the Board are generally forwarded to the Board for consideration with a recommendation from the executive management or appropriate Committee.

The Chair and the CEO meet weekly to discuss operational matters and the Chairs of the various Committees are in regular contact with members of the executive team and senior managers to keep up to date with operational matters. The Chair also has a regular cycle of meetings with members of the executive team to keep in touch with all aspects of the business.

Corporate Governance Report continued

Principle 8

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

Each year, an evaluation process is undertaken, as an AIM listed company, the Board is not required to undertake an externally facilitated evaluation but may choose to do so. Such a process was adopted in 2023, and it was agreed that this may be adopted again on an ad hoc basis in future years. During 2024, the Board returned to an internally facilitated process and individual one to one meetings between the Chair and each Director provided information on the effectiveness of the Board and its operation, and provided a forum for suggestions for improvements; in addition each director met with Mr Andrew Ross to give views on the Chair and the running of the Board. The outcomes from the evaluation process are considered by the Nomination Committee and are detailed in its report each year.

The outcomes of the 2024 process are referenced further in the Nominations Committee report on pages 64 and 66.

Each Director is reminded that should they have any concerns or observations, that the Chair or Company Secretary is available to discuss the matter and if required to bring the matter to the attention of the wider Board, Committee or individual Directors as appropriate.

The Board have agreed to continue with an internal evaluation process for 2025 which will be reported on in the Annual Report for the year ending 31 March 2026.

The Executive Directors also complete formal performance appraisals which are required of all full-time staff.

Principle 9

Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

The new principle requires companies to establish a remuneration policy which is "supportive of long-term value creation and the company's purpose, strategy and culture". This principle is underpinned by various expectations in application. It calls for pay structures that are "simple and easy for participants to understand". It also sets an expectation that remuneration for senior management should promote alignment with shareholders "through the building and holding of a meaningful shareholding in the company". It further suggests that the annual remuneration report should be put to an advisory shareholder vote and, where not mandated to be put to a binding vote, remuneration policies should at least be put to an advisory vote.

The Company has for several years offered shareholders a full remuneration report and advisory vote on Directors' pay including a high-level description of the remuneration policy.

Having consulted with the Company's independent remuneration advisors, the Board do not feel it is necessary to offer a binding vote on remuneration but will keep the matter under review for future years and when considering any significant growth in the Company.

The Remuneration Committee report on pages 72 to 85 sets out the considerations of and proceedings undertaken by the remuneration committee in the year, the Company's remuneration policy and the terms of the various equity plans in place for the benefit of the Executives and the wider business, such plans are adopted by Board resolution from time to time under the guidance of the independent advisors. The Company generally follows the Investment Association shareholder guidelines on the use of the shares for any awards made under the equity plans.

Build Trust – Principle 10

Principle 10

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

To assist in running the Group, a number of Board Committees have been established to undertake specific responsibilities, provide concise information and for taking proposals to the Board, carrying out the necessary work required for the business to operate effectively and efficiently, and to comply with all the regulatory requirements. The Board has delegated certain specific areas of responsibility to each of the Committees. The Board sees minutes of all Committee meetings and the Chair of each Committee reports to the Board on any significant matters. The Board also receives copies of minutes from the Executives and subsidiary companies for information.

The current composition and the work of each of the key Board Committees is detailed in their reports. The reports of the Committees are set out as follows:

- Audit and Risk, pages 67 to 71;
- Nomination, pages 64 to 66; and
- Remuneration, pages 72 to 85.

The terms of reference for these committees are provided on the Company's website. In addition to the above Committees, there is also an Allotment Committee which does not produce a separate report but is used administratively to allot and issue shares or confirm instructions to the EBT arising from the exercise of board approved share awards or shares arising from previously board approved crystallisations of fund manager preference share arrangements. Separately, the Executive Committee is a management committee which does not produce a separate report but has overall responsibility for delivering the day-to-day management of the Group and supports the CEO in delivering his vision and the strategy of the Board.

The schedule of matters reserved to the Board and the responsibilities of the Chair and the CEO are included in the Corporate Governance disclosure available on the Company's website.

Approved by the Board on 27 June 2025 and signed by order of the Board.

Tracey Lago, FCG
Group Company Secretary

Nomination Committee Report

David Lamb
Chair of the Nomination Committee

Committee Composition

	Meeting attended
David Lamb, Chair	2/2
Laura Ahto	2/2
Anand Aithal	2/2
Alexa Coates	2/2
Win Robbins	2/2
Andrew Ross	2/2

The Committee comprises all the Independent Non-Executive Directors.

The Committee received information and support from the Executive Directors as well as the Company Secretary in performing its duties.

Dear shareholder

As Chair of the Nomination Committee (the 'Committee'), I am pleased to present its report to shareholders for financial year ended 31 March 2025.

The Committee's principal duties are unchanged from the previous year and are:

- to review the structure, size and composition of the Board and its committees, ensuring an appropriate balance of skills, knowledge, independence, diversity and experience.
- to evaluate the Directors' skills, knowledge and experience to ensure an effective Board and individual Director contribution and to make recommendations for director re-election as appropriate.
- to consider the leadership needs and succession planning of the Board and the executive team when making decisions on new appointments and to seek advice and work closely with external advisers as necessary in connection with recruitment.

The terms of reference of the Committee, which explains its role and the authority delegated to it, are available on the Company's website. The letters of appointment for each non-executive Director will be available for inspection at the Annual General Meeting to be held in September 2025.

Nomination Committee Activities During the Year

The Committee met twice in the financial year ended 31 March 2025, and its activities included:

- reviewing the structure, size, composition and tenure of the Board, and the leadership needs of the Group, continuing the work from the previous year.
- considering succession planning for the Board and Executives.
- undertaking, a Board evaluation process while considering the outcomes from the external evaluation carried out in 2023/24.
- working with external advisers on the search and appointment process for the new CEO.

Board, Committee and Individual Director Evaluations

It is a prerequisite that each Director or proposed Director must have the skills, experience and character to contribute both individually and as part of the Board to the effectiveness of the Board and the success of the Group. Subject to this overriding principle, the Board believes that diversity amongst its members, is of great value. It is the Board's policy to give careful consideration to issues of overall Board balance and diversity in making new appointments. The Committee strives to encourage all the Directors to create an inclusive culture within the Group in which differences and alternative views are recognised and valued.

The Board's objective is to have at least 33% female representation. The Board currently has three female Directors (37.5%) with two of them occupying the Chairs of the key committees, the Audit and Risk and the Remuneration Committees. The Board also has two (25%) non-white ethnic minority Directors.

Evaluation Process

Under the QCA Code of Corporate Governance, Principle 8 provides that the Board should regularly evaluate the performance of the Board as a unit, the Committees and the individual Directors. As an AIM listed entity, there is no requirement to undertake an externally facilitated evaluation but it is recommended that such be considered from time to time.

As reported in the 2024 Annual Report, in 2023 the Board, with the support of the Committee, chose to engage an independent service provider, Independent Audit (IA), and undertake an externally facilitated evaluation process. This process was undertaken in addition to the annual one-to-one development review meetings I hold with each director .

The externally facilitated evaluation presented the Board with a number of suggestions, some of which were implemented, while others remain as work in progress. The evaluation process for 2024 returned to an internal review comprising one-to-one review meetings with myself and a review of my performance as Chair undertaken by Mr Ross. The results of these review meetings were discussed by the Committee and where appropriate, suggestions taken forward to implementation.

Effectiveness

The conclusions from the review meetings confirmed that the Board, the Committees and individual Directors were working effectively, and all were open to suggestion and development where appropriate. There is also a strong consensus the Board has a genuinely diverse range of skills and inputs to it that supports the discharge of its responsibilities.

For 2025, we will undertake another internal review but will keep open the option of adopting a periodic external review should it be considered necessary or helpful, possibly post the next succession process.

Succession Planning

The Board considered the full tenure schedule of the Directors. While Directors are appointed with a general expectation of remaining on the Board for three, three-yearly cycles, the Committee agrees that it is acceptable for a director to standdown or for the Board collectively to recommend a change at different periods should it be more appropriate and therefore that it should not be assumed that a director would continue in role for the full nine-years.

Each director is asked to reconfirm their position on the Board as they approach the end of each three-yearly term and every director, with the support of the Committee and the Board, stands for annual re-election by shareholders. Win Robbins will reach nine-years tenure in 2026, as such, the Board will consider recruitment requirements as they progress through the 2026 financial year.

Appointment of new CEO

During the year Gavin Rochussen asked the Board to plan for his retirement once a successor had been identified. The Committee engaged an external adviser, Teneo, to support the executive search process which had a global remit, and considered both external and internal candidates.

After a thorough search and assessment process, seven candidates were shortlisted and interviewed by the Committee. Having concluded the process after the end of the financial year, we were delighted to announce the intended appointment of Iain Evans, our current Global Head of Distribution, as the CEO designate, subject to regulatory approval.

Independence

The Committee considered the independence of each Director and possible conflicts.

In assessing the independence of Non-Executive Directors at the date of this report, the Committee took account of their experience, character and judgement, and their dependence or relationships with the Group. In all cases the Committee concluded that each Director was independent in character and judgement. Guidance generally used to assess independence considers the length of service, or the

Nomination Committee Report continued

holding of a previous executive position within the Group, or a material business relationship with the Group, including shareholdings, to impair the perceived independence of the Non-Executive Director.

The Committee considered that Laura Ahto, Anand Aithal, Alexa Coates, David Lamb, Win Robbins and Andrew Ross continue to be Independent Non-Executive Directors and are free from any associations or relationships with the Group or its investment funds except for the fees they receive as Directors and any shares they may beneficially hold in the Company, funds or client companies. Gavin Rochussen and Samir Ayub are Executive Directors and are not deemed to be independent of the Group or its investment funds.

Conflicts and time commitment

The Committee undertook a review of the other positions held by each Director to ensure that each has sufficient time to dedicate to the business of the Group. The Committee also considered if any conflicts existed which are required to be disclosed and explained.

As a result of this review the Committee concluded that the time commitments of the Directors were considered reasonable and appropriate to them performing their duties to the Company. Their outside interests were considered valuable to the Board where the Director leads on specialist areas such as finance or to provide commercial insights into the operations and business of the Company. Directors are required to obtain the prior approval of myself as Chair and thereafter ratification by the Board of additional roles, including the determination of conflicts and consideration of time commitment.

In cases where there might be concern surrounding over-boarding, it should be noted that roles with investment companies generally involve fewer Board meetings annually and have less regulatory burden compared to fully listed entities.

Re-election of Directors

The Committee carries out an annual appraisal of each Director standing for re-election; the re-election of each director at the AGM to be held in September 2025 is supported by the Committee and their rationale for recommending re-election of each is set out on pages 49 to 51.

David Lamb

Chair of the Nomination Committee

27 June 2025

Audit and Risk Committee Report

Alexa Coates
Chair of the Audit and Risk Committee

Committee Composition

Meeting attended	
Alexa Coates, Chair	7/7
Laura Ahto	7/7
Anand Aithal	7/7

The Committee is comprised of Independent Non- Executive Directors drawn from the Board. The Chair of the Board, Executive Directors and other senior individuals of the Group also attend the meetings by invitation, as required.

All of the Committee's members possess experience relevant to the asset management sector. The committee members bring a strong mix of investment management, operational experience and financial expertise. As a Chartered Accountant, I bring recent and relevant financial experience to the Committee. As stated on page 65, an internally facilitated effectiveness review of the Board and its Committees was carried out during 2024.

Dear Shareholder

I am pleased to present the Committee's Report for the year ended 31 March 2025. The Committee continued its focus on principal and emerging risks, enhancement to the internal control framework, operational resilience, and regulatory change. During the year, we oversaw key developments including enhancements to the risk framework, publication of the Group's first full TCFD report and the appointment of a new internal auditor.

We remain committed to supporting the integrity of financial reporting, scrutinizing key accounting judgements, and overseeing both the internal and external audit processes.

The Committee encourages open dialogue with shareholders and if you have any comments or questions on this report, please feel free to contact me through the Company Secretary (CoSec@polarcapital.co.uk). I look forward to meeting with you to answer any of your questions at the 2025 AGM.

Audit and Risk Activities During the Year

- Reviewed the interim report and year end annual report and challenged management on significant estimates and judgements used in the process.
- Reviewed and challenged management's approach towards TCFD reporting.
- Reviewed the Group's 2024 ICARA report and challenged management's assessment on scenario testing.
- Monitored and reviewed the effectiveness of the Group's internal control environment.
- Approved the 2024/25 internal audit plan, discussed issues and recommendations raised and monitored management's response to findings and recommendations.
- Approved the appointment of a new internal auditor following a tender process.
- Considered the effectiveness and quality of the external audit process.

Audit and Risk Committee Report continued

The Committee's responsibilities

The terms of reference for the Audit and Risk Committee are set out on the Company's website and are summarised as follows:

- reviewing the contents of the Interim Report and Annual Report and advising the Board on whether, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy;
- reviewing the appropriateness of new accounting standards, accounting estimates and judgements, used in the preparation of the Group's Financial Statements;
- overseeing the effectiveness of the Group's internal control and risk management systems including those for the prevention and detection of fraud and recommending changes where appropriate;
- reviewing the Group's whistleblowing arrangements and ensuring that these allow proportionate and independent investigation of such matters and appropriate follow up action;
- reviewing the Group's capital adequacy and in particular, reviewing the Group's ICARA and ensuring that the Group has sufficient capital and liquidity to operate for the foreseeable future;
- reviewing the outcomes from risk and compliance monitoring and recommending changes where appropriate;
- oversight of the outsourced internal audit function including reviewing the outcomes and related recommendations and their subsequent implementation by management, as well as assessing the function's effectiveness;
- considering the effectiveness and quality of the external audit process;
- establishing and keeping under review a policy for the provision of non-audit services by the external auditors so that their independence and objectivity is safeguarded; and
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the Group's external auditors.

Review of activities during the year

During the year the Committee met seven times and a detailed review of the Committee's activities is as follows:

Consideration of the Interim Report

The Committee considered the Interim Report to ensure that it was fair, balanced and understandable. The Committee also reviewed the accounting policies adopted in the interim financial statements along with significant accounting estimates and judgements.

Significant accounting estimates and judgements and matters in relation to the Financial Statements

During the year the Committee considered key accounting estimates and judgements and matters in relation to the Group's Financial Statements and disclosures as listed below:

Key accounting estimates and judgement

Consolidation of seed capital investments

IFRS 10 requires the Group to consolidate entities over which it has control. The key areas of judgement required in determining whether the Group controls an entity include:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect returns.

Where the Group has seeded funds that it manages and owns a significant proportion of those funds and has concluded that it is acting as principal rather than as agent on behalf of third-party investors, the fund is consolidated. The accounting treatment for seed capital investments is set out in Note 2.2.

The Committee considered the approach adopted by management for each seed investment and agreed that it was appropriate.

Share-based payments

Determining the accounting charge for share-based payment transactions requires the selection of an appropriate valuation model, consideration of appropriate input criteria for the model and an estimate as to the number of awards that are likely to vest. The accounting treatment for share-based payment transactions is set out in Note 3.6 to the financial statements.

The Committee considered the valuation model chosen (the Black-Scholes Model for share options, market-price-adjusted for dividends for restricted share awards including LTIPs without TSR targets; and the stochastic model for those with such targets) and the assumptions used by management and agreed that these were appropriate.

Accounting matters

Impairment of goodwill and intangible assets

The Committee reviewed and challenged management's assessment of the carrying values of the goodwill and the investment management contract-related intangible asset acquired as part of the acquisition of Dalton Capital (Holdings) Limited.

Following this assessment, and in light of updated forecasts and market conditions, management concluded that both the goodwill and intangible asset should be fully impaired at year end.

The Committee evaluated the reasonableness of the assumptions used, including sensitivity analysis and the valuation methodology, and agreed with management's conclusion that a full impairment was appropriate. See more details in Note 4.1.

Alternative Performance Measures

The Committee reviewed the use of APMs in the Annual Report ensuring that these were necessary to provide users of the annual report with a better understanding of the Group's business.

The Committee discussed the number and benefit of each APM and were satisfied that the APMs listed by management on page 29 were appropriate.

Exceptional costs

The Committee reviewed management's classification of exceptional costs during the year which comprised significant and non-recurring items including the impairment of goodwill and related intangible asset.

The Committee considers management's classification of exceptional costs to be appropriate.

Going Concern

The Committee considered a going concern report from management on the assessment of the Group's liquidity, timing of cashflows, forecasts of regulatory capital requirements and budgets for the year ahead. This also included consideration of the impact of severe but plausible downside scenarios on key liquidity and capital metrics.

Based on this analysis, the Committee was able to recommend the adoption of the going concern basis for the preparation of the Group's Financial Statements.

Consideration of the Annual Report

The Committee performed its role through monitoring the integrity of the Annual Report to ensure compliance with relevant and appropriate accounting standards. The scope of the audit was agreed in advance with a focus on areas of audit risk and an appropriate level of audit materiality. The external auditors reported on the results of the audit work to the Committee at its June 2025 meeting and highlighted that no material issues had been discovered based on the audit work performed.

The production and the audit of the Group's Annual Report is a comprehensive process requiring input from a number of contributors with detailed controls and sign offs.

The Committee supports the Board by considering and forming an opinion to assist the Board in reaching conclusions that the Annual Report is fair, balanced and understandable and that the adoption of the going concern basis is appropriate.

In performing this work the Committee has given consideration to the following:

- the control framework over the production of the Group's Financial Statements;
- the results and outlook for the Company as described in the Strategic Report and considered in light of other internal reports and financial projections fairly reflect the results for the year;
- the level of detail and disclosure around the Group's Key Performance Indicators and how these correlate to its use of non-GAAP Alternative Performance Measures to ensure that the latter are clearly defined and reconciled to IFRS measures;
- the detailed levels of review undertaken in the production process by management and the Committee.

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 31 March 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, and has reported on these findings to the Board.

The terms of the letter of representation to the external auditors were also considered and recommended to the Board for approval.

