

CHIEF EXECUTIVE OFFICER'S REVIEW

Great people, great culture, strong performance



Revenue
£147.5m

Underlying EBITDA
£48.4m



Nigel Le Quesne
Chief Executive Officer

PEOPLE, CULTURE AND SHARED OWNERSHIP

Last year I wrote about the overall resilience of the business and how it enabled us to navigate the challenges of the pandemic while continuing to grow in line with our established medium-term guidance. I referenced our well-invested infrastructure, experienced management, track record of navigating previous macro events and our scale and diversification. I also highlighted that the most important ingredient of all was our people and our culture. JTC's Shared Ownership model – where every employee is an owner of the business – is now in its 25th year and is more important to us than ever. With that in mind, a key achievement, probably our proudest in 2021, was the £20m Shared Ownership award made to our global team in July. The award was a reflection of the progress made under our Odyssey era business plan, which ran from our IPO in 2018 to the end of 2020. And while it was our first distribution as a listed business and our first in shares, it

was the third in our history and brought the total value generated for JTC employee owners since 1998 to over £350m. To prove that the concept remains valid as a public company and to be able to share the success achieved since listing with everyone was very satisfying. Our sector leading staff turnover (see page 27) and the record 26 industry awards won across the Group in 2021 are evidence of our unique culture and the quality of the JTC brand.

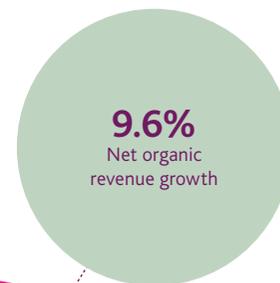
FINANCIAL PERFORMANCE

2021 was a great first year for our current business plan, the Galaxy era, where our aim is to double the size of the Group relative to where we ended 2020. We once again delivered performance in line with market expectations and medium-term guidance, with revenue growth to £147.5m (2020: £115.1m), achieving £48.4m of underlying EBITDA (2020: £38.7m) at an underlying Group margin of 32.8% (2020: 33.6%) and 34.4% when acquisitions are excluded (2020: 35.7%). It was particularly pleasing to achieve net organic growth of 9.6% (2020: 7.9%) driven by record new business wins of £20.9m (2020: £17.9m) alongside inorganic growth of 18.6% (2020: 8.0%), which reflected our busiest year yet for M&A.

GROWTH

In our Galaxy era, we expect two thirds of our growth to be inorganic, so the seven acquisitions completed – the most we have ever achieved in a single calendar year – gets us out of the blocks quickly. The quality businesses in Segue, SALI and most recently EFS, also supported our strategic push into the US, which is now our second-largest jurisdiction by revenue. Overall, these seven additions mean the JTC global team now extends to more than 1,300 colleagues. As we grow our platform, we will respect its integrity and underlying strength and in 2022 we will continue to consolidate the acquisitions made in 2021, while remaining alert to the potential of further high quality deals.

Achieving net organic revenue growth of 9.6% near the top end of our guidance range of 8% – 10% was a strong result. Our record new business wins of £20.9m included the largest



CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED



"2021 was a great first year for the Galaxy era, with strong organic growth and a record seven acquisitions."

single mandate the Group has ever won, with a value of c.£2.5m per annum, which we expect to start delivering revenue from H2 2022. Considering the ongoing travel restrictions that affected new business development activities and the fact that most of our acquisitions came towards the end of the year and therefore had little time to impact the organic growth figures, these results show very welcome and encouraging demand for our services. As we move through 2022, an increasing focus will be placed on leveraging our growing range of services and solutions to create an internal market that provides a richer and deeper range of services to existing clients, increasing share of wallet and making client relationships even 'stickier' over their lifetime.

INSTITUTIONAL CLIENT SERVICES DIVISION

Revenue increased 43.6% to £92.7m (2020: £64.6m) with a 55.8% increase in underlying EBITDA to £28.0m (2020: £18.0m). Pleasingly, and in keeping with the progress that began in 2020 with our Blueprint margin expansion programme, the underlying EBITDA margin increased 2.3pp to 30.2% (2020: 27.9%). Net organic growth increased to 11.5% (2020: 6.9%) with the annualised value of new business wins £13.1m (2020: £13.4m).

M&A activity in 2021 was particularly focused on increasing scale and capability in the US, Ireland and the UK. The seven deals completed in the year, which were all primarily orientated towards the ICS offering, met these jurisdictional targets, with RBC Ceess, INDOS, Ballybunion Capital, SALI Fund Services, Segue Partners, EFS and perform all adding scale, expertise and quality.

