WATCH THE INTERVIEW

CHIEF EXECUTIVE OFFICER'S REVIEW

Growing Together

“2022 was arguably the best ever year in the history of our business. We accelerated again towards achieving our Galaxy era goal, up to two years earlier than anticipated, with record organic growth and new business wins. We are now firmly on track to deliver Galaxy well ahead of the anticipated timeframe and by the end of 2023.”

AN EXCEPTIONAL YEAR

I am delighted to be able to start the review of 2022 by stating that it has been arguably the best ever in my 30 years at JTC.

AHEAD OF PLAN TO DELIVER OUR GALAXY ERA GOAL

As a business with a track record of 35 consecutive years of revenue and profit growth, we are proud of our ability to deliver against stretching multi-year business plans, which we call eras. After listing in March 2018, we embarked on our 'Odyssey era' business plan and doubled the size of the Group (as measured by revenue and underlying EBITDA) by the end of 2020. We then set ourselves the challenge of doubling again and named this latest era 'Galaxy', anticipating a four to five year timeframe. 2021 saw us deliver a record seven acquisitions as well as

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> When the macro environment is buoyant, we typically benefit from greater flows of new business, especially from new clients, as institutions and individuals seek to establish and launch new structures. When market conditions are less favourable, we often observe a modest reduction in 'new work from new clients' business volumes, but this is countered by an increase in activity from existing clients as they respond to threats and opportunities in relation to their current structures.

Revenue

£200.0m

net organic revenue growth of 9.6% (17.5% gross). This excellent start to the Galaxy era continued in 2022 when we delivered a record 12.0% net organic revenue growth (18.4% gross) and acquired NYPTC in Q4, alongside successfully integrating the seven acquisitions from 2021. This exceptional performance against our strategy means that we are ahead of plan and well on way to delivering Galaxy by the end of 2023.

FINANCIAL PERFORMANCE

Revenue grew 35.6% to reach £200.0m for the first time (2021: £147.5m) another significant milestone and underlying EBITDA increased 36.4% to £66.0m (2021: £48.4m). Net organic revenue growth was a record 12.0% (2021: 9.6%) driven by another record in new business wins of £24.6m (2021: £20.9m). Despite the excellent organic growth performance and associated costs of on-boarding new business, underlying EBITDA margin also increased by 0.2pp to 33.0% (2021: 32.8%). Cash conversion was once again robust and above guidance at 91% (2021: 87%) and even with the acquisition of NYPTC in Q4, which was funded from cash, leverage stood at 1.59x underlying EBITDA at period end, which is towards the lower end of our guidance range of 1.5x to 2.0x.

GROWING, WHATEVER THE WEATHER

Our ability to grow consistently even through periods of macro volatility is something I am often asked to explain and it is always an opportunity to highlight the strengths of our business model and global platform. In simple terms, we like to think of it as in-built load balancing capabilities, but to a large degree it stems from a culture of constant improvement and an expectation of improved financial performance year on year, with every team member knowing that we never settle for less. When the macro environment is buoyant, we typically benefit from greater flows of new business, especially from new clients, as institutions and individuals seek to establish and launch new structures. When market conditions are less favourable, we often observe a modest reduction in 'new work from new clients' business volumes, but this is countered by an increase in activity from existing clients as they respond to threats and opportunities in relation to their current structures. As a professional services business with client contracts that now typically span 14 years or more, the increased activity within the existing client base generates meaningful growth. In addition, we are constantly innovating and expanding our range of services – both through M&A activity and internal commercial development – to grow the scope of engagement with existing clients and to win new ones. The

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

Underlying EBITDA

£66.0m

Underlying EBITDA margin

33.0%

New business wins

£24.6m

most recent examples of service line expansion include a banking platform (incorporating foreign exchange, treasury and custody), tax compliance regulatory reporting and strategic transformation solutions. This constant desire to innovate and support our clients, extend our relationships and services, supplemented by new acquisitions, ensures JTC grows consistently year on year irrespective of the prevailing external factors.