Audit and Risk Committee Report continued

TCFD reporting

During the year, the Committee reviewed and challenged management's approach to climate-related financial disclosures under the UK Sustainability Disclosure Requirements. The Committee considered the Group's full TCFD report prior to publication and provided input on the clarity and completeness of disclosures. The Committee was satisfied that the final report met the applicable regulatory requirements and reflected the Group's commitment to transparent and meaningful sustainability reporting.

Risk management and internal controls

The Committee is responsible for assisting the Board in maintaining an effective internal control environment. To discharge this responsibility, the Committee receives regular reports on the Group's compliance, risk and internal control procedures. This includes outcomes from the Group's risk and control self-assessment (RCSA) programme and its compliance and risk monitoring programme.

The RCSA programme progressed during the financial year, with successful assessments completed in the Operations department. The programme is now being rolled out across the wider Group, with the objective of establishing a comprehensive view of business-identified risks.

The Risk Maps provide a measure of the principal risks and a Red Amber Green (RAG) status based on the level of risk against risk appetite, likelihood alongside mitigating controls in place. Risk monitoring programmes are in place against the principal risks with the outcomes of testing shared with the relevant internal control committees. The Group's top risks are reviewed by the Committee on a quarterly basis.

The Committee also reviewed the Group's operational resilience framework, including its outsourcing arrangements, cyber risk management, and business continuity plans during the year.

An annual report on the oversight of outsourcing to third parties was considered, alongside the internal risk management framework.

During the year, the Committee considered the internal risk management framework and the controls in place to prevent and detect fraud alongside the upcoming legislation on failure to prevent fraud and is monitoring the action plan to address any gaps.

Capital adequacy

The Committee reviewed the 2024 ICARA report during the year and challenged management's assessment of several stress scenarios and their impact on the financial position as well as the assessment of a wind down scenario for both the Group and its UK regulated entity. The Committee also reviewed a forward-looking analysis of the Group's cash and capital positions. Based on the review, the Committee concluded that the Group maintains sufficient capital and liquidity and recommended the ICARA for Board approval.

Regulations

The Committee receives regular reports on upcoming regulatory changes, including any actions required to ensure compliance, as well as the impact of regulatory changes implemented during the year. These updates also include a summary of anti-money laundering-related matters.

Whistleblowing

The Chair of the Committee is the whistleblowing champion and ensures that, should any reports be received, these are investigated appropriately.

Internal audit

Internal audit services were provided by Minerva Risk Consulting over the first half of the year. Minerva successfully delivered three audits during this period, covering areas such as Senior Managers' Certification Regime, Consumer Duty and Human Resources. The Committee reviewed the findings and have monitored management's implementation of recommendations.

Over the latter half of the year the Committee carried out a competitive tender process for a new outsourced internal audit function and following a comprehensive selection process EY was appointed as the Group's new internal auditor with effect from 1 March 2025. We look forward to working with the new provider and ensuring a continued strong focus on risk-based internal audit coverage across the Group.

External auditors

PwC were re-appointed as our external auditors for the financial year 2025 at the AGM held in September 2024.

The effectiveness of the external auditors is monitored by the Committee during the year with a focus on the planning of the audit work, the quality of reporting and the quality and knowledge of staff. The Committee reviews any changes in the terms of the external auditors appointment and considers, among other matters, their performance, qualification, knowledge, expertise and resources. The external auditors' independence was also considered. This evaluation has been carried out throughout the year by meetings held with PwC; a review of the audit process and discussions with management and others involved in the audit process.

Regular one-to-one meetings between the lead audit partner, Natasha McMillan, and myself were held throughout the year and PwC also met privately with the Committee on a number of occasions.

The Committee also reviewed and approved the audit fee for the year for the Company and its subsidiaries, ensuring that it was commensurate with the scope of work required. The Committee was satisfied that the proposed fee represented fair value and reflected current market conditions for a listed asset management group.

As part of the audit firm's partner rotation policy, we will have a new lead audit partner for the financial year 2026. The Committee has been briefed on the transition and is satisfied that appropriate handover arrangements are in place to ensure continuity and audit quality. We would like to thank Natasha McMillan for her service and contribution over the last five years.

Based on the satisfactory conclusion of the work described above, the Committee has recommended PwC's reappointment to the Board and a resolution will be proposed at the 2025 AGM for their reappointment.

Non-audit work

A policy for non-audit services has been established to safeguard the independence and objectivity of the Group's external auditors. The policy provides that certain non-audit services are not permitted under any circumstances and that the Committee is required to consider and pre-approve any material non-audit services before the external auditors is engaged, subject to certain limits. The aggregate of fees for non-audit services shall not be in excess of 70% of the average of the last three years audit fees.

The Audit and Risk Committee receives an annual report on the non-audit services provided by the external auditors and also considers any issues arising in respect of independence. As a result, the Committee members are comfortable that the objectivity and independence of the external auditors has been maintained.

Alexa Coates

Chair of the Audit and Risk Committee

27 June 2025

Remuneration Committee Report

Win Robbins
Chair of the Remuneration Committee

Committee Composition

Meetings attended	
Win Robbins, Chair	4/4
David Lamb	4/4
Andrew Ross	4/4

The Committee comprises three independent Non-Executive Directors. By invitation of the Committee, meetings are also attended by the CEO, the CFO and the Group Company Secretary (who acts as secretary to the Committee), who are consulted on matters discussed by the Committee, unless those matters relate to their own remuneration. Other non-executive directors may be invited to attend meetings. Advice and information can also be sought directly from other employees where the Committee feels that such additional contributions will assist the decision-making process.

The Committee also consulted with the CEO and the CFO on Group wide staff remuneration and incentive arrangements and participated in various salary data reviews and obtained market data from various sources.

Dear Shareholder

On behalf of the Board and the Remuneration Committee (the Committee), I have pleasure in presenting the Committee's Report for the year ended 31 March 2025.

The Company is not listed on the Main Market and therefore is not subject to the Large and Medium Sized Companies and Group (Accounts and Reports) (amendment) Regulations 2013. Although the Company does not have to prepare a Directors' Remuneration Report, the Committee wishes to ensure that shareholders have a clear understanding of the remuneration paid by the Company and how the Committee has discharged its obligations. Therefore, in line with Main Market practice, this report comprises three sections:

- This Annual Statement where I set out the key Remuneration Committee considerations during the year and a summary of the performance outcomes for the financial year 2025;
- The Directors' Remuneration Policy which describes the parameters in which Executive and Non-executive Directors are paid; and
- The Annual Report on Remuneration which sets out in detail, the pay and performance outcomes for the financial year 2025 and how we intend to apply the policy during the financial year 2026.

The Committee has considered Principle 9 of the QCA Corporate Governance Code and the guidance on remuneration voting. The Committee believes that the current approach of putting the remuneration report to an advisory shareholder vote at the Annual General Meeting remains appropriate and is proportionate for a company of Polar Capital's size and scale as it continues to provide shareholders with a mechanism to indicate their views on our pay arrangements. The current Remuneration Policy remains unchanged and, in this context, the Committee will keep under review the guidance to put our Remuneration Policy to a separate shareholder vote as market practice in this area develops and further guidance from the QCA is provided.

The Company values shareholders' views and welcomes their feedback.

Remuneration Committee activities during the year

The Committee met 4 times in the year ended 31 March 2025 and discussed the following:

- An update from the Committee's independent adviser on pay governance, the new QCA guidelines, market practice and investor views.
- Agreed the measures and targets for the 2024 LTIP awards and the bonus for the year ended 31 March 2025.
- A review of performance outcomes for the year ended 31 March 2024:
  - The Committee established the bonus payouts and LTIP vesting outcomes which were contingent on performance in the financial year ended 31 March 2024.
  - The Committee also considered the Executive Directors' recommendations for discretionary bonus awards to staff.
- The Committee also considered the expected annual bonus outcomes for the financial year 31 March 2025 and the design of the 2026 bonus scheme (which was concluded following the year end).
- The structure of senior executive packages and the cascade of incentives down the business.

Following the year end, the Committee has reviewed and approved performance outcomes for the year ended 31 March 2025.

Changes to remuneration

There were no changes to the remuneration policy for the financial year 2025.

Remuneration outcome for the year ending 31 March 2025

Business context

Average AuM for the financial year 2025 were £22.9bn representing a 17% increase compared to the prior year, reflecting favourable market movements, investment performance, and net inflows in selected strategies.

Over the full year core operating profit increased by 27% to £56.7m (2024: £44.8m), driven by higher management fees underpinned by the higher average AuM base and continued cost discipline. Against ongoing industry headwinds, particularly within the equity sector, the Group performed well relative to its UK peers in terms of both profitability and net flows.

Firmwide

As a result of the Group's improved financial performance in the year ended 31 March 2025, overall variable compensation costs were higher than in the prior year. Group compensation costs excluding performance fee interests and share-based payment expenses, both of which increased in line with core operating profit, increased by 16% year-on-year. This reflects the alignment of the Group's remuneration framework with financial outcomes and the need to retain and reward key talent in a competitive industry environment.

Annual bonus

The annual bonus for senior executives, including the Executive Directors was based on a balanced scorecard set by the Committee by reference to pre-determined financial and non-financial targets.

Based on performance, the outcome of the annual bonus scorecard was 55% of the maximum for Gavin Rochussen, and 57.5% of the maximum for Samir Ayub. The 2025 bonus is higher than last year (33%-36% of maximum), with the main driver being an increase in the core profit bonus metric offset by lower non-financial outcomes. See page 81 for full disclosure on the scorecard outcomes.

The core operating profit and fund performance metrics were partially met and the net flows outcome was below threshold. Combined with non-financial performance against specific strategic and personal bonus objectives, the bonus outcome of 55%-57.5% of maximum was a little above on-target performance for the year. The Remuneration Committee believes this outcome appropriately reflects the financial and operational performance of the Company both in the context of challenging market conditions during the year and performance relative to peers.

No discretion was applied by the Remuneration Committee in determining the annual bonus outcomes.

Long Term Incentive Arrangements (LTIP)

The 2022 LTIP award, which was granted to the executives on 16 July 2022, will vest in July 2025. These awards were subject to continued employment and the achievement of two measures:

- Adjusted Diluted Earnings per Share (EPS) condition (50%),
- Relative total shareholder return (TSR) measure (50%)

The threshold EPS target was not achieved and therefore this part of the award will lapse. Polar's three-year TSR gives a ranking between median and upper quartile against the peer group and 57.0% of this part of the award will vest. The overall vesting is, therefore, 28.5% of the total award.

See page 81 for full disclosure on the performance targets and outcomes.

Remuneration Committee Report continued

Remuneration approach for the year ending 31 March 2026

Base salaries, benefits and pension

The Committee considers the general workforce increase when determining the increase that should apply for Executive Directors. For financial year 2026, Executive Directors' salaries have increased by 2.5% from 1 April 2025 which compares to a general workforce increase of 4.5%. A lower than workforce increase was applied in the prior financial year (2025) and no increase was given in financial year 2024.

Benefits for the Executive Directors comprise private medical cover, life insurance and income protection to cover long-term illness. These will remain unchanged. Pension provision remains unchanged at 10% of salary which is in line with the contribution level for the wider workforce.

Annual bonus

The maximum opportunity for Executive Directors will remain unchanged at 250% of salary. The performance measures for 2025/26 will continue to be based on:

- 40% on Financial KPIs (core profit),
- 20% on key Non-financial KPIs (incorporating net inflows and fund performance),
- 20% on the achievement of team based strategic KPIs, and
- 20% on personal objectives.

The Committee believes the choice of measures and their relative weightings provides for a rounded assessment of performance for the benefit of stakeholders over the longer term. Consistent with the prior year, 50% of any bonus earned in respect of 2026 will be deferred in shares.

LTIP awards

The Committee reviewed the performance metrics for the 2026 LTIP award and has decided to retain the existing performance measures.

A 250% of salary cap applies for the CEO and 200% of salary for the CFO. The 2026 awards will be set at 100% of the maximum cap and the performance measures will be:

- 35%: adjusted diluted total EPS
- 35%: relative total shareholder return
- 10%: cumulative net flows
- 20% strategic progress

These awards will vest after three years, subject to performance conditions, and a two-year holding period will apply.

CEO succession

As outgoing CEO, Gavin Rochussen will not take part in either the annual bonus award for 2026 or be granted an LTIP in 2026. Gavin will step down from the Board after the AGM in September 2025 following which it is intended that Iain Evans will take over as CEO and join the Board as an Executive Director, subject to regulatory approval.

Gavin will continue to be an employee, serving out the remainder of his notice period, to provide support and an orderly handover.

Conclusion

The Remuneration Committee has considered the above proposals carefully and is satisfied that the proposed approach is appropriate and takes into account investor sentiment on pay and feedback received.

The Committee encourages open dialogue with shareholders and if you have any comments or questions on this statement and the following report, then please feel free to contact me through the Company Secretary (CoSec@polarcapital.co.uk).

I look forward to your support at the 2025 AGM.

Win Robbins

Chair of Remuneration Committee

27 June 2025

Directors' remuneration policy

The Remuneration Committee considers Directors' remuneration as part of the overall aim of the Group's remuneration strategy which is to provide appropriate incentives that reflect the Group's high-performance culture and values. In summary, the Committee aims to:

- attract, retain and motivate high-calibre, high performing Directors and employees; and
- encourage strong performance and engagement, both in the short-term and the long-term, to enable the Group to achieve its strategic objectives.

The Directors' total remuneration package is structured so that a significant proportion is linked to performance conditions measured over both the short-term and longer-term.

When setting the levels of short-term and long-term variable remuneration and the balance of equity and cash within the package, consideration is given to obtaining the appropriate balance so as not to encourage unnecessary risk-taking, whilst ensuring that performance hurdles are suitably challenging.

The table below summarises the key aspects of the Group's Director remuneration structure and policy for the financial year 2026:

Executive Directors' remuneration

Fixed pay

Base Salary	Pension	Benefits
Purpose and link to strategy To attract and retain Executive Directors of a suitable calibre for the duties required by being market competitive.	**Purpose and link to strategy** To provide market competitive benefits.	**Purpose and link to strategy** To provide market competitive benefits.
Policy summary Normally reviewed annually by the Committee, with increases taking effect from April, taking account of Company performance, individual performance, changes in responsibility and levels of increase for the broader staff population. The Committee considers the impact of any basic salary increase on the total remuneration package.	**Policy summary** Defined contribution or cash in lieu of pension equal to 10% of base salary. This is in line with the contribution provided to all staff.	**Policy summary** The Company typically provides the following: • private medical cover; • life insurance; and • income protection scheme to cover long-term illness.
2026 approach CEO: £406,500 (2025: £396,550) CFO: £264,000 (2025: £257,250)	**2026 approach** 10% of base salary.	**2026 approach** • private medical cover; • life insurance; and • income protection scheme to cover long-term illness.
Commentary relative to 2025 approach Salary increases by 2.5% which compares to a general workforce increase of 4.5%. 2025 increases were also lower than the general workforce increase.	**Commentary relative to 2025 approach** Unchanged.	**Commentary relative to 2025 approach** Unchanged.

Remuneration Committee Report continued

Executive Directors' remuneration (continued)

Variable pay

Annual Bonus and Deferred Remuneration Plan (DRP)

Purpose and link to strategy
To drive and reward performance against annual objectives which are consistent with the strategy and align to shareholder interests.

The DRP provides a deferral element to variable compensation above a certain level to ensure there is a link to the longer-term performance of the Company.

Policy summary
The annual bonus opportunity is capped at 250% of base salary for Executive Directors.

The bonus measures will normally comprise a mix of financial and non-financial performance and personal contribution, aligned to the overall success of the Group.

In respect of the bonus earned, 50% of the bonus amount (after tax) is deferred in shares.

These deferred shares are held until the first, second and third anniversaries and then released subject to continued employment or good leaver provisions.

2026 approach
The maximum bonus opportunity will be 250% of salary for Executive Directors.

For financial year 2026, the measures will be:

- 40% on core operating profit,
- 20% on non-financial KPIs (net inflows and fund performance),
- 20% on strategic objectives and
- 20% on personal objectives.

Long-term incentives (LTIP)

Purpose and link to strategy
To encourage and reward delivery of the Company's long-term strategic objectives and provide alignment with shareholders.

Policy summary
Executive Directors may receive LTIP awards with a value of up to 250% of salary for the CEO and 200% of salary for the CFO and other Executives. These are maximum award levels and may be subject to any potential downwards adjustment by the Remuneration Committee.

The LTIP awards may be structured as conditional shares and/or forfeitable shares or nil/nominal cost options which vest after 3 years subject to performance and continued employment (subject to good leaver provisions). Vested awards are subject to a two-year holding period.

Vesting of LTIP awards is determined by reference to performance assessed over a period of at least three years. Performance measures may include financial, share price based or other strategic objectives. Prior to each grant, the Committee will determine the measures that will apply and that they are aligned with the Company's strategic objectives and long-term shareholder value. Up to 25% of the award may vest for threshold performance.

These awards are subject to Malus and Clawback provisions which enable the Remuneration Committee to recover or withhold LTIP awards if the Committee forms the view that there has been a material misstatement of financial results, an error in assessment of any performance condition or in the event of serious misconduct prior to the date of vesting that could have resulted in summary dismissal.

The Committee considers the year-on-year change in share price when determining the number of awards to grant.

2026 approach
Outgoing CEO: No award.

Incoming CEO: will receive an award with a face value of 250% of base salary.

CFO: will receive an award with a face value of 200% of base salary.

For financial year 2026, the measures will be:

- 35%: adjusted diluted total EPS for FY28 with threshold set at 47p (25% vesting) and maximum at 65p (100% vesting),
- 35%: relative total shareholder return against the constituents of the FTSE 250 excluding investment trusts,
- 10%: Cumulative net flows in two key geographic areas over the performance period with the range being £1.5bn (25% vesting) - £3.5bn (100% vesting),
- 20%: Strategic progress towards enhancing the investment proposition for investors. This will comprise a combination of qualitative and quantitative assessment of progress made towards expanding the investment team and product offering in key geographic areas (10%) and towards the Group's people development and retention offering (10%).