With so many first-class acquisitions in the US, we are well placed to capitalise on opportunities in that market, and the US is now the ICS Division's second biggest jurisdiction, providing a solid platform from which to grow the JTC brand. The growth of our UK office in 2021 demonstrates an ability to widen our service offering around the mandates we attract, while in the EU, we have been particularly successful in attracting new business to our Luxembourg office.

With regard to our ambitions to be recognised as the fund and corporate services firm of choice, we have begun to deliver our strategy. With the acquisition of Ceess, we are already the market-leading provider in the Employer Solutions sector, while in Jersey, London and the Netherlands, we are developing a reputation for providing top-quality service to high value, blue chip clients.

Overall, the ICS Division made very positive progress on our plan for the Galaxy era and I am confident we are firmly on the path to establishing JTC as the number-one partner for expert solutions for fund and corporate services clients. Our restructured cross-jurisdictional operating model will help us maintain our margins, while continually enhancing service delivery and supporting growth via technology.

PRIVATE CLIENT SERVICES DIVISION

Revenue increased 8.4% to £54.8m (2020: £50.5m) with a small decrease in underlying EBITDA to £20.4m (2020: £20.7m). The underlying EBITDA margin decreased 3.8pp to 37.2% (2020: 41.0%) but remains at the top end of our guidance range of 33% – 38% and reflects continued investment in the PCS platform to support future growth and manage an increasingly complex regulatory environment. Net organic



growth was 7.1% (2020: 9.0%) with the annualised value of new business wins a record £7.8m (2020: £4.5m), including the Group's largest ever single win providing 'white label' services to a US-based global bank and its clients. As noted last year, we continue to attract work from global financial institutions who trust us to provide services for their individual private clients and this trend for major corporates to opt for a lighter operating model by partnering with JTC is an area where we expect to see further opportunities. The Division has invested in people, technology and other infrastructure to support this type of work and has the necessary expertise to scale its capabilities further.

In addition, the experience of our PCS management team has been reflected in the growth of several of our regional offices, notably South Dakota, Cayman, Guernsey and Dubai, which provides welcome diversification alongside our continued strength in Jersey. The development of new services and in

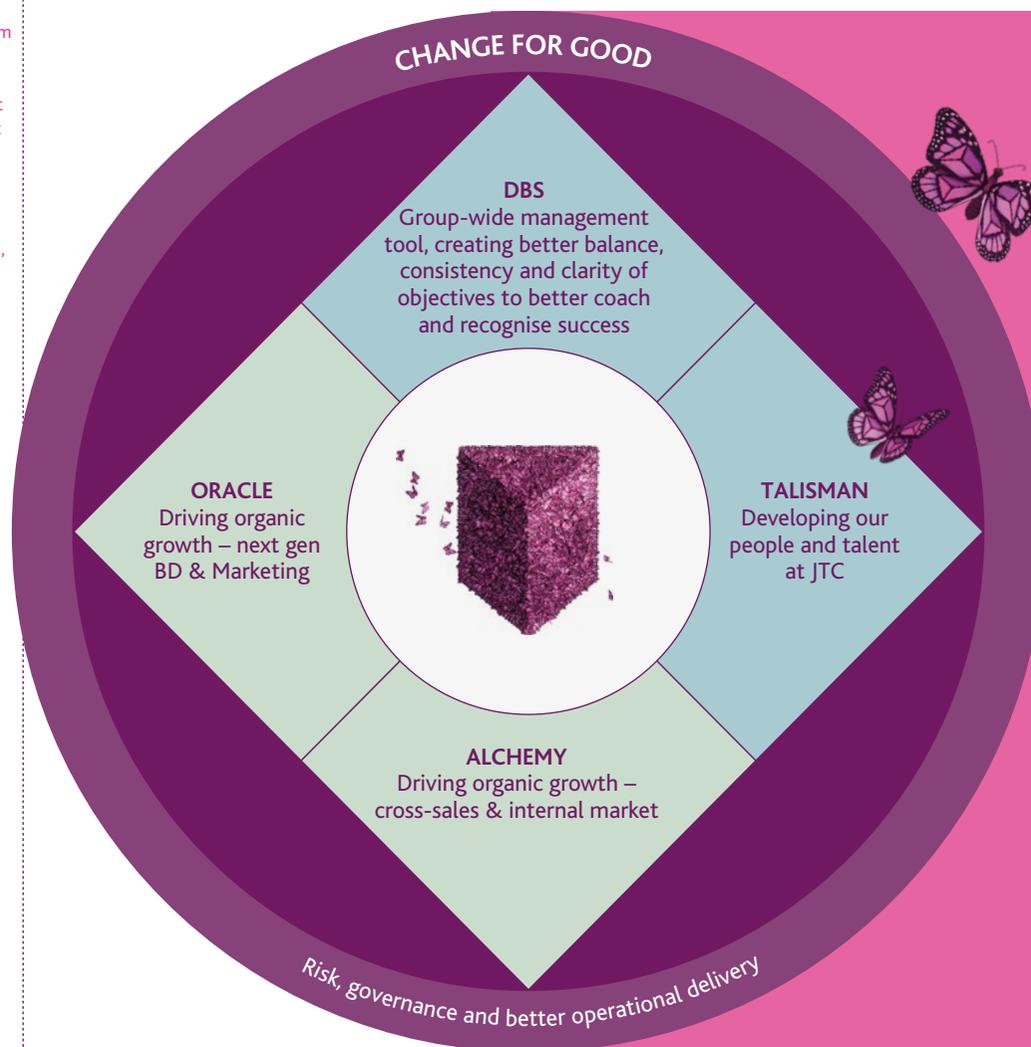
particular those focused on the areas of regulatory and tax compliance is an example of how we are able to leverage the ever increasing volume of international legislation and regulation as a growth driver for the business.