Non-Executive Directors remuneration

Fixed pay

Fee paid in cash

Purpose and link to strategy
To attract and retain a high-calibre Chair and Non-Executive Directors by offering a market competitive fee level.

Policy summary
The Chair is paid a single fee for all his responsibilities. The Non-Executives are paid a basic fee assessed on their contribution and level of responsibilities.

The level of these fees is reviewed periodically by the Committee with reference to market levels and agreed by the CEO in respect of the Chair and by the Chair and the CEO for the Non-Executive Directors.

The Committee in reviewing these fees considers the extra work undertaken by the Chairs of the Board Committees and may pay an additional fee to reflect these responsibilities if felt appropriate.

2026 approach
Chair: £171,175 p.a. (2024: £167,000 p.a)

Non-Executive: £68,675 p.a. (2025: £67,000 p.a)

Additional payment for the Chair of the Audit & Risk Committee:

£15,375 p.a. (2025: £15,000 p.a.)

Additional payment for the Chair of the Remuneration Committee: £11,620 p.a. (2025: £11,330 p.a.).

Commentary relative to 2025 approach
2.5% increase in line with the increase applied to the Executive Directors.

Service contracts and payments for loss of office

Executive Directors

The Committee reviews the contractual terms for new Executive Directors to ensure that these reflect best practice.

Service contracts normally continue until the Executive Director's agreed retirement date or such other date as the parties agree. The service contracts contain provision for early termination. Notice periods given by the employing Company are limited to 12 months or less.

An Executive Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct.

If the employing Company terminates the employment of an Executive Director in other circumstances, compensation is limited to salary due for any unexpired notice period and any amount assessed by the Remuneration Committee as representing the value of other contractual benefits (including pension) which would have been received during the period. Payments in lieu of notice are not pensionable. In the event of a change of control of the Company there is no enhancement to contractual terms.

Non-Executive Directors

The Non-Executive Directors have letters of appointment, setting out the terms and conditions of their appointment. In accordance with the Company's Articles of Association a Non-Executive Director's appointment shall continue subject to satisfactory performance and annual re-election by shareholders, for such number of further terms as the Board determines is appropriate taking into account the recommendations and guidance set out in the QCA Corporate Governance Code (or such other Corporate Governance Code that may be adopted and applied by the Company). Re-appointment is not to be considered automatic and each Director's contribution will be carefully assessed annually. The letters of appointment provide for termination of the Director's appointment under certain circumstances and in all cases without any compensation other than their notice period (3 months).

None of the Non-Executive Directors have any ongoing direct financial or contractual interests in the Company other than their fees and shareholdings as disclosed in this report.

Indemnity/Insurance

The Company has granted a Deed of Indemnity to each Director in respect of liabilities that may attach to them in their capacity as Directors of the Company. This indemnity covers any liabilities that may arise to a third party for negligence, default or breach of trust or duty. This Deed of Indemnity is a qualifying third-party provision (as defined by section 234 of the Companies Act 2006) and was in force for the entire year under review or the Directors who were in office at the year end, and were in force at the date of approval of this report, and will continue to be in force for all Directors. A copy is available for inspection on the Company's website and will be available at the AGM.

The Group maintains Directors' and Officers' liability insurance, which is reviewed annually to ensure that cover is held at an appropriate level.

Remuneration Committee Report continued

Annual report on remuneration

The table below sets out the remuneration received by the Directors for the financial year ended 31 March 2025 and for comparison amounts received in the financial year ended 31 March 2024.

Single Figure of Total Remuneration-Executive Directors (audited)

	Gavin Rochussen		Samir Ayub	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Executive Directors	£'000	£'000	£'000	£'000
Fixed remuneration				
Salary & fees	397	385	258	250
Taxable benefits	4	4	4	4
Pension and other payments in lieu	51	44	26	25
Total fixed remuneration	452	433	288	279
Variable remuneration				
Annual bonus[1]	545	318	370	225
Long term incentive and share options[2]	253	–	131	–
Total variable remuneration	798	318	501	225
Total remuneration	1,250	751	789	504

1. The short-term incentive is awarded as an annual cash bonus with deferment in accordance with the remuneration policy. The amounts disclosed in the table include both cash and deferred elements.
2. The LTIP value in the table corresponds to the upcoming vesting of the LTIP award granted in July 2022 which will vest at 28.5% of maximum. As these awards will vest after this report has been signed off, the value of these awards has been estimated based on the average share price over the three month period ending 31 March 2025. The values will be updated for the actual share price on vesting (16 July 2025) in next year's report.

Single Figure of Total Remuneration- Non-Executive Directors (audited)

	31 March 2025 £'000						31 March 2024 £'000					
Non-Executive Directors at year end	David Lamb	Alexa Coates	Win Robbins	Andrew Ross	Laura Ahto	Anand Aithal	David Lamb	Alexa Coates	Win Robbins	Andrew Ross	Laura Ahto	Anand Aithal
Fixed remuneration												
Salary & fees	167	82	78	67	67	67	162	76	76	65	65	65
Taxable benefits	–	–	–	–	–	–	–	–	–	–	–	–
Total	167	82	78	67	67	67	162	76	76	65	65	65

Variable pay for the year ended 31 March 2025

Annual Bonus Awards for the year ended 31 March 2025

The Committee considered the Executive Directors' performance against the targets and objectives set at the start of the year. Based on performance over the year, bonuses of 55% of maximum or 137.5% of salary will be payable to the CEO, and 57.5% of maximum or 143.7% of salary will be payable to the CFO.

40% of the bonus was based on core operating profit, 20% was based on performance against two non-financial KPIs and the remaining 40% on the achievement of key team and individual strategic objectives.

Financial KPI

40%

Core Operating profit:
40%

Results:
Partially met

Impact on bonus:
32% out of 40% awarded

25% of this part of the bonus would be achievable for core operating profit of £48.6m rising to full pay-out for profit of £59.4m or higher. The targets were set by reference to the Group's budgeted core operating profit and the targets were adjusted for market movements.

Core operating profit of £56.7m resulted in 32% (out of 40%) of this element becoming payable.

Non-Financial KPI

20%

Net Flows	Funds performance
10%	**10%**
Results: **Not met**	Results: **Partially met**
Impact on bonus: **0% out of 10% awarded**	Impact on bonus: **5% out of 10% awarded**

10%: Net inflows
25% of this part of the bonus would be achievable for net inflows of £0.2bn rising to a 100% payout for net inflows of £0.5bn or higher. There were net inflows of £12m during the year and therefore this resulted in 0% (out of 10%) of this element becoming payable.

10%: Funds performance
Based on six measures for fund performance on open ended UCITs over rolling one, three and five years. For the current performance period three out of six targets were met. This resulted in 5% (out of 10%) of this element becoming payable.

Remuneration Committee Report continued

Strategic objectives: 20%

20%

Team based component of Executive Director annual bonus scorecard.

Criteria and Assessment of outcomes

(1) Revitalise or close subscale funds and strategies

Plans put in place for areas of improvement and action on several subscale funds.

(2) Distribution

Despite strong net inflows over the first six months from launch of the International Small Company fund, targets set for expanding the US client base were narrowly missed.

(3) Continue focus on operational resilience

Achieved targets set against number of total errors to be lower than average of the last three years and the gross cumulative impact of errors during the year.

(4) Search with a view to procuring a world class equities team for the US market

Numerous opportunities for new investment team capability have been considered during the year ranging from fund manager hires, team lift outs and inorganic opportunities. During the year, Dan Boston was recruited as lead manager who heads our US-based and newly established Global Small Company team.

(5) Focus on improving ESG

Corporate level scope 1 and 2 emission reduction targets set and included in 2025 TCFD report.

(6) Embrace and advocate for Consumer Duty principles across all Polar activities

Lead taken on consumer duty discussions and considerations throughout product life cycle and consumer journey.

(7) Focus on skills development and succession planning for key roles

Initial ground work laid on succession planning and enhancements to performance development of Executive direct reports.

(8) Replace the existing outsourced internal audit function with an appropriate alternative

A competitive tender process was run during the year with EY eventually being appointed to provide outsourced internal audit services to the Group.

The Remuneration Committee determined that while progress had been made on several strategic objectives, others had only been partially met and therefore 8% (out of 20%) should be awarded.

Personal objectives: 20%

20%

Personal component of Executive Director annual bonus scorecard.

Director and Assessment of outcomes

Gavin Rochussen - CEO

There has been continued focus on embedding the Polar culture while acknowledging that culture must evolve as the business grows and as industry headwinds are tackled.

During the year Gavin has spent significant time with the executives both as a group but also individually to mentor the senior executive team as it positions the Group for the future.

There has been an intense focus on achieving growth in a challenging environment for active equities. There has been significant progress with diversification which has enabled Polar to outperform its direct peer Uk based asset management firms.

Given the achievement against personal objectives, the Committee confirmed a personal bonus scorecard outcome of 10% (out of 20%) for the CEO.

Samir Ayub - CFO

Maintained good relations with existing analysts and developed new ones with new coverage provided by two further analysts during the year.

Samir has also driven the implementation and roll out of a people strategy with processes around an improved hiring process completed this year. Further enhancements around performance appraisal and people development are ongoing.

In collaboration with the Head of Distribution pricing reviews have been undertaken on a fund specific basis.

Given the achievement against personal objectives, the Committee confirmed a personal bonus scorecard outcome of 12.5% (out of 20%) for the CFO.

Total outcome

100%

The total outcome for the Annual Bonus Awards for the year ended 31 March 2025 is as follows:

	CEO	CFO
Cap	250% of base	250% of base
Base Salary	£396,550	£257,500
Maximum bonus opportunity (A)	**£991,375**	**£643,750**

Summary of outcomes for the year ended 31 March 2024	% Achieved	% Achieved
Financial KPIs (40% weighting)		
Core Operating profit	32%	32%
Non-Financial KPIs (20% weighting)		
Net inflows	0%	0%
Fund Performance	5%	5%
Strategic KPIs (20% weighting)		
Strategic objectives	8%	8%
Personal objectives (20% weighting)		
Personal objectives	10%	12.5%
Total outcome for the year (B)	**55%**	**57.5%**

2025 Actual bonus (A x B)	**£545,000** (2024: £317,625)	**£370,000** (2024: £225,000)

In accordance with the deferment arrangements, 50% of the annual bonuses awarded to Executive Directors will be deferred, after payment of tax, into the Company's shares which, subject to leaver forfeiture provisions, will be released to the respective Directors as to one third each year for the next three years. As the bonuses are cash awards, tax is deducted at the time of payment and therefore the deferment is of the net amount. Executive Directors are entitled to receive dividends on their shares held under deferment.

2022 LTIP awards vesting outcome

Awards were granted to Gavin Rochussen and Samir Ayub and selected senior executives on 16 July 2022 under the Long Term Incentive Plan. These were based on three year adjusted diluted EPS performance (50%) and a relative TSR condition (50%) for the year ended 31 March 2025.

The outcome of the performance targets for the year ended 31 March 2025 are as follows:

Performance targets	Weightings	Actual performance	Weighted LTIP outcome
Adjusted diluted EPS: 65p (25% vesting) to 75p (100% vesting)	50%	53.5p	0%
TSR: median ranking (25% vesting) to upper quartile (100% vesting)	50%	Between median and upper quartile	28.5%
Total Outcome			28.5%

The performance targets were partially achieved and therefore the proportion of shares weighted in line with the actual performance outcomes achieved will vest, as set out below.

Vesting outcome

2022 LTIP awards	Grant date	No. of shares awarded	Vesting percentage	No. of shares vesting	Vesting date	End of last holding period
Gavin Rochussen	16 July 2022	195,071	28.5%	55,595	16 July 2025	16 July 2027
Samir Ayub	16 July 2022	101,314	28.5%	28,874	16 July 2025	16 July 2027

Remuneration Committee Report continued

Directors' interests in the shares options and shares of the Company

Interest through Share Options

Details of the options held by the Directors and any movements during the year are as follows:

Grant date	Number of options at 1 April 2024	Number of options granted in the year	Number of options exercised in the year	Number of options lapsed in the year	Number of options at 31 March 2025	Earliest exercise date	Latest exercise date	Market value of shares at grant date (£)	Exercise price (£)
Samir Ayub									
17/07/2017	60,000	–	–	–	60,000	17/07/2021	17/07/2027	4.40	4.27
16/07/2018	40,000	–	–	–	40,000	16/07/2022	16/07/2028	6.70	6.84
	100,000	–	–	–	100,000				

The Executive Directors also have interests in the shares of the Company by their participation in the LTIP arrangements and deferment applied to short-term bonuses. Details of these interests are set out in the relevant sections.

Interest through Bonus Deferment

Part of the annual bonus payments are deferred, net of tax, in the shares of the Company and are released in equal tranches over three years – one third on each of the first, second and third anniversary of the deferment.

Year of deferral	Number of shares at 1 April 2024	Market value of shares at deferral date (£)	Net value of deferment for the year (£)	Share price at deferral date (£)	Number of shares at deferral date	Number of shares released during the year	Number of shares held at 31 March 2025	Earliest release date	Latest release date
Gavin Rochussen[1]									
2021	9,389	211,465	–	–	–	(9,389)	–	01-May-22	01-May-24
2022	19,507	163,800	–	–	–	(9,753)	9,754	01-May-23	01-May-25
2023	26,965	128,552	–	–	–	(8,988)	17,977	01-May-24	01-May-26
2024	–	–	101,005	5.50	18,359	–	18,359	01-May-25	01-May-27
	55,861				18,359	(28,130)	46,090		
Samir Ayub[2]									
2021	1,411	31,795	–	–	–	(1,411)	–	01-May-22	01-May-24
2022	10,311	86,580	–	–	–	(5,155)	5,156	01-May-23	01-May-25
2023	17,509	83,475	–	–	–	(5,836)	11,673	01-May-24	01-May-26
2024	–	–	71,550	5.50	13,005	–	13,005	01-May-25	01-May-27
	29,231				13,005	(12,402)	29,834		

1. £144,425 of Gavin Rochussen's 2025 annual bonus was deferred in respect of the financial year 31 March 2025 and as a result his deferred interest in the ordinary shares of the Company has increased by 36,905.
2. £98,050 of Samir Ayub's 2025 annual bonus was deferred in respect of the financial year 31 March 2025 and as a result his deferred interest in the ordinary shares of the Company has increased by 25,056.

Interest through LTIP

Year of grant	Grant date	Number of share awards held at 1 April 2024	Face value of Award (£)*	Market value of shares at grant date (£)	Granted in the year	Number of shares vested/ (lapsed) in the year[1,2]	Number of shares sold to cover tax & NIC	Number of shares released in the year	Number of share awards held at 31 March 2025	Earliest vesting date	Latest vesting date
Gavin Rochussen											
2019	11/07/2019	115,610	2,387,000	5.85	–	–	–	(115,610)	–	11/07/2022	11/07/2024
2020	10/07/2020	39,705	1,032,000	4.88	–	–	–	(19,852)	19,853	10/07/2023	10/07/2025
2021	16/07/2021	191,677	1,707,840	8.91	–	(191,677)	–	–	–	16/07/2024	16/07/2026
2022	16/07/2022	195,071	890,500	4.57	–	–	–	–	195,071	16/07/2025	16/07/2027
2023	16/07/2023	206,103	962,500	4.67	–	–	–	–	206,103	16/07/2026	16/07/2028
2024	16/07/2024	–	991,000	5.92	167,399	–	–	–	167,399	16/07/2027	16/07/2029
		748,166	–	–	167,399	(191,677)	–	(135,462)	588,426		
Samir Ayub											
2019	11/07/2019	3,334	58,500	5.85	–	–	–	(3,334)	–	11/07/2022	11/07/2024
2020	10/07/2020	7,437	119,884	4.88	–	–	–	(3,719)	3,718	10/07/2023	10/07/2025
2021	16/07/2021	47,919	426,960	8.91	–	(47,919)	–	–	–	16/07/2024	16/07/2026
2022	16/07/2022	101,314	462,500	4.57	–	–	–	–	101,314	16/07/2025	16/07/2027
2023	16/07/2023	107,066	500,000	4.67	–	–	–	–	107,066	16/07/2026	16/07/2028
2024	16/07/2024	–	515,000	5.92	86,993	–	–	–	86,993	16/07/2027	16/07/2029
		267,070	–	–	86,993	(47,919)	–	(7,053)	299,091		

* The face value of the award figure is calculated by multiplying the number of shares awarded by the market price at grant (the average share price figure over a period of five days prior to the date of grant).

1. Performance vesting

Gavin Rochussen

2019 LTIP

The 2019 LTIP reached the end of its five-year term on 11 July 2024, comprising a three-year vesting period followed by a two-year holding period. During the year, a total of 115,610 shares vested of which, 63,111 shares were sold to cover tax liabilities, with the remaining 52,499 shares released to Mr Rochussen. In addition, 102,757 shares from earlier tranches, previously held in a nominee account, were also released, bringing the total number of shares released in respect of this award to 155,256. This marks the full completion of the 2019 LTIP.

2020 LTIP

On 10 July 2024, a further 19,852 shares vested and were released to Mr Rochussen into a nominee account. Including 19,852 shares from the initial vesting in the prior year, the total number of shares held in the nominee account now stands at 39,704. These shares will remain subject to a holding requirement until the fifth anniversary of the grant date, 10 July 2025.

Samir Ayub

2019 LTIP

The 2019 LTIP reached the end of its five-year term on 11 July 2024, comprising a three-year vesting period followed by a two-year holding period. During the year, a total of 3,334 shares vested of which, 1,820 shares were sold to cover tax liabilities, with the remaining 1,514 shares released to Mr Ayub. In addition, 2,963 shares from earlier tranches, previously held in a nominee account, were also released, bringing the total number of shares released in respect of this award to 4,477. This marks the full completion of the 2019 LTIP.

2020 LTIP

On 10 July 2024, a further 3,719 shares vested and were released to Mr Ayub into a nominee account. Including 3,718 shares from the initial vesting in the prior year, the total number of shares held in the nominee account now stands at 7,437. These shares will remain subject to a holding requirement until the fifth anniversary of the grant date, 10 July 2025.

2. 2021 LTIP

As disclosed in the 2024 Annual Report, the performance conditions attached to the 2021 LTIP were not met. As a result, the entire award of 191,677 shares relating to Mr Rochussen and 47,919 shares relating to Mr Ayub lapsed in full on 16 July 2024.

Remuneration Committee Report continued

Shares held

The interests of Directors in the share capital of the Company at the end of the financial year were as follows:

Director Shareholdings	31 March 2025 Number of shares	31 March 2024 Number of shares
Executive Directors		
Gavin Rochussen		
Beneficial[1]	1,849,790	1,884,771
Deferred Interest	46,089	55,861
Samir Ayub		
Beneficial[1]	38,929	28,348
Deferred Interest	29,834	29,231
Non-Executive Directors		
David Lamb	70,000	70,000
Laura Ahto	500	500
Anand Aithal	4,500	4,500
Alexa Coates	10,000	10,000
Win Robbins	20,000	20,000
Andrew Ross	85,000	85,000

1. Including reclassification of LTIP awards that have vested but the shares are forfeitable subject to continued employment only.

Changes in share interests post year-end

The following changes in the interests of Directors in the ordinary shares of the Company occurred between 1 April 2025 and 27 June 2025:

Gavin M Rochussen

As part of his deferred remuneration for the financial year ended 31 March 2025, Mr Rochussen's deferred interest in the Company's ordinary shares increased by 36,905 shares.

Following the release of deferred awards relating to the financial years ended 31 March 2022, 2023, and 2024,. his deferred interest decreased and his beneficial interest increased by 24,862 shares.

Samir Ayub

As part of his deferred remuneration for the financial year ended 31 March 2025, Mr Ayub's deferred interest in the Company's ordinary shares increased by 25,056 shares.

Following the release of deferred awards relating to the financial years ended 31 March 2022, 2023, and 2024, his deferred interest decreased and his beneficial interest increased by 15,326 shares.

Share prices over the financial year

The shares have traded at prices between 421p (13 March 2025) and 608p (26 July 2024) per share. The share price on 31 March 2025, the last trading day of the financial year, was 427p per share.

External advisors

The Committee appointed FIT Remuneration Consultants LLP (FIT), an independent remuneration consultancy, in 2020, after a tender process to provide advice to the Committee. During the year the Remuneration Committee received independent direct advice from FIT on various remuneration matters. In conjunction with the guidance from the Committee, FIT assisted the Company with the 2025 remuneration outcomes, the bonus and LTIP arrangements, drafting of share award documentation, analysis on market practice in the sector, assistance with the design of the policy and the preparation of this report. The external advisors did not have any other relationship with the Company.

AGM vote

The votes cast at the AGM held on 25 September 2024 on the resolution on Directors' Remuneration Report were as follows:

	Number of votes	% of cast votes
Votes in favour	46,283,668	98
Discretionary votes	–	–
Votes against	942,410	2
Total votes cast	47,226,078	100
Votes withheld	88,486	–

The total issued share capital at the date of the AGM was 101,548,934 ordinary shares.

Statement of Directors' Responsibilities in Respect of the Group's and Company's Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group Financial Statements in accordance with UK-adopted international accounting standards and the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group Financial Statements and United Kingdom Accounting Standards, comprising FRS 102 have been followed for the Company Financial Statements, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's external auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's external auditors are aware of that information.

Samir Ayub
Chief Financial Officer

27 June 2025

Auditors' Report

In this section

Independent Auditors' Report

to the members of Polar Capital Holdings plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Polar Capital Holdings plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2025 and of the group's profit and the group's and company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report 2025 (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2025; the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other listed entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 3.4, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Context

Polar Capital Holdings plc ('Polar Capital') is an active fund manager, which listed on the Alternative Investment Market in 2007. Polar Capital's main operations are in the United Kingdom and during the year it offered a range of products, UCITS, SICAVs, Investment Trusts, Hedge Funds and Segregated Mandates to both professional and institutional investors in different geographical markets. In planning for our audit of Polar Capital, we met with the Audit and Risk Committee and members of management to discuss and understand significant changes to the business during the year, and to understand their perspectives on associated business risks. We used this insight, in addition to our prior year assessment of our audit approach, when forming our views regarding the business, as part of developing our audit plan and when scoping and performing our audit procedures.

Overview

Audit scope

- Our audit scope has been determined to provide coverage of all material financial statement line items, and as part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.
- We tailored our scoping of components based on our assessment of inherent risk and their financial significance to the consolidated financial results. As in all of our audits, we also addressed the risk of management override of internal controls, including consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. There were three components that we conducted a full scope audit over their financial information: Polar Capital Holdings plc, Polar Capital LLP and Polar Capital Partners Limited.
- Our audit scope accounted for more than 99% of group revenue, more than 97% of profit for the year before tax, and more than 91% of total assets; providing sufficient and appropriate audit evidence as a basis for our opinion on the group financial statements as a whole.

Key audit matters

- Revenue recognition (group)
- Impairment of investment in subsidiaries (parent)

Materiality

- Overall group materiality: £3,260,000 (2024: £2,735,000) based on 5% of profit for the year before tax excluding the impairment of goodwill and intangible assets.
- Overall company materiality: £722,000 (2024: £708,900) based on 1% of total assets.
- Performance materiality: £2,445,000 (2024: £2,051,000) (group) and £541,000 (2024: £531,600) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Impairment of goodwill and intangible assets (group), which was a key audit matter last year, is no longer included because of the write down of goodwill and intangible assets to nil as at 31 March 2025. Otherwise, the key audit matters below are consistent with last year.

Independent Auditors' Report continued

to the members of Polar Capital Holdings plc

Key audit matter	How our audit addressed the key audit matter
Revenue recognition (group)	
Revenue is the most significant balance in the Consolidated Statement of Profit or Loss. Revenue comprises a number of streams including investment management and research fees of £206.1 million and investment performance fees of £16.0 million, which result from the business activities of the group. **Investment management and research fees** The recognition of management and research fees is dependent on the terms of the underlying investment management agreements ('IMAs') between the group and its clients and/or the funds it manages. Investment management fees are derived from: • Open-ended funds, which consist of: – UCITS funds – Hedge funds – SICAV funds – Mutual funds • Investment Trusts • Segregated mandates Investment management fees are calculated as a percentage of Assets Under Management ('AUM') and the percentage applied varies across different funds and products. The calculations are non-complex, however there are a number of inherent risks including the input of correct fee rates and the existence and valuation of AUM, which could result in errors. Research fees earned are based on the underlying research expenses incurred by the group, which are reimbursed by the funds. **Investment performance fees** Investment performance fees are often infrequent and involve manual calculations, which increases the risk of error. Given the significance of investment management and research fees and investment performance fees to the Consolidated Statement of Profit or Loss, we have determined revenue to be a key audit matter.	For all material revenue streams, we understood and evaluated the design and implementation of key controls, including relevant information technology systems and controls, in place. This included both in-house controls and outsourced activities at the outsourced service providers. To obtain audit evidence over the key controls supporting the calculation and recognition of revenue, we: • Performed testing of key in-house controls to obtain evidence over the operational effectiveness of relevant key controls, such as controls over cash and stockholding position reconciliations and AUM valuations used in revenue calculations; and • Assessed the control environment in place at outsourced service providers to the extent that it was relevant to our audit. We obtained and read the control reports undertaken in accordance with generally accepted assurance standards, paying particular attention to the nature of any exceptions in the testing identified by the independent service auditor of the outsourced providers. We then identified those key controls on which we could place reliance to provide audit evidence and tested relevant complementary user entity controls in place at Polar Capital. Where the control reports had not been prepared for the year ended 31 March 2025, we assessed the gap period and obtained bridging letters where necessary. We obtained substantive audit evidence as set out below: **Investment management and research fees** • Using data auditing techniques, recalculated 99% of management fees for the UCITS funds, hedge funds, mutual funds, SICAV funds and Investment Trusts, using AUM information obtained from the outsourced service providers and fee rates obtained from IMAs, and then reconciled to amounts included in the group financial statements; • On a sample basis, we recalculated segregated mandate revenues using AUM information obtained from the outsourced service providers or obtained directly from the client and fee rates obtained from the IMAs, and then reconciled to amounts included in the group financial statements; • To test completeness, checked that investment management fees were recognised for all funds; • To test cut-off, tested investment management fees for all months in the period and confirmed that no fees were recorded for any period outside the financial year; • Agreed 100% of net management fees, adjusted for rebates paid, to bank statements for the UCITS, hedge funds, Investment Trusts, mutual funds and SICAV funds in scope of our testing; • For the segregated mandates sampled, agreed cash received to bank statements, with outstanding amounts recognised as Trade and other receivables; and • For research fees, on a sample basis, traced receipts received from underlying funds and obtained documentation to support the basis of the revenue calculation. **Investment performance fees** • Recalculated the performance fee revenue for a sample of funds, using the calculation methodology stated in the IMAs and agreed the calculation inputs to independently obtained AUM data from the outsourced service provider and to applicable index data; • Checked that performance fees relate to the financial year and confirmed that no revenue was recorded for any period outside the financial year. • Agreed 100% of performance fees per the group financial statements to bank statements. • To test completeness, checked prospectuses/agreements to identify the funds which can earn a performance fee and selected a sample to determine whether the fund's performance exceeded the benchmark and crystallised during the year. No material issues were identified.

Key audit matter	How our audit addressed the key audit matter
Impairment of investment in subsidiaries (parent)	
Investments of £19.9 million are recognised on the Company's balance sheet in respect of the wholly-owned subsidiary, Polar Capital Partners Limited. Polar Capital US Holdings Limited has nil value. Management is required by Section 27 'Impairment of assets' to perform an annual impairment review and consider if there are any impairment indicators in respect of the carrying value of the Investments. Management performed their annual impairment review which showed no indicators of impairment. Management's impairment review included assessing both internal and external indicators that would have an impact on the future expected cash flows from the investments made, including reviewing the Net Asset Value of the individual subsidiaries.	We performed the following procedures in relation to management's impairment assessment over the carrying value of investments in subsidiaries as at 31 March 2025: • Obtained and assessed the completeness of management's impairment indicator assessment, based on our understanding of the business and current market environment; • Compared the Net Asset Value of Polar Capital Partners Limited against the carrying value in the financial statements; and • Assessed the adequacy of the disclosures of the financial statements. No material issues were identified.

Independent Auditors' Report continued

to the members of Polar Capital Holdings plc

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group is structured as one operating segment, being investment management. The group is comprised of the company, incorporated in the United Kingdom, and subsidiary entities in the United Kingdom and internationally, and certain consolidated seeded funds. The group is operated centrally from the United Kingdom.

We performed a full scope audit over the following three components due to their financial significance: Polar Capital Holdings plc, Polar Capital LLP and Polar Capital Partners Limited. For the consolidated seeded funds, we identified account balances which were considered to be significant in size or audit risk at the financial statement line item level in the consolidated financial statements, and we performed audit procedures over these financial statement line items.

The adjustments made for the consolidation are material for a number of financial statement line items. We have, therefore, scoped these consolidation adjustments in as a component and performed audit testing over these.

As the group audit team, we are also the auditors for the fully scoped financially significant components. Therefore as part of our audit of the individual legal entities, we also ensured that we performed enough work to be able to conclude that appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as whole.

The impact of climate risk on our audit

In planning our audit, we have considered the potential impact of climate change on the group's business and its financial statements. The group continues to develop its assessment of the potential impacts and opportunities of ESG and climate change as explained in the Strategic Report. As a part of our audit, we have obtained management's climate-related risk assessment to understand the process of identifying climate-related risks, the determination of mitigating actions and management's conclusion that there is no material impact on the group's financial statements. We have reviewed the disclosures in the Annual Report for consistency with management's assessment.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£3,260,000 (2024: £2,735,000).	£722,000 (2024: £708,900).
How we determined it	5% of profit for the year before tax excluding the impairment of goodwill and intangible assets	1% of total assets
Rationale for benchmark applied	We have applied this benchmark because it is the benchmark against which the group's performance is commonly measured by stakeholders for their performance assessment. In 2025, we have further adjusted our materiality to remove the impairment of goodwill and intangible assets as it is one-off in nature.	In arriving at this benchmark, we have had regard to the carrying value of the company's assets, acknowledging that the primary measurement attribute of the company is the carrying value of its investment in subsidiaries.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £0.72 million to £3.26 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £2,445,000 (2024: £2,051,000) for the group financial statements and £541,000 (2024: £531,600) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £163,000 (group audit) (2024: £136,000) and £36,000 (company audit) (2024: £35,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing management's latest forecasts that support the Board's assessment and conclusions with respect to the going concern basis of preparation of the financial statements.
- Checking the arithmetical accuracy of management's forecasts.
- Performing lookback testing over budgeted versus actual results for the previous year to assess the historical accuracy of management's forecasting.
- Evaluating management's base case forecast and downside scenarios, challenging the underlying data and the adequacy and appropriateness of the underlying assumptions used to make the assessment, and evaluating the directors' plans for future actions in relation to their going concern assessment.
- Assessing the appropriateness of the going concern disclosures by comparing them to management's assessment for consistency and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent Auditors' Report continued

to the members of Polar Capital Holdings plc

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Group's and Company's Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inquiries with management to consider known or suspected instances of non-compliance with laws and regulations, and fraud;
- Reviewing relevant meeting minutes, including those of the Board of Directors and the Audit and Risk Committee;
- Reviewing regulatory correspondence with the Financial Conduct Authority;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations against revenue accounts, where any such journal entries were identified; and
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Natasha McMillan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London

27 June 2025

Financial Statements

In this section

Consolidated Statement of Profit or Loss

For the year ended 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Revenue	3.1	222,111	195,065
Other income	3.3	3,997	2,521
Gross income		226,108	197,586
Commissions and fees payable	3.1	(27,775)	(22,658)
Net income		198,333	174,928
Operating costs	3.4	(146,483)	(120,027)
Finance costs	4.3	(205)	(211)
Profit before tax		51,645	54,690
Taxation	3.7	(16,335)	(13,897)
Profit for the year attributable to ordinary shareholders		35,310	40,793
Earnings per share			
Basic	3.8	36.6p	42.3p
Diluted	3.8	36.1p	41.8p
Adjusted basic (Non-GAAP measure)	3.8	54.2p	44.6p
Adjusted diluted (Non-GAAP measure)	3.8	53.5p	44.0p

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Profit for the year attributable to ordinary shareholders		35,310	40,793
Other comprehensive income/(expense) – items that will be reclassified to profit or loss statement in subsequent periods			
Exchange differences on translation of foreign operations	3.3	345	(505)
Other comprehensive income/(expense) for the year		345	(505)
Total comprehensive income for the year, net of tax, attributable to ordinary shareholders		35,655	40,288

All of the items in the above statements are derived from continuing operations.

The notes on pages 101 to 132 form part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Non-current assets			
Goodwill and intangible assets	4.1	–	14,774
Property and equipment	4.2	6,129	8,307
Deferred tax assets	4.4	4,264	1,938
		10,393	25,019
Current assets			
Assets at fair value through profit or loss	4.5	63,347	62,433
Trade and other receivables	4.8	22,880	21,070
Other financial assets	4.5	1,539	3,393
Assets at amortised cost	4.5	–	6,698
Cash and cash equivalents	4.9	121,819	98,880
Current tax assets		149	127
		209,734	192,601
Total assets		220,127	217,620
Non-current liabilities			
Provisions and other liabilities	4.10	5,123	7,537
Liabilities at fair value through profit or loss	4.5	68	249
		5,191	7,786
Current liabilities			
Liabilities at fair value through profit or loss	4.5	5,808	5,425
Trade and other payables	4.11	71,158	64,128
Provisions	4.10	–	247
Other financial liabilities	4.5	–	9
Current tax liabilities		3,527	4,127
		80,493	73,936
Total liabilities		85,684	81,722
Net assets		134,443	135,898
Capital and reserves			
Issued share capital	4.12	2,539	2,530
Share premium	4.12	19,364	19,364
Investment in own shares	4.12	(29,731)	(34,652)
Capital and other reserves	4.12	12,277	12,019
Retained earnings		129,994	136,637
Total equity – attributable to ordinary shareholders		134,443	135,898

The notes on pages 101 to 132 form part of these financial statements.