The PCS Division continues to be the pre-eminent private client practice and a leader in its markets, as evidenced in part by a record 15 award wins in the year. The focus for 2022 will be multi-faceted and include further development of the PCS service offering, an increased emphasis on cross-selling, including with key ICS service lines such as Employer Solutions, and our nascent strategic expansion into the US domestic market, which we believe has exceptional potential on both an organic and inorganic basis. All of this will be supported by an agenda to cement the JTC brand as the hallmark of quality and excellence in the PCS trust company space.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

CONTINUOUS IMPROVEMENT

As mentioned, our priorities for 2022 will be shaped around consolidating our acquisitions and large business wins, and we have therefore identified and started a series of initiatives that will further strengthen our global platform and ensure we remain fit for growth through the Galaxy era and beyond. These projects, which include an enhanced and refreshed next generation approach to business development to accelerate organic growth, enhanced financial reporting aimed at improving future behaviours and further enhancements to our talent management programme, build on existing capabilities. These are interconnected, such that the sum of their impact on the business will be greater than their individual component parts:



ALCHEMY
As we develop and expand our offering, we have the opportunity to create an internal market that will drive organic growth within our existing client book, adding value by expanding and extending long-term relationships. Developing our capabilities and services, and cross-selling within the business, is nothing new, of course, but formalising our approach can help make the most of our increasing suite of complementary services.

ORACLE
This is about taking a next-generation approach to business development and marketing. We will build on our practitioner-led approach and draw on best-in-class approaches from around the Group to develop a powerful Group-wide capability and infrastructure that is another accelerator of organic growth.

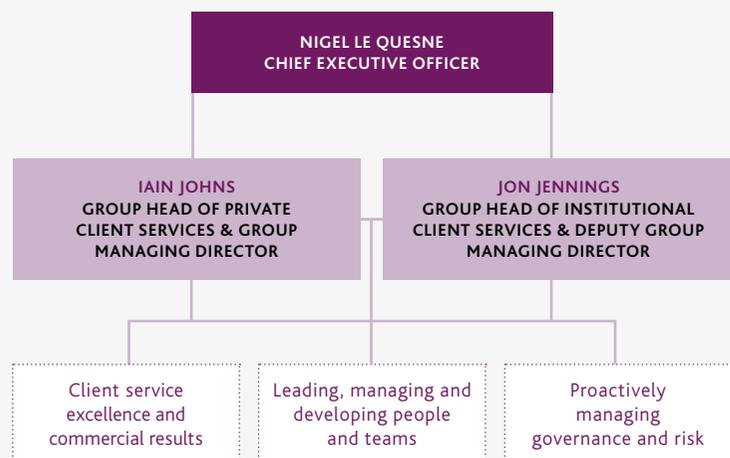
DIVISIONAL BALANCED SCORECARD (DBS)
This is a framework for effective, reliable and consistent performance management of key commercial, relationship and risk metrics across the Group. DBS brings a set of uniform standards to help us appraise and reward the talent within our business to the levels we set ourselves.

TALISMAN
As a people business, we want to ensure that every JTC person has the opportunity to develop and maximise their potential. Building upon the solid foundations of the JTC Academy, we will enhance and expand our talent development programmes to ensure we create opportunities for and retain our potential future leaders. We will tie this to long-term succession planning, letting our people know we have recognised them and are developing them accordingly.