The Group financial statements were approved and authorised for issue by the Board on 27 June 2025:

Samir Ayub
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Note	Issued share capital £'000	Share premium £'000	Investment in own shares £'000	Capital reserves £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2023		2,520	19,364	(31,623)	695	11,604	140,295	142,855
Profit for the year		–	–	–	–	–	40,793	40,793
Other comprehensive expense		–	–	–	–	(505)	–	(505)
Total comprehensive income		–	–	–	–	(505)	40,793	40,288
Dividends paid to shareholders	4.13	–	–	–	–	–	(44,329)	(44,329)
Issue of shares	4.12	10	–	–	–	–	(10)	–
Own shares acquired		–	–	(9,858)	–	–	–	(9,858)
Release of own shares		–	–	6,829	–	–	(5,195)	1,634
Share-based payment	3.6	–	–	–	–	–	5,083	5,083
Current tax in respect of employee share options		–	–	–	–	18	–	18
Deferred tax in respect of employee share options	4.4	–	–	–	–	207	–	207
As at 1 April 2024		2,530	19,364	(34,652)	695	11,324	136,637	135,898
Profit for the year		–	–	–	–	–	35,310	35,310
Other comprehensive income		–	–	–	–	345	–	345
Total comprehensive income		–	–	–	–	345	35,310	35,655
Dividends paid to shareholders	4.13	–	–	–	–	–	(44,403)	(44,403)
Issue of shares	4.12	9	–	–	–	–	–	9
Own shares acquired		–	–	(1,598)	–	–	–	(1,598)
Release of own shares		–	–	6,519	–	–	(4,559)	1,960
Share-based payment	3.6	–	–	–	–	–	7,009	7,009
Current tax in respect of employee share options		–	–	–	–	(112)	–	(112)
Deferred tax in respect of employee share options	4.4	–	–	–	–	25	–	25
As at 31 March 2025		2,539	19,364	(29,731)	695	11,582	129,994	134,443

The notes on pages 101 to 132 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2025

	Notes	31 March 2025 £'000	31 March 2024 £'000
Cash flows generated from operating activities			
Cash generated from operations	4.9	80,707	51,978
Tax paid		(19,371)	(12,419)
Interest received		2,682	2,348
Net cash inflow generated from operating activities		64,018	41,907
Cash flows generated from investing activities			
Investment income		345	430
Sale of assets/liabilities at fair value through profit or loss		44,010	56,105
Purchase of assets at fair value through profit or loss		(46,945)	(36,415)
Redemption/(purchase) of assets at amortised cost		6,698	(6,698)
Purchase of property and equipment	4.2	(170)	(243)
Sale of property and equipment	4.2	12	–
Payments in respect of asset acquisition		(39)	(70)
Net cash inflow from investing activities		3,911	13,109
Cash flows generated from financing activities			
Dividends paid to shareholders	4.13	(44,403)	(44,329)
Lease payments		(1,501)	(1,734)
Interest on lease		(205)	(211)
Sale/(purchase) of own shares		364	(8,222)
Third-party subscriptions into consolidated funds		1,411	4,987
Third-party redemptions from consolidated funds		(1,102)	(13,415)
Net cash outflow from financing activities		(45,436)	(62,924)
Net increase/(decrease) in cash and cash equivalents		22,493	(7,908)
Cash and cash equivalents at start of the year		98,880	106,976
Effect of exchange rate changes on cash and cash equivalents		446	(188)
Cash and cash equivalents at end of the year	4.9	121,819	98,880

The notes on pages 101 to 132 form part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

The Notes to the Consolidated Financial Statements of Polar Capital Holdings plc and its subsidiaries (collectively, the Group) for the year ended 31 March 2025 have been set out in key sections and cross referenced to the primary financial statements. Accounting policies are contained and highlighted within each relevant note where possible.

SECTION 1: CORPORATE INFORMATION

1.1 Corporate information

Polar Capital Holdings plc (the 'Company') is a public limited company incorporated and domiciled in England and Wales whose shares are traded on the Alternative Investment Market (AIM) of the London Stock Exchange.

1.2 Group information

Details of operating subsidiaries, seed capital investments and indirectly held entities consolidated into the Group are disclosed in Note 4.6.

1.3 Going concern

The Directors have made an assessment of going concern taking into account both the Group's results as well as the impact of the Group's outlook. As part of this assessment the Directors have used a range of information available to the date of issue of these financial statements and considered the Group budget, longer term financial projections, cash flow forecasts and an analysis of the Group's liquid assets and its regulatory capital position and forecasts. The stress testing scenarios applied as part of the Group's ICARA have also been revisited to ensure they remain appropriate.

The Group continues to maintain a robust financial resources position, access to cashflow from ongoing investment management contracts and the Directors believe that the Group is well placed to manage its business risks. The Directors also have a reasonable expectation that the Group and the Company have adequate resources to continue operating for a period of at least 12 months from the date of signing the financial statements. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

SECTION 2: BASIS OF PREPARATION AND OTHER MATERIAL ACCOUNTING POLICIES

This section provides additional information about the overall basis of preparation of these consolidated financial statements and includes:

- Material accounting policies affecting the results and financial position of the Group, including changes in accounting policies and disclosures during the year.
- Standards that have been issued but not yet adopted by the Group.

2.1 Basis of preparation

The consolidated Group financial statements have been prepared on a going concern basis in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006. The accounting policies used in the preparation of these financial statements have been consistently applied, except when otherwise stated.

The consolidated financial statements have been prepared under the historical cost convention, modified by the measurement at fair value of certain financial assets and liabilities and derivative financial instruments. The consolidated financial statements are presented in Sterling and all values are rounded to the nearest thousand (£'000), except when otherwise stated.

2.2 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries for the year ended 31 March 2025. Subsidiaries are those entities over which the Group has control. The Group controls an investee if, and only if, the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the purpose and design of an investee, relevant activities, substantive and protective rights, voting rights and potential voting rights.

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

2.2 Basis of consolidation continued

The financial statements of subsidiaries are either prepared for the same reporting period as the parent company or where necessary, adjustments are made to the financial statements of subsidiaries to bring their reporting period and results in line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

When the Group loses control over a subsidiary, it derecognises the related assets, liabilities, third-party interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Seed capital investments in funds that the Group manages are accounted for as subsidiaries, associates or financial assets at fair value through profit or loss (FVTPL) depending on the holdings of the Group, on the level of influence and control that the Group is judged to have and whether the Group assesses it is acting as an agent or principal for its holdings in the seed capital investments. There is no fixed minimum percentage at which the Group consolidates, and each exposure is reviewed individually.

Where the Group concludes it is acting as a principal the entity is consolidated. This assessment is based on the Group's total exposure. This incorporates direct holdings, income earned from management and performance fees and the assessed strength of third-party kick-out rights. The funds consolidated at 31 March 2025 are disclosed in Note 4.6.

The Group concludes that it acts as an agent when the power it has over an entity is deemed to be exercised for the benefit of third-party investors.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which the Group obtains control and continue to be consolidated until the date when such control ceases.

Where external investors hold redeemable shares in funds controlled by the Group, the portion of profit or loss and net assets held by these third-party interests is included within other income in the consolidated statement of profit or loss and as financial liabilities at FVTPL in the consolidated balance sheet respectively.

Net cashflows on initial consolidation or deconsolidation are presented as investing activities within the consolidated cashflow statement. Cashflows from third-party interests into consolidated funds are presented as financing activities.

2.3 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Generally, it is presumed that the Group has significant influence where it has voting rights of 20% or more, but not control of an investee.

Seed capital investments over which the Group has significant influence, but not control, are carried on the balance sheet as assets at FVTPL as permitted by IAS 28: Investment in Associates, with changes in fair value recognised in the consolidated statement of profit or loss. The fair value of investments in associates is determined by reference to the quoted price at the close of business on the balance sheet date. The Group has no other investments in associates and, therefore, no associates are currently accounted for using the equity method. Seed capital investments determined as associates at 31 March 2025 are disclosed in Note 4.7.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Group bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Where circumstances and parameters change, the original estimates and assumptions are modified in the period in which the change occurs.

The areas where judgements, assumptions and estimates are significant to the Group's consolidated financial statements are set out in the following notes:

Significant judgements:

- Consolidation of seed capital investments (Note 4.6).

Significant assumptions and estimates:

- Share-based payments (Note 3.6).

In the prior year, the inputs used in the impairment assessment of goodwill and intangible assets were considered as significant accounting estimates.

2.5 Foreign currency

(i) Functional and presentational currency

The Group's consolidated financial statements are presented in Sterling which is also the functional currency for the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items, such as plant and equipment, that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items, such as investments in equity instruments, measured at fair value in a foreign currency are translated using exchange rates at the date fair value is determined. Exchange differences are recognised in the consolidated statement of profit or loss within operating costs.

(iii) Consolidation

On consolidation, the assets and liabilities of the Group's overseas subsidiaries whose functional currency is not Sterling are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at average exchange rates for the accounting period. Exchange differences arising, if any, are recognised in other comprehensive income and are reclassified to the consolidated statement of profit or loss on disposal of the relevant overseas subsidiary.

2.6 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotation (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, such as forward exchange contracts, the fair value is determined using appropriate valuation techniques that take into account the terms and conditions of the contracts and utilise observable market data, such as spot and forward rates, as inputs.

2.7 Standards and amendments not yet effective

There are no new or amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements that would be expected to have a material impact on the Group when they become effective.

2.8 Changes in accounting policies and disclosures

No standards or amendments have been issued during the year that have had or are expected to have an impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

SECTION 3: DETAILED INFORMATION ON CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME ITEMS

This section provides additional information about individual line items in the consolidated statement of profit or loss and consolidated statement of comprehensive income, including the relevant accounting policies.

3.1 Revenue

Revenue from contracts with customers

Revenue from contracts with customers represents fees receivable, excluding value added tax, for discretionary investment management services and research fees during the year.

Management fees are based on a percentage of assets under management either per day or calendar month and payable monthly or quarterly as set out in the relevant investment management agreement (IMA). Management fees relate specifically to the Group's provision of investment management services for each relevant time period and therefore such services are satisfied over time because either the customer simultaneously receives and consumes the benefits provided by the fund manager as the service is provided or, the fund manager's performance enhances the assets that the fund controls. Management fees are recognised as the service is provided and it is probable that the fee will be collected.

Research fee income relates to research provided in respect of funds managed in accordance with the relevant IMA and is recognised as the service is provided and it is probable that the fee will be collected.

Performance fees are variable consideration based on a percentage of investment performance achieved relative to predefined benchmarks as set out in the relevant IMA. Performance fees by their nature are highly susceptible to volatility until they are crystallised and are no longer subject to claw back. This is usually at the end of the performance period of a fund when the performance fee calculation can be confirmed with certainty. Therefore, performance fees are recognised at the point when they are crystallised.

Contract balances, being trade receivables, have been detailed in Note 4.8.

Commissions and fees payable

Commissions and fees payable to third parties are in respect of rebates on investment management fees, distribution and research fees, and are recognised over the period for which the service is provided.

	31 March 2025 £'000	31 March 2024 £'000
Investment management and research fees	206,139	176,400
Investment performance fees	15,972	18,665
	222,111	195,065

3.2 Operating segments

The financial information provided to the chief operating decision maker, the Board of Directors (the 'Board') is on an aggregated basis. Strategic and financial management decisions are determined centrally and, on this basis, the Group is a single segment investment management business.

The Group is a specialist investment management group offering professional and institutional investors a range of geographical and sector investment opportunities. The Group's assets under management are separated into products and services but as the strategic and financial management decisions are determined centrally, by the Board, the Group only has one class of business, being the provision of investment management and advisory services. The Group's revenue generating operations are in London and Zurich with additional offices in USA, China, France, Spain, Germany, Singapore and Sweden that do not generate any revenue.

Geographical analysis of revenue (by location of the funds) is as follows:

	31 March 2025 £'000	31 March 2024 £'000
United Kingdom	39,068	32,599
Ireland	175,578	152,419
Rest of Europe	4,123	7,093
Cayman Islands	1,315	1,215
United States of America	962	341
Rest of the world	1,065	1,398
	222,111	195,065

3.3 Components of Other income and Other comprehensive income

Other income

Other income consists primarily of interest income, gains/(losses) on financial assets and liabilities, gains/(losses) on forward currency contracts, including short positions, and investment income.

Interest income

Interest receivable is recognised on an accruals basis using the effective interest method.

Gains/(losses) on financial assets and liabilities

These relate to gains and losses arising from seed investments and investment securities held by the Group and derivative instruments used to hedge foreign currency and market risk on these investments. See Note 4.5 for the respective accounting policies.

Investment income

Dividend income from investments is recognised on the date that the right to receive payment has been established.

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

3.3 Components of Other income and Other comprehensive income continued

(a) Components of other income

	31 March 2025 £'000	31 March 2024 £'000
Interest income	2,682	2,347
Net (loss)/gain on other financial assets – short positions	(1,044)	175
Net gain on other financial assets - forward currency contracts	169	334
Net gain/(loss) on financial assets and liabilities at FVTPL	2,077	(2,923)
Investment income	345	430
Other (gain)/loss – attributed to third party holdings	(232)	2,158
	3,997	2,521

(b) Components of other comprehensive income

	31 March 2025 £'000	31 March 2024 £'000
Exchange differences on translation of foreign operations:		
Gain/(Loss) arising during the year	345	(505)
	345	(505)

3.4 Operating costs

Operating costs represent the Group's administrative expenses and are recognised as the services are received by the Group. Staff costs are the largest component of the Group's operating costs and include salaries and wages, and associated benefits such as pensions and bonuses as well as profit allocations to members of the partnership within the Group. Staff costs are presented net of gains and losses on financial instruments held to hedge deferred employee cash awards.

(a) Operating costs include the following expenses:

	31 March 2025 £'000	31 March 2024 £'000
Staff costs including partnership profit allocations (Note 3.5)	103,282	90,110
Depreciation (Note 4.2)	2,485	2,470
Amortisation and impairment of goodwill and intangible assets (Note 4.1)	14,774	1,163
Auditors' remuneration (Note 3.4b)	680	615

(b) Auditors' remuneration:

	31 March 2025 £'000	31 March 2024 £'000
Audit of Group and Company financial statements	188	177
Statutory audits of subsidiaries	309	258
Audit-related assurance services	34	38
Other assurance services – internal controls report	149	142
	680	615

3.5 Staff costs and average number of staff

Pensions

The Group operates a defined contribution pension scheme covering the majority of its staff. The costs of the pension scheme are charged to the consolidated statement of profit or loss in the period in which they are incurred.

Deferred remuneration

Where variable compensation is deferred, the cost of the award is spread over the vesting period and included within staff costs. Where deferment is into fund units, the liability is revalued at each balance sheet date to the expected settlement amount, being the current market value of the underlying fund unit. Any increase or decrease in value is recognised in the consolidated statement of profit or loss within staff costs. The liability is included in the consolidated balance sheet as part of other creditors within trade and other payables. Deferment into Company shares is accounted for as a share-based payment (see Note 3.6).

Where deferrals are made into Company shares or fund units the Group hedges its exposure to price fluctuations by purchasing the Company shares or fund units at the date of award. Company shares held are shown as a deduction from equity. Fund units are included within financial assets at FVTPL on the balance sheet. Any change in the fair value of the units is recognised in the consolidated statement of profit or loss within staff costs in order to match the gains and losses within the same line item.

(a) Group staff costs include the following:

	31 March 2025 £'000	31 March 2024 £'000
Salaries and wages	45,676	40,855
Social security costs	6,231	5,926
Pension costs	1,779	1,672
Partnership profit allocations	43,494	40,217
Share-based payments (Note 3.6)	7,009	5,083
Net gain on financial assets at FVTPL – Investments in Group funds held under deferred remuneration arrangements	(907)	(3,643)
	103,282	90,110

Pension costs outstanding at year-end amounted to £nil (2024: nil).

The Group operates a Deferred Remuneration Plan (DRP) which all Group employees eligible for a bonus over a certain level, as determined by the Remuneration Committee, are required to participate in. The DRP provides for compulsory deferral of a proportion of bonus over a specified vesting period. Deferrals can be made either into shares in the Company or units in the Group's funds. Included within staff costs in the consolidated statement of profit or loss is a charge of £14.7m (2024: £10.9m) relating to bonuses deferred into fund units.

3.5 Staff costs and average number of staff continued

(b) Average number of employees

	31 March 2025	31 March 2024
Average number of staff including Executive Directors:		
Fund Management	65	66
Distribution	28	26
Operations	107	112
	200	204

All employees are directly or indirectly engaged in the Group's business. Details regarding the total remuneration paid to Directors who served during the year, and the highest paid Director, as required by the Companies Act 2006 are disclosed in the Remuneration Committee Report (see page 78). During the year two directors (2024: two directors) received defined pension contributions or payments in lieu of contributions. There are no defined benefit arrangements.

3.6 Share-based payments

The Group enters into share-based payment transactions in respect of services receivable from certain employees by granting options or awards over shares in the Company subject to certain vesting conditions, performance criteria and exercise prices. These are accounted for as equity-settled share-based payments.

The cost of the awards is determined by the fair value of the share options or shares at the date of grant and is recognised as an expense over the appropriate performance and vesting period, based on the Group's estimate of the number of shares that will eventually vest. These estimates are reviewed regularly and the charge to the consolidated statement of profit or loss is adjusted accordingly. The corresponding credit is recognised in retained earnings within total equity.

Where an award is cancelled, it is treated as if it had vested on the date of cancellation and any cost not yet recognised is charged to the consolidated statement of profit or loss. No expense is recognised for awards that do not ultimately vest.

Significant area of estimation

The principal estimates used relate to the satisfaction of performance conditions attached to certain share-based payment awards and as a consequence, the number of shares that are likely to vest. The Group reviews such estimates regularly, with the charge to the consolidated statement of profit or loss being adjusted at least at the end of the relevant share award scheme. Our sensitivity analysis shows that a +/-25% movement to the performance condition assumption would impact the Group's profit before taxation by (£1.0m)/£0.5m (2024: (£1.6m)/£0.6m) respectively.

A summary of the charge to the consolidated statement of profit or loss for each share-based payment arrangement is as follows:

	31 March 2025 £'000	31 March 2024 £'000
Preference shares	1,942	715
LTIP awards	2,362	1,867
Equity incentive plan	708	616
Deferred remuneration plan	1,997	1,885
	7,009	5,083

(a) Manager and team preference shares (Preference Shares)

Certain employees of the Group and partners of Polar Capital LLP hold Manager Preference Shares or Manager Team Member Preference Shares (together 'Preference Shares') in Polar Capital Partners Limited, a group company.

The preference shares are designed to incentivise and retain the Group's fund management teams. These shares provide each manager with an economic interest in the funds that they run and ultimately enable the manager, at their option and at a future date, to convert their interest in the revenues generated from their funds to a value that may (at the discretion of the parent undertaking, Polar Capital Holdings plc) be satisfied by the issue of ordinary shares in Polar Capital Holdings plc. Such conversion takes place according to a pre-defined conversion formula that considers the relative contribution of the manager to the Group as a whole. The equity is awarded in return for the forfeiture of a manager's current core economic interest and is issued over three years from the date of conversion.

The issue of the Preference Shares constitutes a share-based payment under IFRS 2 and the cost is the estimated fair value, at the date of issue of the preference shares, of the effective entitlement to the ordinary shares. At each reporting date the estimated number of ordinary shares to be ultimately issued upon conversion will vary and the holder, initially, and the Group, ultimately, determines the start of the three-year period (Crystallisation) over which the ordinary shares are awarded following conversion. The start of this period will always be at least three years after the end of the financial accounting period in which the preference shares are issued.

The expected life of the Preference Shares is 6 years (2024: 6 years). In the year to 31 March 2025, the Convertibles team called for a partial conversion of preference shares into Polar Capital Holdings plc equity (2024: no conversion).

At 31 March 2025 five sets of preference shares (2024: five sets) have the right to call for conversion.

The following table illustrates the number of, and movements in, the estimated number of ordinary shares to be issued.

Estimated number of ordinary shares to be issued against preference shares with a right to call for conversion:

	31 March 2025 Number of shares	31 March 2024 Number of shares
At 1 April	2,234,988	2,367,680
Conversion/crystallisation	(114,716)	–
Movement in the year	288,916	(132,692)
At 31 March	2,409,188	2,234,988

Number of ordinary shares to be issued against converted preference shares:

	31 March 2025 Number of shares	31 March 2024 Number of shares
Outstanding at 1 April	353,055	810,310
Conversion/crystallisation	114,716	–
Adjustment on re-calculation	(79,338)	(52,101)
Issued in the year (Note 4.12)	(364,526)	(405,154)
Outstanding at 31 March	23,907	353,055

(b) LTIP awards

Various staff members including the Executive Directors, are entitled to participate in the LTIP plan which allows for awards to be made in the form of conditional share awards over shares in the Company that vest over a three year period subject to performance and employment conditions with an additional two year holding period. The fair value of these awards is equal to the market value of the shares at grant date adjusted for dividend yield.

A charge of £2.4m (2024: £1.9m) was recognised during the current financial year.

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

3.6 Share-based payments continued

(c) Group Equity Incentive Plan (EIP)

As part of an ongoing program to retain and incentivise employees, the Group issues share options under the following schemes:

(i) Save as you Earn scheme

Share options in Polar Capital Holdings plc are granted to employees under a HMRC tax-advantaged Save as You Earn scheme. These shares have a vesting period of five years, and the exercise price for each option is the market value of the shares on the date the option was granted, subject to a discount of up to 20%. The scheme is linked to a SAYE savings contract.

(ii) Company share option scheme

Share options in Polar Capital Holdings plc can be granted to employees under a HMRC tax-advantaged arrangement up to a value at the date of grant of £60,000. These shares have a vesting period of either three or four years from the date of grant, and the exercise price for each option is the market value of the shares on the date it was granted.

(iii) Unapproved share option scheme

In cases where the terms of the schemes above cannot be met, unapproved share options are granted, under the terms of the Group's Equity Incentive Plan or 2016 Executive Incentive Plan. These options vest over either four or five years, and are granted at a price agreed by the Directors of the Group.

The contractual term of Company share options, except for those issued under the SAYE scheme, is between 6-10 years.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, EIP share options during the year.

	2025		2024	
	Number	**WAEP**	**Number**	**WAEP**
Outstanding at beginning of the year	4,135,492	£4.9	3,321,795	£5.0
Granted during the year	1,202,317	£5.9	1,207,604	£4.6
Exercised during the year[1]	(505,000)	£4.1	(65,000)	£3.9
Lapsed during the year	(32,502)	£4.0	(328,907)	£5.1
Outstanding at end of the year	4,800,307	£5.2	4,135,492	£4.9
Exercisable at end of the year	2,162,702	£5.4	2,648,525	£5.1

1. Under the rules of the Group Equity Incentive Plan, unapproved share options may be issued as equity settled share appreciation rights, thereby enabling the Group to issue a net number of shares to employees on the exercise of options.

The weighted average fair value of options granted during the year was £1.1 (2024: £0.8).

For options exercised during the year the weighted average share price at the date of exercise was £5.6 (2024: £5.5).

The fair value of equity-settled share options granted is estimated at the date of grant using a Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the years ended 31 March 2025 and 31 March 2024.

	31 March 2025	31 March 2024
Dividend yield (%)	7.7 - 8.4	9.9 - 10.1
Expected share price volatility (%)	38.2 - 38.5	39.8 - 40.3
Risk free interest rate (%)	3.7 - 4.0	4.7 - 4.9
Weighted average share price (£)	5.5 - 6.0	4.5 - 4.7
Expected life of option – Equity Incentive Plans	3 - 5 years	3 - 5 years

The share price volatility was calculated by reference to the Company's historic share price.

No other features of options granted were incorporated into the measurement of fair value.

The weighted average remaining contractual life of the share options outstanding as at 31 March 2025 was 4.0 years (2024: 4.1 years).

The range of exercise prices for options outstanding at the end of the year were:

	2025		2024	
Earliest exercise date of options	**Number of options**	**Exercise price**	**Number of options**	**Exercise price**
Year ending 31 March 2024	–	–	2,648,525	£3.2 - £6.8
Year ending 31 March 2025	2,162,702	£3.2 - £6.8	19,177	£4.8
Year ending 31 March 2026	73,134	£4.0	76,104	£4.0
Year ending 31 March 2027	1,129,486	£4.7 - £7.0	1,129,486	£4.7 - £7.0
Year ending 31 March 2028	1,321,472	£3.8 - £5.9	179,596	£3.8
Year ending 31 March 2029	67,991	£3.9	82,604	£3.9
Year ending 31 March 2030	45,522	£4.7	–	–
Outstanding at end of the year	4,800,307		4,135,492	

(d) Deferred Remuneration Plan (DRP)
As indicated in Note 3.5(a) all Group staff eligible for a bonus above a certain level are required to participate in the DRP. Where deferrals are made into shares of the Company these are accounted for as an equity settled share-based payment award in the consolidated Financial Statements. There are no performance conditions attached to the awards. One third of an award will vest and become due for release on each of the first, second and third anniversaries of the grant date.

A charge of £2.0m (2024: £1.9m) was recognised during the current financial year in relation to deferred awards. The weighted average fair value of shares granted was £5.5 (2024: £5.1).

3.7 Taxation
The tax expense represents the sum of the tax payable for the reporting period (current tax) and a charge relating to tax payable for future periods due to income or expenses being recognised in different periods for tax and accounting purposes (deferred tax).

Current tax
The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Tax relating to items charged or credited directly to equity is also dealt within equity.

Deferred tax
Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in the statement of other comprehensive income or directly in equity. See Note 4.4.

Notes to the Consolidated Financial Statements continued
For the year ended 31 March 2025

3.7 Taxation continued

The major components of corporation tax for the years ended 31 March 2025 and 2024 are:

(a) Tax recognised in the consolidated statement of profit or loss

	31 March 2025 £'000	31 March 2024 £'000
UK corporation tax		
UK Corporation tax on profits for the year	17,925	15,270
Adjustments in respect of prior periods	355	646
Total current tax	18,280	15,916
Foreign Tax		
Foreign Corporation tax on profits for the year	196	128
Adjustments in respect of prior periods	160	–
	356	128
Deferred tax		
Originating and reversal of temporary differences	(2,454)	(1,743)
Adjustment in respect of prior periods	153	(404)
	(2,301)	(2,147)
Total tax recognised in consolidated statement of profit or loss	16,335	13,897

(b) Tax recognised in the consolidated statement of other comprehensive income

Current and deferred tax recognised in the consolidated statement of other comprehensive income and the consolidated statement of changes in equity is shown on the face of those statements.

(c) Reconciliation of tax charge

The tax assessed on the profit on ordinary activities during the year differs from the standard rate of corporation tax of 25% (2024: 25%). The differences are reconciled below:

	31 March 2025 £'000	31 March 2024 £'000
Profit on ordinary activities before taxation	51,645	54,690
Tax on profit on ordinary activities at standard rate of 25% (2024: 25%)	12,911	13,673
Adjustments in respect of prior periods	668	242
Disallowed expenditure/income: other	137	(86)
Disallowed expenditure: Impairment of goodwill	1,683	–
Other – share based payments	936	68
Total tax at the effective rate of 32% (2024: 25%)	16,335	13,897

3.8 Earnings per share

A reconciliation of the figures used in calculating the basic, diluted, adjusted basic and adjusted diluted total earnings per share (EPS) is as follows:

	31 March 2025 £'000	31 March 2024 £'000
Earnings		
Profit after tax for purpose of basic and diluted EPS	35,310	40,793
Adjustments (post tax):		
Add exceptional items – amortisation of intangible assets	1,163	1,163
Add exceptional items – impairment of goodwill and intangible assets	13,611	–
Add back cost of share-based payments on preference shares	1,942	715
Add net amount of deferred staff remuneration	315	344
Profit after tax for purpose of adjusted basic and adjusted diluted total EPS	52,341	43,015

The adjusted EPS figure includes an adjustment for deferred remuneration costs. The Group believes that aligning staff remuneration and profits generated in the same period will allow users of the financial statements a useful supplemental understanding of the Group's results and their comparability year on year.

Exceptional items were also excluded from the adjusted EPS calculations as they included non-cash/non-recurring costs such as amortisation and impairment of previously acquired goodwill and intangible assets.

	31 March 2025 Number of shares '000	31 March 2024 Number of shares '000
Weighted average number of shares		
Weighted average number of ordinary shares, excluding own shares, for the purpose of basic and adjusted basic EPS	96,556	96,376
Effect of dilutive potential shares – LTIPs, share options and preference shares crystallised but not yet issued	1,313	1,317
Weighted average number of ordinary shares, for purpose of diluted and adjusted diluted total EPS	97,869	97,693

	31 March 2025 Pence	31 March 2024 Pence
Earnings per share		
Basic	36.6	42.3
Diluted	36.1	41.8
Adjusted basic	54.2	44.6
Adjusted diluted	53.5	44.0

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

SECTION 4: DETAILED INFORMATION ON CONSOLIDATED BALANCE SHEET ITEMS

This section provides additional information about individual line items in the consolidated balance sheet, including the relevant accounting policies.

4.1 Goodwill and intangible assets

Goodwill arising on the acquisition of a business is the excess of the consideration paid over the net identifiable assets acquired and liabilities assumed. Goodwill is measured at cost less any accumulated impairment losses. Impairment testing is based on the expected future benefits of the relevant cash-generating unit (CGU) as a whole.

Intangible assets such as investment management contracts acquired separately are measured on initial recognition at cost which is their fair value as at acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, with the related expenditure or charge recognised in the consolidated statement of profit or loss. Intangible assets are amortised on a straight-line basis over their useful economic lives. Intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss on derecognition is included in the consolidated statement of profit or loss.

	Goodwill £'000	Investment management contracts £'000	Total £'000
Cost			
As at 1 April 2024	6,732	18,647	25,379
As at 31 March 2025	6,732	18,647	25,379
Accumulated amortisation and impairment			
As at 1 April 2024	–	10,605	10,605
Amortisation for the year	–	1,163	1,163
Impairment for the year	6,732	6,879	13,611
As at 31 March 2025	6,732	18,647	25,379
Net book value as at 31 March 2025	–	–	–
Cost			
As at 1 April 2023	6,732	18,647	25,379
As at 31 March 2024	6,732	18,647	25,379
Accumulated amortisation and impairment			
As at 1 April 2023	–	9,442	9,442
Amortisation for the year	–	1,163	1,163
As at 31 March 2024	–	10,605	10,605
Net book value as at 31 March 2024	6,732	8,042	14,774

Amortisation and impairment of intangible assets and goodwill are treated as exceptional items (see Note 3.8).

(a) Goodwill

Goodwill relates to the acquisition of Dalton Capital (Holdings) Limited, the parent company of Dalton Strategic Partnership LLP, a UK based boutique asset manager acquired on 26 February 2021 and was attributable to a single CGU. The goodwill was impaired in full during the year ended 31 March 2025, for the reasons discussed below.

(b) Intangible assets

The table below shows the carrying amount assigned to each component of the intangible asset and the remaining amortisation period.

	31 March 2025		31 March 2024	
	Carrying value £'000	Remaining amortisation period	Carrying value £'000	Remaining amortisation period
Investment management contracts acquired from Dalton Capital (Holdings) Limited	–	–	8,042	6.9 years
	–		8,042	

Due to the challenging environment for small and mid-cap European equities and continued net outflows over most of the financial year from the CGU, the Group reassessed the value of the goodwill and intangible assets originally recognised on the acquisition of Dalton Capital (Holdings) Limited at 31 March 2025.

Following this review, it was concluded that the expected present value attributable to the acquired business was below the carrying value of these assets at 31 March 2025. The present value was determined using a value-in-use calculation based on a discounted cash flow model. As a result, an impairment charge of £13.6m was recognised in the consolidated statement of profit or loss within operating costs comprising:

- £6.7m relating to goodwill (2024: £nil)
- £6.9m relating to investment management contracts (2024: £nil)

As a result of this impairment, both the goodwill and intangible assets associated with this CGU have been fully derecognised.

4.2 Property and equipment

Property and equipment is made up of leasehold improvements, computer equipment and office furniture and right-of-use lease assets (see Note 4.3).

Property and equipment (excluding right-of-use lease assets) are stated at cost, including directly attributable acquisition costs, less depreciation and accumulated impairment provisions. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful economic life.

Depreciation is charged from the date that the asset is brought into use on a straight-line basis as follows:

Leasehold improvements	10%
Computer equipment	33%
Office furniture	33%
Right-of-use assets	Shorter of the lease term and the estimated useful life of the asset

Property and equipment is derecognised upon disposal or when no future economic benefit is expected from its use. Any gain or loss arising on the disposal is included in the consolidated statement of profit or loss.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed regularly and adjusted prospectively, if appropriate.

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

4.2 Property and equipment continued

	Right-of-use assets £'000	Leasehold Improvements £'000	Computer Equipment £'000	Office Furniture £'000	Total £'000
2025					
Cost					
As at 1 April 2024	18,850	2,522	1,226	533	23,131
Additions	149	–	141	29	319
Disposals	–	(12)	–	–	(12)
As at 31 March 2025	18,999	2,510	1,367	562	23,438
Accumulated Depreciation					
As at 1 April 2024	11,551	1,768	1,013	492	14,824
Charge for the year	2,037	291	134	23	2,485
As at 31 March 2025	13,588	2,059	1,147	515	17,309
Net book value as at 31 March 2025	5,411	451	220	47	6,129

	Right-of-use assets £'000	Leasehold Improvements £'000	Computer Equipment £'000	Office Furniture £'000	Total £'000
2024					
Cost					
As at 1 April 2023	18,850	2,456	1,077	505	22,888
Additions	–	66	149	28	243
As at 31 March 2024	18,850	2,522	1,226	533	23,131
Accumulated Depreciation					
As at 1 April 2023	9,531	1,476	877	470	12,354
Charge for the year	2,020	292	136	22	2,470
As at 31 March 2024	11,551	1,768	1,013	492	14,824
Net book value as at 31 March 2024	7,299	754	213	41	8,307

For the year ended 31 March 2025, additions to the right-of-use assets included £0.2m in respect of a new premises in Tennessee, USA offset by a reduction in the right-of-use assets asset for the company's premises in Zurich of (£0.1m) as a result of a lease modification. The weighted average lessee's incremental borrowing rate applied for the additional right-of-use asset and the modification was 8.8% (2024: no additions to right-of-use assets).

4.3 Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-Use (ROU) assets

The Group recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities and presented with property and equipment (see Note 4.2). The cost of ROU assets includes the initial amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, payments of penalties for terminating a lease and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses an incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Group's lease liabilities are included in trade and other payables and non-current provisions and other liabilities.

Short-term and low value leases

Lease payments on short-term leases (where the lease term is 12 months or less) and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

A maturity analysis of the Group's lease liabilities is as follows:

Lease liabilities	31 March 2025 £'000	31 March 2024 £'000
Current (See Note 4.11)	2,397	1,342
Non-current (See Note 4.10)	3,751	6,164
	6,148	7,506

The lease liabilities relate to the two leases in respect of the Group's premises at 16 Palace Street in London, both expiring in January 2028, the Group's premises in Zurich, expiring in November 2026, the lease in respect of the Group's premises in Connecticut expiring in July 2027 and the lease in respect of the Group's premises in Tennessee expiring in July 2029.

The movement in lease balances during the year was (£1.4m), consisting of £1.7m lease payments offset by £0.2m interest expense capitalised to the lease liability and £0.1m net additions arising from new premises in Tennessee and modification of the Zurich lease (2024: The movement in lease balances was (£1.7m), of which £1.9m were lease payments and £0.2m was the interest expense).

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

4.3 Leases continued

The consolidated statement of profit or loss includes the following amounts relating to leases:

	31 March 2025 £'000	31 March 2024 £'000
Interest expense on lease liabilities	205	211
Depreciation on ROU assets	2,037	2,020
	2,242	2,231

There are no lease expenses incurred in relation to low-value assets or short-term leases.

4.4 Deferred tax assets and liabilities

Deferred tax is recognised based on differences between the carrying value of assets and liabilities for accounting purposes and their tax values (See Note 3.7). Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are only recognised to the extent that the Group considers them to be recoverable; which is determined by reference to estimates that future taxable profits will be available against which deductible temporary differences can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The deferred tax asset at 31 March 2025 has been calculated based on 25%, reflecting the expected timing of reversal of the related temporary differences (2024: 25%).

An analysis of the Group's deferred tax assets and liabilities is as follows:

Deferred tax asset	31 March 2025 £'000	31 March 2024 £'000
Share-based payments	3,544	3,280
Change in basis adjustment	–	101
Arising on leases	351	616
Assets at FVTPL	311	362
Unutilised capital losses	–	166
Other financial assets and liabilities	496	539
	4,702	5,064

Deferred tax liability	31 March 2025 £'000	31 March 2024 £'000
Capital allowances	(53)	(266)
Other financial assets and liabilities	(385)	(849)
Intangible assets	–	(2,011)
	(438)	(3,126)
Net deferred tax asset	4,264	1,938

Deferred tax movements recognised in the consolidated statement of profit or loss and the consolidated statement of other comprehensive income were as follows:

	31 March 2025 £'000	31 March 2024 £'000
Deferred tax income/(expense) during the year recognised in profit or loss		
Share-based payments	239	725
Capital allowances	213	(56)
Change in basis adjustment	(101)	(101)
Assets at FVTPL	(51)	679
Other financial assets and liabilities	421	190
Leases	(265)	254
Amortisation and impairment of intangible assets	2,011	290
Unutilised capital losses	(166)	166
	2,301	2,147

	31 March 2025 £'000	31 March 2024 £'000
Deferred tax income during the year recognised in equity		
Share-based payments	25	207
Deferred tax income during the year recognised through business combination		
Intangible assets	2,011	290

After offsetting deferred tax assets and liabilities within separate tax jurisdictions where appropriate, the net deferred tax balances comprise:

Deferred tax balances	31 March 2025 £'000	31 March 2024 £'000
Deferred tax assets	4,264	1,938
Deferred tax liabilities	–	–
	4,264	1,938

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

4.5 Financial assets and liabilities

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Group's consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability has been discharged, cancelled or has expired.