CHANGE FOR GOOD
As we grow, we face an ever more complex external and internal risk environment. Investing in our operational governance capabilities to keep abreast of this will ensure we remain fit for purpose as we grow, and are seen as a leader in this area.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

EVOLUTION OF OUR LEADERSHIP TEAM



At JTC we continue to follow our tried and tested 'evolution, not revolution' approach. We also continue to favour promotion from within and place great value on industry client-facing experience. With this approach in mind, with effect from January 2022, Iain Johns took up the role of Group Managing Director and Jon Jennings the role of Deputy Group Managing Director. The new posts are in addition to their current responsibilities as Group Heads of our PCS and ICS Divisions respectively.

These changes have been primarily driven by the exciting opportunities presented by the ever increasing connections and cross-pollination opportunities arising between our Divisions.

More generally, at JTC we look to build holistic managers using our 'Christmas Tree' model of management, which recognises that all leaders in the business hold responsibilities spanning:

- Client service excellence and delivery of commercial results
- Leading, managing and developing people and teams
- Responsibility for proactively managing governance and risk

This model ensures JTC leaders take a balanced approach and focus on what is best for the long-term success of the Group. The only distinction, as people progress through the ranks on a meritocratic basis, is an ever increasing span of control.

By taking on these new Group-wide roles, Iain and Jon will increase their spans of control beyond their respective Divisions and be able to work more closely with each other and me as the CEO, as well as with our excellent Group Operations teams, to drive the business forward and implement strategies that will sustain our growth, develop our global platform and most importantly, support our Shared Ownership culture.

RISK

JTC has always had an excellent record in managing the risks associated with being a leading regulated professional services business. Throughout 2021 the senior risk team have focused a large amount of their time and effort on developing and enhancing our Risk & Compliance function globally as the approach and expectations of external parties has hardened. I have highlighted for some time now the increasing complexity and burden of international regulation and how this inevitably brings a degree of challenge to a business such as ours. It does also however, provide huge opportunity. We are, in many respects, a governance business and a substantial part of the value that we offer clients is our understanding of – and ability to work effectively within – an ever evolving and complex international framework. It has never been more important to the long-term success of the Group, or more compelling to clients and partners, to be able to offer a robust, well-organised and expert set of capabilities in this area. More detail can be read in the Risk Management section on page 42.

In addition, we have seen long-term emerging risks come into greater focus, and in particular transition risks associated with the world moving to a low carbon future. At JTC we are proud to play our part by becoming a Carbon Neutral+ organisation in 2021 as part of our own journey and we also see tremendous opportunity for the Group as a result of the positive changes driven by the ESG agenda. More detail, including our first TCFD disclosures, can be read in the ESG section on page 28.

At the time of writing, the conflict in Ukraine continues and it is unclear how or when it will come to an end. As a Group, we have limited exposure to Russia, Ukraine or Belarus with no operations there and limited exposure amongst a small number of clients to those countries. However, we are acutely aware of our responsibilities in relation to sanctions compliance and enforce all such measures rigorously. As a compassionate organisation, we are appalled at the humanitarian suffering and have made direct donations to the UNHCR and Save the Children.

OUTLOOK

Two phrases I often repeat are that we like to keep things simple at JTC and that it's all about making this a better business every year. In 2021 I am confident that we did both. Building on our strong foundations and business resilience, we executed well on our organic and inorganic growth strategies to drive the business forward and deliver a strong start to our Galaxy era business plan. We have proved that our Shared Ownership model is a genuine differentiator and have successfully adapted it as a listed business, and I am delighted that we were able to celebrate the fruits of long-term success with all our people. Our two Divisions continue to provide balance and diversification to the Group and are generating more cross-pollination opportunities than ever before. We also materially increased our presence in a number of key growth markets and won more new work from clients than ever before.

Looking ahead, we have taken time to step back from all that was achieved in 2021 and map out the next important steps that will be needed to ensure our well-invested platform

and talented global team are ready and equipped to deliver continued high performance. We are pleased with the integration and business performance of recent acquisitions, with all seven on track. The project to maximise the opportunity to internalise SALI's fund accounting work is now progressing and will generate revenues from Q2 2022. While much of the focus will be on improving and integrating what we have, we also remain of the view that the sector is primed for consolidation and that our proven approach to identifying, securing and integrating high quality acquisitions is a key part of creating long-term value for JTC and our stakeholders.

In concluding, I return to the most important part of JTC, our people and our Shared Ownership culture. I would like to thank every member of the team for their commitment and hard work in delivering such a strong performance in 2021. We have an exceedingly talented group of employee-owners, all of whom I am very proud to work alongside.

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