Financial assets

The Group's financial assets include seed capital investments (see note 4.5(a)), investment securities (see note 4.5(a)), trade and other receivables (see note 4.8), cash and cash equivalents (see note 4.9), term deposits with a maturity greater than three months and derivative financial instruments (see note 4.5(d)). The classification adopted by the Group depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

Financial assets are initially recognised at fair value, being the consideration given, plus, any directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit or loss where transaction costs are immediately recognised in the consolidated statement of profit or loss.

Purchases and sales of financial assets are recognised at trade date, being the date when the Group commits to purchase or sell the asset.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include the Group's investments in the funds that it manages, but does not control, including those which are held by the Group against bonus awards deferred into fund units. Such assets are subsequently carried at fair value, with any gains or losses arising from changes in fair value being recognised in the consolidated statement of profit or loss.

Financial assets at amortised cost

Financial assets at amortised cost include term deposits with a maturity greater than three months. These assets are held for collection of contractual cash flows representing solely payments of principal and interest and are subsequently carried at amortised cost over the term of the deposit with interest income recognised in the consolidated statement of profit or loss in accordance with the effective interest method.

Investment securities

Investment securities represent securities both long and short positions, other than derivatives, held by consolidated funds. These securities are classified as FVTPL and are measured at fair value with gains and losses recognised through the consolidated statement of profit or loss.

Financial liabilities

The Group's financial liabilities include trade and other payables (see note 4.11), derivative financial instruments (see note 4.5(d)) and third-party interests in funds (see note 4.5(a)(ii)) that have been consolidated as subsidiaries.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL are carried at fair value, with gains and losses recognised in the consolidated statement of profit or loss within other income in the period in which they arise. Financial liabilities at FVTPL include third-party interests in consolidated funds which are classified as at FVTPL.

(a) Financial assets at fair value through profit or loss

	31 March 2025 £'000	31 March 2024 £'000
Direct seed investments	23,847	24,393
Investment securities (See Note 4.5 (a)(ii))	19,028	16,360
Fund units held against deferred remuneration	20,472	21,680
Assets at fair value through profit or loss	63,347	62,433

The Group's seed investments represent capital seeding in new funds, that it manages, in order to provide initial scale and facilitate marketing to third-party investors. At 31 March 2025 the Group held £37.3m (2024: £35.8m) of seed investments comprising direct seed investments of £23.8m (2024: £24.4m) and consolidated seed investments of £13.5m (2024: £11.4m).

(i) Direct seed capital investments

These represent seed investments where the Group is deemed to not exercise control over the funds including seed capital investments in funds that are classed as associates (see Note 2.3) where the Group has significant influence but does not control the fund. At 31 March 2025 there was one fund classed as an associate (see Note 4.7) (2024: one fund).

During the year the Group has fully redeemed one of its seed capital investments classed as assets at FVTPL for cash consideration of £5.0m and partially redeemed one of its seed capital investments for cash consideration of £1.5m (2024: one fund fully redeemed for a total cash consideration of £8.8m). The fair values of such financial assets are derived from quoted market prices in active markets.

(ii) Consolidated funds and investment securities

As at 31 March 2025 the Group has consolidated five funds (2024: four funds) over which it is deemed to have control (see Note 4.6). Consolidated funds represent seed capital investments where the Group's interest represents a controlling stake in the fund in accordance with IFRS 10. Consolidated fund assets and liabilities are presented line by line after intercompany eliminations.

The table below sets out an analysis of the carrying amounts of interests held by the Group in consolidated investment funds:

	31 March 2025 £'000	31 March 2024 £'000
Investment securities – long positions	19,028	16,360
Cash and cash equivalents	325	505
Other	(34)	(25)
Third-party interests in consolidated funds	(5,793)	(5,380)
Consolidated seed capital investments	13,526	11,460

Investment securities include listed equities held by consolidated funds. Other includes trade receivables, trade payables and accruals.

(b) Financial assets at amortised cost

These represent term deposits with banks and financial institutions where the Group has entered into a contract with a maturity of greater than three months as at acquisition. At 31 March 2025 the Group had no such term deposits (2024: two deposits comprising £6.7m held).

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

4.5 Financial assets and liabilities continued

Significant area of judgement

Additional judgement is required when determining whether the Group controls funds that it has invested seed money in. The Group has power over the funds that it manages through its investment management and other agreements with them. Additionally, the Group must determine whether it is acting primarily as a principal or as an agent (that is, on behalf of the other investors) in exercising its power over the funds. In assessing whether it is agent or principal, the Group considers a number of factors, including the scope of its decision-making over the funds' relevant activities, rights held by investors and others, remuneration that it earns from the funds, and the Group's exposure to variable returns from all sources (including fees and units held) for each fund.

The Group has assessed that exposure to variability of returns, driven by the percentage holding of a seeded fund is the primary means for determining whether control exists.

(c) Financial liabilities at fair value through profit or loss

An analysis of the Group's financial liabilities at fair value through profit or loss is set out below.

	31 March 2025 £'000	31 March 2024 £'000
Current:		
Third-party interests in consolidated funds (Note 4.5 (a)(ii))	5,793	5,380
Other financial liability	15	45
	5,808	5,425
Non-current:		
Other financial liability	68	249
Liabilities at fair value through profit or loss	5,876	5,674

(d) Other financial assets and liabilities (Derivatives)

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge the risks associated with market price and foreign currency fluctuations. Such instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. From 1 April 2019 the documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements including the analysis of sources of hedge ineffectiveness.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is an 'economic relationship' between the hedged item and the hedging instrument;
- the effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

Forward currency contracts used for currency hedging purposes are treated as cash flow hedges and the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is taken to the statement of profit or loss. Amounts recognised as other comprehensive income are transferred to the consolidated statement of profit or loss when the hedged expected future cash flows affect profit or loss.

	31 March 2025 £'000	31 March 2024 £'000
Other financial assets		
Derivatives not designated as hedging instruments		
Securities – short positions	1,508	3,393
Foreign exchange forward contracts	31	–
	1,539	3,393
Other financial liabilities		
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts	–	9
	–	9

Derivatives not designated as hedging instruments reflect the changes in fair values of foreign currency exchange forward contracts and short positions of securities that are not designated in hedge relationships, but are, nevertheless intended to reduce the level of foreign currency and price risk, respectively, on the Group's seed investments as described in Note 4.14.

The Group does not have any derivatives designated as hedging instruments, classed as cash flow hedge, at 31 March 2025 (2024: none).

Notes to the Consolidated Financial Statements continued
For the year ended 31 March 2025

4.6 Subsidiary undertakings
The consolidated financial statements of the Group include the operating subsidiaries listed below. At 31 March 2025 and 2024 all operating subsidiaries, other than Polar Capital Partners Limited and Polar Capital US Holdings Limited, were indirectly held. All operating subsidiaries are wholly owned, except for: Polar Capital LLP in which Polar Capital Partners Limited has contributed 72% (2024: 63%) of the capital. The Company is deemed to be the controlling party of Polar Capital LLP (see Note 2.2).

Name	Country of incorporation	Registered office	Principal activities
Polar Capital Partners Limited	UK	16 Palace Street, London, UK	Services company
Polar Capital US Holdings Limited	UK	16 Palace Street, London, UK	Investment holding company
Polar Capital LLP	UK	16 Palace Street, London, UK	Investment management
Polar Capital Secretarial Services Limited	UK	16 Palace Street, London, UK	Corporate secretary
Polar Capital Partners (Jersey) Limited	Jersey	12 Castle Street, St Helier, Jersey	Dormant
Polar Capital (America) Corporation	USA	2711 Centreville Road, Wilmington, Delaware, USA	Investment advisory
Polar Capital (Europe) SAS	France	18 Rue de Londres, Paris, France	Investment management
Polar Capital (Shanghai) Consulting Co Limited	China	Bund Finance Centre S2, No.600 Zhongshan East 2 Road, Shanghai, China	Services company
Polar Capital Holdings LLC	USA	1209 Orange Street, Wilmington, Delaware, USA	Investment holding company
Polar Capital (Switzerland) AG	Switzerland	Klausstrasse 4, Zurich, Switzerland	Investment management
Polar Capital (Singapore) Private Limited	Singapore	77 Robinson Road, #13–00, Robinson 77, Singapore (068896)	Services company

The consolidated financial statements of the Group also include the following seed capital investments and indirectly held entities which were judged to require consolidation into the Group as at 31 March 2025:

Name	Country of incorporation	Registered office	Principal activities	Percentage of ordinary shares held
Polar Capital China Stars Fund	Ireland	4 Georges Court, 54–62 Townsend Street, Dublin, Ireland	UCITS sub-fund	78%
Polar Capital Smart Mobility Fund	Ireland	4 Georges Court, 54–62 Townsend Street, Dublin, Ireland	UCITS sub-fund	51%
Polar Capital Emerging Market Healthcare Fund	Ireland	4 Georges Court, 54–62 Townsend Street, Dublin, Ireland	UCITS sub-fund	71%
Polar Capital Emerging ex-China Stars Fund	Ireland	4 Georges Court, 54–62 Townsend Street, Dublin, Ireland	UCITS sub-fund	86%
Polar Capital Emerging ex-China Stars Fund	USA	50 S.LaSallee Street, Chicago, USA	Mutual fund	100%

On 30 September 2024, the Group obtained control of the Polar Capital International Small Company Fund, a U.S.-domiciled 40-act mutual fund and as such, the Group consolidated the fund in accordance with IFRS 10 from that date.

As a result of third-party investor subscriptions, the Group concluded that it lost control of the fund on 28 February 2025 and deconsolidated the fund from that date.

A consolidated loss of £0.4m relating to the fund was recognised for the period from 30 September 2024 to 28 February 2025, representing the Group's share of the fund's profit or loss while under control. A corresponding profit on deconsolidation of £0.4m was recognised in the consolidated statement of profit or loss. As a result, the net impact on the Group's profit for the year was nil.

4.7 Interests in structured entities

The Group has interests in structured entities as a result of contractual arrangements in its capacity as the fund manager to investment funds. These structured entities typically consist of investment vehicles such as open-ended Undertakings for Collective Investment in Transferable Securities (UCITS) funds, closed-ended investment trusts and alternative funds which entitle investors to a percentage of the vehicle's net asset value. The Group's interest in consolidated and unconsolidated structured entities are described below.

The Group does not sponsor any of the structured entities and there are no guarantees or commitments.

(a) Interests arising from managing client assets

The Group has an interest in funds that it manages as a result of the management of assets on behalf of its clients and this interest is reflected in the Group's AuM. The main risk the Group faces from its interest in AuM managed on behalf of clients is the loss of fee income as a result of the withdrawal of monies by clients.

A reconciliation of AuM reported by the Group within unconsolidated structured entities is shown below:

	31 March 2025 £'bn	31 March 2024 £'bn
AuM within consolidated funds	0.02	0.02
AuM within unconsolidated funds	21.39	21.88
Total AuM	21.41	21.90

(b) Interests arising from investment in unconsolidated structured entities

Where the Group has an equity holding in a fund it manages, the maximum exposure to loss constitutes the future and uncollected management fees plus the fair value of the Group's investment in that fund. The table below shows the carrying values of the Group's interests in unconsolidated structured entities, recognised in the Group consolidated balance sheet, which are equal to the Group's maximum exposure to loss from those interests.

	31 March 2025 £'000	31 March 2024 £'000
Investments in unconsolidated structured entities	44,319	46,073
Management fees receivable at year end	17,293	14,478

Investments in unconsolidated structured entities comprise of direct seed investments and fund units held against deferred remuneration and are included within financial assets at fair value through profit or loss. Management fees receivable are included within trade and other receivables in the consolidated balance sheet.

(c) Associates

Information about seed investments judged to be associates as at 31 March 2025 and 2024 is given below:

	Country of incorporation	Principal activities	Financial assets at FVTPL £'000m		Percentage of total AuM held	
			31 March 2025	31 March 2024	31 March 2025	31 March 2024
Polar Capital Healthcare Discovery Fund*	Ireland	UCITS sub-fund	4,210	7,360	28%	21%

* Polar Capital Healthcare Discovery Fund became an associate during 31 March 2024 due to dilution of third party share of AuM.

The registered office of the Polar Capital Healthcare Discovery Fund is 4 Georges Court, 54–62 Townsend Street, Dublin, Ireland.

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For the year ended 31 March 2025

4.8 Trade and other receivables

Trade and other receivables includes prepayments and other amounts which the Group is due from third parties in the normal course of business. Trade receivables and other receivables are initially recorded at fair value and subsequently at amortised cost using the effective interest method, less loss allowances. The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECLs) for trade receivables and other receivables at an amount equal to lifetime ECLs. Historically the Group has not experienced any material defaults and the Group does not expect to incur any credit losses and has not recognised any ECLs (2024: nil). Prepayments arise where the Group pays cash in advance for services. As the service is provided, the prepayment is reduced and the operating expense is recognised in the consolidated statement of profit or loss.

	31 March 2025 £'000	31 March 2024 £'000
Trade receivables	17,293	14,478
Other receivables	2,658	3,573
Prepayments	2,929	3,019
	22,880	21,070

The Group does not have any contract assets resulting from its revenue contracts with customers (2024: nil).

4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

	31 March 2025 £'000	31 March 2024 £'000
Cash at bank	120,087	97,446
Cash held by EBT and consolidated funds	1,732	1,434
	121,819	98,880

Cash at bank earns interest at floating rates based on daily bank deposit rates.

As at 31 March 2025 the Group had placed £2.9m (2024: £2.9m) of its cash at bank with counterparties to fulfil the collateral requirements for derivative contracts related to short positions (see Note 4.5(d)).

Included within Financial assets at amortised cost is £nil (2024: £6.7m) relating to term deposits at banks and financial institutions with a maturity of between 6 and 12 months. Refer to note 4.5(b).

Cash flows generated from operations

A reconciliation of profit before tax to cash generated from operations is as follows:

	31 March 2025 £'000	31 March 2024 £'000
Profit before tax	51,645	54,690
Adjustments for:		
Interest receivable and similar income	(2,682)	(2,348)
Investment income	(345)	(430)
Interest on lease	205	211
Depreciation of non-current property and equipment	2,485	2,470
Amortisation and impairment of goodwill and intangible assets	14,775	1,163
(Increase)/decrease in assets at FVTPL	(1,772)	2,934
Increase in other financial assets and liabilities	1,567	213
Increase in receivables	(1,810)	(1,546)
Increase/(decrease) in trade and other payables including other provisions	5,727	(7,094)
Share-based payment	7,009	5,083
Increase/(decrease) in liabilities at FVTPL[1]	60	(2,158)
Changes relating to fund units held against deferred remuneration	3,843	(1,210)
Cash flows generated from operations	80,707	51,978

1. Movement includes those arising from acquiring and/or losing control of consolidated seed funds.

4.10 Provisions and other liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

(a) Non-current

	31 March 2025 £'000	31 March 2024 £'000
Dilapidations provisions	1,372	1,373
Lease liabilities (Note 4.3)	3,751	6,164
	5,123	7,537

As part of its lease agreements for the premises at 16 Palace Street and in Zurich, the Group has an obligation to pay for dilapidation costs at the end of the lease term. The movement in the dilapidations provision balance is as a result of foreign exchange movements on the translation of the Zurich provision upon consolidation (2024: Prior year movement in the dilapidations provision related to foreign currency exchange differences).

(b) Current

	31 March 2025 £'000	31 March 2024 £'000
Other provisions	–	247

Other provisions as at the year ended 31 March 2024 related to liquidation costs of the Phaeacian entities which were settled during the year.

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

4.11 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on settlement. Other creditors include the deferred remuneration liability, refer to Note 3.5 for the accounting policy. Refer to Note 4.3 for the lease accounting policy.

	31 March 2025 £'000	31 March 2024 £'000
Other creditors	44,583	43,390
Lease liabilities (Note 4.3)	2,397	1,342
Accruals	24,178	19,396
	71,158	64,128

4.12 Issued share capital and reserves

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from the proceeds.

Own shares held

The Group operates, and funds by way of loan, an employee benefit trust for the purpose of satisfying certain share awards to employees. Own shares held are equity shares of the Company acquired and held by this trust. Such shares are recognised at cost and are presented in the Group balance sheet as a deduction from equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own shares.

(a) Issued share capital Group and Company

Allotted, called up and fully paid:	31 March 2025 £'000	31 March 2024 £'000
101,560,405 ordinary shares of 2.5p each (2024: 101,195,879 ordinary shares of 2.5p each)	2,539	2,530

The authorised share capital of the Group and Company is 200,000,000 ordinary shares of 2.5p each. The increase in share capital arises from the issue of 364,526 (2024: 405,154) shares in connection with previously crystallised manager preference shares as described in Note 3.6.

(b) Nature and purpose of reserves

(i) Share premium

Share premium records the difference between the nominal value of shares issued and the full value of the consideration received.

(ii) Own shares held

At 31 March 2025 there were 5,173,948 shares of 2.5p each (2024: 6,073,027 shares of 2.5p each) held by the Employee Benefit Trust (EBT), for the purpose of satisfying share option obligations to employees and 526,858 (2024: 563,580) shares of 2.5p each held by Group entities as part of the Group Deferred Remuneration Plan. During the year, 899,079 (2024: 988,512) shares were released from the EBT to satisfy the exercise of employee share options and LTIP awards.

(iii) Capital reserves

The capital reserve represents a share capital repurchase reserve.

(iv) Other reserves

Other reserves relate to movements in:

- current and deferred tax that arise on share-based payments; and
- exchange differences arising on translation of foreign operations.

4.13 Dividends paid and proposed

Dividend distributions to the Company's shareholders are recognised in the accounting period in which the dividends are declared and paid.

Dividends on ordinary shares declared and paid during the year:

	31 March 2025 £'000	31 March 2024 £'000
First interim dividend for 2025: 14.0p per share (2024: 14.0p per share)	13,534	13,464
Second interim dividend for 2024: 32.0p per share (2023: 32.0p per share)	30,869	30,865
Total dividend paid and charged to equity	44,403	44,329

Dividends on ordinary shares proposed for approval by the board of directors (not recognised as a liability at 31 March 2025):

	31 March 2025 £'000	31 March 2024 £'000
Second interim dividend for 2025: 32.0p per share (2024: 32.0p per share)	30,943	30,869

The Board has declared a second interim dividend per share of 32.0p (2024: 32.0p) to be paid in August 2025.

Together with the first interim dividend per share of 14.0p paid in January 2025 the total dividend per share for the year amounts to 46.0p (2024: 46.0p).

4.14 Financial instruments risk management objectives and policies

The main areas of risk arising from the Group's financial instruments are credit risk, liquidity risk, market risk (which comprises price, interest rate and foreign currency risks) and capital risk. Each of these risks is discussed in detail below. The Group monitors financial risks on a consolidated basis and intra-Group balances are settled when it is deemed appropriate for both parties to the transaction. The Company is not exposed to material financial risk and separate disclosures for the Company have not been included. The Group has designed a framework to manage the risks of its business and to ensure that the Directors have in place risk management practices appropriate for a listed company. The management of risk within the Group is governed by the Board and overseen by the Audit and Risk Committee.

(i) Credit risk

Credit risk is the risk of financial loss if a counterparty fails to settle its debt to the Group. The Group is exposed to credit risk primarily from its treasury activities including deposits held with banks and financial institutions but also from its trade receivables.

Amounts placed on deposit are invested according to a treasury policy that is designed to reduce concentration and counterparty risk. The carrying value of the Group's cash and cash equivalents amounting to £121.8m (2024: £98.9m) and financial assets at amortised cost amounting to £nil (2024: £6.7m) represents its maximum exposure to credit risk at the year end.

Fees due from funds managed by the Group are invoiced monthly or quarterly and are settled within 30 days of the invoice date. There have not been settlement issues with any funds and the risk is therefore regarded as low. The carrying value of trade receivables amounting to £17.3m (2024: £14.5m) represents the Group's maximum credit risk exposure.

There were no significant concentrations of credit risk at 31 March 2025 (2024: none).

(ii) Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its payment obligations as they fall due. The Group maintains significant liquid resources in the form of cash in order to meet working capital and regulatory needs. The Group's treasury policy is designed to align the duration period of the cash investments to the working capital requirements of the Group which from time to time, may invest in term deposits with a maturity of greater than three months to take advantage of favourable interest rates.

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

4.14 Financial instruments risk management objectives and policies continued

The Group's financial liabilities comprise lease liabilities, trade and other payables, derivative instruments and third-party interests in funds that have been consolidated as subsidiaries. The table below summarises the maturity profile of the Group's financial liabilities as at 31 March 2025 and 31 March 2024 based on contractual undiscounted payments.

As at 31 March 2025	Within 1 year or repayable on demand £'000	1–5 years £'000	Total £'000
Financial liabilities			
Lease liabilities	2,585	3,872	6,457
Trade and other payables	68,761	–	68,761
Financial liabilities at FVTPL	5,808	68	5,876
Total	77,154	3,940	81,094

As at 31 March 2024	Within 1 year or repayable on demand £'000	1–5 years £'000	Total £'000
Financial liabilities			
Lease liabilities	1,520	6,382	7,902
Trade and other payables	62,786	–	62,786
Financial liabilities at FVTPL	5,429	417	5,846
Other liabilities	9	–	9
Total	69,744	6,799	76,543

(iii) Price risk

Price risk is the risk that changes in market prices will affect the Group's income or value of its investments.

The Group holds financial assets at fair value through profit or loss consisting of seed investments in funds that it manages and investment securities consisting of the underlying investments of the funds which have been consolidated, which are sensitive to movements in market equity prices. The total exposure as at 31 March 2025 was £42.9m (2024: £40.8m).

The Group's policy is to hedge the market price risk of its seed investments as explained in Note 4.5(d).

Should the market move by +/- 10%, and all the funds (and hence the Group's investments) move by this same amount, it would result in a change to the carrying value of the assets of +/- £4.3m (2024: +/- £4.0m).

This movement would be recognised in the consolidated statement of profit or loss.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows related to financial instruments will fluctuate because of changes to market interest rates.

The Group's cash at banks and other financial institutions earn nominal amounts of interest at a floating rate and any change in market interest rates would result in negligible change to profit before tax. The Group enters into term-deposits at fixed interest rates with banks and financial institutions to take advantage of favourable fixed interest rates which are not subject to interest rate fluctuations. The Group has no borrowings.

(v) Foreign currency risk

Foreign currency risk is the risk that changes in foreign exchange rates will cause the Group to suffer losses.

The Group also holds assets at FVTPL consisting of investments in its own funds. Where such investments are made in funds denominated in a currency other than the Group's functional currency, Sterling, the Group is exposed to changes in foreign currency exchange rates.

As at the year-end there were eight (2024: six) seed investments where the Group has hedged against the risk of exposure to changes in the foreign currency exchange rates caused by the underlying US Dollar (2024: US Dollar) assets within these funds. The Group had eight (2024: six) forward currency contracts, with a notional amount of US$33.3m (2024: US$23.9m) to sell for £25.8m (2024: £18.9m). These contracts are not designated as hedging instruments and are not subject to hedge accounting.

The Group's hedging policy for the year ended 31 March 2025 serves to mitigate its exposure to foreign currency risk on its balance sheet investments. Any changes in foreign exchange rates will have an equal and opposite effect on the hedged items and open forward currency contracts.

(vi) Capital management

All companies within the Group except for entities being restructured, are managed as going concerns and have sufficient capital to meet their day-to-day needs and to fulfil any externally imposed capital requirements. The capital of the Group and the Company consists of equity attributable to equity holders of the parent company, comprising issued share capital, share premium, reserves and retained earnings as disclosed in Note 4.12.

The Group is supervised by the Financial Conduct Authority and submits appropriate returns on the capital adequacy of both the Group and the regulated entity, Polar Capital LLP. Throughout the year the Group and Polar Capital LLP held surplus capital over the regulated requirement. The Group's MIFIDPRU public disclosure document can be found on the Group's website at www.polarcapital.co.uk.

(vii) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

At the end of both the current year as well as the comparative period, all financial instruments at fair value through profit or loss held by the Group were Level 1 except for:

- forward foreign exchange contracts classified as Level 2. These were fair valued using valuation techniques that incorporate foreign exchange spot and forward rates.
- other financial liability classified as Level 3. These were fair valued using a discounted cash flow models that incorporate unobservable inputs.

The fair value hierarchy of financial assets and liabilities which are carried at fair value at the year-end is as follows:

	31 March 2025				31 March 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets								
Assets at FVTPL	63,347	–	–	63,347	62,433	–	–	62,433
Other financial assets	1,508	31	–	1,539	3,393	–	–	3,393
	64,855	31	–	64,886	65,826	–	–	65,826
Financial liabilities								
Liabilities at FVTPL	5,793	–	83	5,876	5,380	–	294	5,674
Other financial liabilities	–	–	–	–	–	9	–	9
	5,793	–	83	5,876	5,380	9	294	5,683

Notes to the Consolidated Financial Statements continued

For the year ended 31 March 2025

4.14 Financial instruments risk management objectives and policies continued

Movement in liabilities at FVTPL categorised as Level 3 during the year were:

	31 March 2025 £'000	31 March 2024 £'000
At 1 April	294	546
Repayment	(39)	(70)
Net gain recognised in the statement of profit or loss	(172)	(182)
At 31 March	83	294

The fair value of financial instruments not held at fair value approximates to their carrying value as at reporting date. During the reporting year there were no transfers between levels in fair value measurements.

4.15 Contingent liabilities

Contingent liabilities are potential obligations that may arise due to uncertain future events that are not wholly within the control of the Group. Such liabilities are disclosed when the chance of such events occurring is no longer remote.

There are no contingent liabilities to disclose at 31 March 2025 (2024: nil).

4.16 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not included in this Note.

The investments in financial assets at FVTPL disclosed in Note 4.5(a) are in affiliated funds that are managed by a subsidiary of the Group and details of management and performance fees received are disclosed in Note 3.1.

Details of investment in associates are disclosed in Note 4.7(c).

Remuneration of key management personnel

The remuneration, net of deferment, of key management, which includes the Executive and Non-Executive Directors, is summarised below.

	31 March 2025 £'000	31 March 2024 £'000
Short-term employee benefits	3,576	2,854
Defined contribution pensions	158	149
Share-based payment benefits	1,545	1,635
	5,279	4,638

At the end of the year the Group had no balances owing to or in regards to key personnel (2024: £nil). Options to acquire ordinary shares held by the Directors during the year ended 31 March 2025 are disclosed in the Remuneration Committee's Report.

Company Balance Sheet

As at 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Non-current assets			
Investments	5.2	19,881	20,564
Current assets			
Trade and other receivables	5.3	51,528	49,796
Cash and cash equivalents		728	544
		52,256	50,340
Current liabilities		32	38
Net assets		72,105	70,866
Capital and reserves			
Issued share capital		2,539	2,530
Share premium		19,364	19,364
Retained earnings			
At 1 April		48,972	49,843
Profit for the year		44,522	44,494
Other movements		(43,292)	(45,365)
		50,202	48,972
Total Equity		72,105	70,866

The notes on page 135 form part of these financial statements.

The Company financial statements were approved and authorised for issue by the Board on 27 June 2025 and signed on its behalf by:

Samir Ayub
Chief Financial Officer

Registered number: 4235369

Company Statement of Changes in Equity

For the year ended 31 March 2025

	Issued share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2023	2,520	19,364	49,843	71,727
Profit for the year	–	–	44,494	44,494
Dividends paid to shareholders (Note 4.13)	–	–	(44,329)	(44,329)
Share-based payment	–	–	3,198	3,198
Issue of share capital (Note 4.12)	10	–	(4,234)	(4,224)
As at 31 March 2024	2,530	19,364	48,972	70,866
Profit for the year	–	–	44,522	44,522
Dividends paid to shareholders (Note 4.13)	–	–	(44,403)	(44,403)
Share-based payment	–	–	5,012	5,012
Issue of share capital (Note 4.12)	9	–	(3,901)	(3,892)
As at 31 March 2025	2,539	19,364	50,202	72,105

The notes on page 135 form part of these financial statements.

Company Cash Flow Statement

For the year ended 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Cash flows generated from operating activities			
Cash generated from operations	5.4	42,784	38,477
Net cash inflow generated from operating activities		42,784	38,477
Cash flows generated from investing activities			
Return of contribution		1,794	1,540
Net cash inflow from investing activities		1,794	1,540
Cash flows generated from financing activities			
Equity dividends paid		(44,403)	(44,329)
Issue of share capital		9	10
Net cash outflow from financing activities		(44,394)	(44,319)
Net increase/(decrease) in cash and cash equivalents		184	(4,302)
Cash and cash equivalents at start of the year		544	4,846
Cash and cash equivalents at end of the year		728	544

The notes on page 135 form part of these financial statements.

Notes to the Company Financial Statements

For the year ended 31 March 2025

SECTION 5: NOTES TO THE COMPANY FINANCIAL STATEMENTS

5.1 Basis of preparation

The separate financial statements of Polar Capital Holdings plc ('the Company') have been prepared on a going concern basis (see Note 1.3) in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102) and the Companies Act 2006. No profit or loss account is presented for the Company as permitted under section 408 of the Companies Act 2006.

The Company financial statements have been prepared under the historical cost convention and are presented in Sterling and all values are rounded to the nearest thousand (£'000) except where otherwise stated. The accounting policies for the Company are the same as those for the Group except where specifically stated in the following Notes and have been consistently applied. No significant accounting judgements and estimates were used in the preparation of the financial statements.

5.2 Investments

Investments relates to investments in subsidiaries and are held at the lower of cost and recoverable amount. The carrying value is reviewed for impairment when there is an indication that the carrying value may not be recoverable. No indicators of impairment were noted during the year (2024: none). The investments include the Company's wholly owned subsidiaries Polar Capital Partners Limited and Polar Capital US Holdings Limited, details of which are provided in Note 4.6.

	31 March 2025 £'000	31 March 2024 £'000
As at 1 April	20,564	23,140
Share-based payments	5,012	3,198
Return of contribution	(5,695)	(5,774)
As at 31 March	19,881	20,564

Share based payments for awards granted to employees of subsidiary entities where the Company is the grantor of the awards or settles them with its own equity are accounted for as capital contributions by the Company to Polar Capital Partners Limited, with a corresponding credit to equity in the Company financial statements. Amounts returned by subsidiary entities to the Company on settlement of awards are classified as a return of contribution.

5.3 Trade and other receivables

Other receivables for the Company are due from Polar Capital Partners Limited and are non-interest bearing and repayable on demand (Note 5.5).

5.4 Cash flows generated from operations

A reconciliation of profit before taxation to cash generated from operations is as follows:

	31 March 2025 £'000	31 March 2024 £'000
Profit before taxation	44,546	44,494
Increase in receivables	(1,732)	(6,048)
(Decrease)/increase in payables	(30)	31
Cash flows generated from operations	42,784	38,477

5.5 Related party transactions

The Company has an intercompany balance with Polar Capital Partners Limited. The balance receivable from Polar Capital Partners Limited of £51.5m (2024: £49.8m) relates to cash movements by the subsidiary on behalf of the Company.

5.6 Other disclosures

The Company does not have any employees as they are employed by other Group entities. See Note 3.4(b) for the statutory audit fee for the Company and Note 4.16 for key management personnel remuneration disclosure.

Additional Information

In this section

Glossary

AGM	Annual General Meeting
Alpha	Measure that shows how well (or badly) a stock has performed in comparison to a benchmark index
AMF	Authorité des Marchés Financiers of France
APM	Alternative Performance Measures
AuM	Assets under management
Beta	Measure that shows how volatile a stock's price has been in comparison to the market as a whole
Board	The Board of Directors of the Company
BPS/basis points	A basis point is a common unit of measure for interest rates and other percentages in finance
Company	Polar Capital Holdings plc
DBP	Deferred Bonus Plan
EBT	An Employee Benefit Trust, a type of discretionary trust established to hold cash or other assets for the benefit of employees, such as shares to satisfy share awards
EPS	Earnings per share
ESG	Environmental, Social and Governance
FCA	Financial Conduct Authority of the United Kingdom
FVTPL	Fair value through profit or loss
GAAP	Generally Accepted Accounting Principles
GDPR	General Data Protection Regulation
Group	The Company and all its subsidiaries
ICARA	Internal Capital Adequacy and Risk Assessment
IFPR	The UK Investment Firm Prudential Regime
LTIP	Long-term Incentive Plan
MiFID II	The second iteration of the Markets in Financial Instruments Directive which is the EU legislation that regulates firms who provide services to clients linked to 'financial instruments' (shares, bonds, units in collective investment schemes and derivatives), and the venues where those instruments are traded
PE multiples	Price to Earnings multiples
SFDR	The EU's Sustainable Finance Disclosure Regulation
SICAV	Open-ended collective investment scheme may be in the form of a contractual fund or an investment company with variable capital
SMCR	Senior Managers and Certification Regime; FCA regulation aimed at protecting consumers and strengthening market integrity by making senior individuals more accountable for their conduct and competence
tCO_2e	Tonnes (t) of carbon dioxide (CO_2) equivalent (e)
TSR	Total Shareholder Return
UCITS	Undertaking for Collective Investment in Transferable Securities; a regulatory framework of the European Commission that creates a harmonised regime throughout the EU for the management and sale of regulated investment funds

Shareholder Information and Advisors

Company No.
Registered in England and Wales
4235369

Registered office
16 Palace Street
London, SW1E 5JD
Tel: 020 7227 2700

Group Company Secretary
Tracey Lago, FCG

Website
www.polarcapital.co.uk

Annual General Meeting
25 September 2025

Please see separate AGM Notice for details.

Shares
The shares are traded on the Alternative Investment Market of the London Stock Exchange and information on the share price and the Company can be accessed via the Company's website or at www.londonstockexchange.com
code: POLR
Bloomberg: POLR LN

ISIN number
GB00B1GCLT25

SEDOL code
B1GCLT2

Dividends
Where possible, it is recommended that dividend payments are made directly into a bank account to provide improved security and faster access to funds. Arrangements for this may be made via the registrar's website or in writing to the registrar.

Dividends for the financial year ended 31 March 2025:

First interim dividend
Amount
14.0p per ordinary share

Ex-dividend date
12 December 2024

Record date
13 December 2024

Payment date
10 January 2025

Second interim dividend
Amount
32p per ordinary share

Ex-dividend date
10 July 2025

Record date
11 July 2025

Payment date
7 August 2025

Registrars
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex, BN99 6DA

Shareholder helpline
+44 (0) 800 876 6660

Website
www.shareview.co.uk

Independent auditors
PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT

Principal Bankers
HSBC Bank plc
333 Vauxhall Bridge Road
London, SW1V 1EJ

Nominated Adviser and Corporate Broker
Numis Securities Limited
45 Gresham Street
London, EC2V 7BF

Joint Corporate Broker
Peel Hunt LLP
100 Liverpool Street
London, EC2M 2AT

Solicitors
Herbert Smith Freehills LLP
Exchange House, Primrose Street
London, EC2M 2EG

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