INSTITUTIONAL CLIENT SERVICES DIVISION

Revenue increased 47.4% to £136.7m (2021: £92.7m) with a 53.5% increase in underlying EBITDA to £43.0m (2021: £28.0m). Pleasingly, and in keeping with the consistent progress seen over the past two years, the underlying EBITDA margin increased by 1.3pp to 31.5% (2021: 30.2%) and has increased 3.6pp since 2020. Net organic growth was strong and increased by 3.1pp to 14.6% (2021: 11.5%) with the annualised value of new business wins increasing by 31% to a record £17.2m (2021: £13.1m).

In 2021 we completed a record seven acquisitions within the Division, creating a natural focus in 2022 around integration, organisation and value capture. The INDOS and Ballybunion businesses contributed to our growing platform in Ireland, which also saw us move to a new environmentally friendly office in Dublin and secure a fund services licence, giving us the complete set of fund administration, Alternative Investment Fund Manager (AIFM), depositary and corporate services in the jurisdiction. The RBC cees business, re-branded to JTC Employer Solutions, remains one of our most successful acquisitions and continued to go from strength to strength in terms of growth and margin. We also added the innovative perfORM Operational Due Diligence (ODD) business, which is an excellent example of how we expand our range of services through M&A in a way that complements our organic growth ambitions. Crucially, we assembled the pieces that will form the next phase of our push into the large, high-growth US market. The SALI Fund Services, Segue Partners and EFS acquisitions have been brought together with our original market-entry deal (NESF, which was acquired in 2020) to create a substantial US ICS platform of scale. Our US business now has over 130 employees across seven offices, serving over 410 clients, including some of the biggest global names in asset management and insurance.

Outside of those regions bolstered by recent M&A activity, we also saw good growth in our UK and Luxembourg offices with stable performance from the Netherlands, Channel Islands and South Africa. At the end of the year, the Division stood at some 900 people serving clients from 16 offices and generating 68.3% of Group revenues. This scale and reach, combined with our focus on providing client service excellence enabled by best-in-class technology, stands us in good stead to succeed in a competitive market.

In the second half of the year, the Group Head of ICS, Jon Jennings, left the business for a new challenge after four successful years with the Group. Jon was replaced by Dean Blackburn, who had been appointed the Group Chief Commercial Officer in 2020 and after a successful tenure working with the ICS team he was promoted to Group Head of ICS post period end, in January 2023.

Overall, the ICS Division made exceptional progress in 2022 and has been a major component of the Group's accelerated progress through the Galaxy era. As the Division continues to scale, particularly in the US, we anticipate further strong organic growth, additional opportunities for M&A and more service line innovation. I know that Dean is ambitious for long-term success for the Division and he is supported by a world-class, global team.

PRIVATE CLIENT SERVICES DIVISION

Revenue increased 15.7% to £63.4m (2021: £54.8m) with an increase of 12.9% in underlying EBITDA to £23.0m (2021: £20.4m). The underlying EBITDA margin decreased slightly, as anticipated, by 0.9pp to 36.3% (2021: 37.2%) but remains squarely within our guidance range of 33% – 38% and is as a result of continued investment in the PCS platform. Reflecting this investment, net organic growth increased 1.6pp to 8.7% (2021: 7.1%) with the annualised value of new business wins being £7.4m, which was a strong result against a tough 2021 comparator of £7.8m that included the Group's largest ever single win for 'Project Amaro', the provision of 'white label' services to a US-based global bank and its clients. Project Amaro is a prime example of our ability to deliver strategic transformation services to large clients in a range of financial services sub-sectors, including banking, investment management, legal and trust services. Importantly, strategic transformation spans both our Divisions and will be actively promoted as a JTC capability in 2023, alongside a direct to market programme that will target specific prospective clients.

In the final quarter of the year we acquired New York Private Trust Company (NYPTC), a high quality private client business headquartered in Delaware.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

This deal enabled us to become the first non-US, non-bank firm to be licensed to provide trust company services from Delaware, an important competitive advantage that we will leverage as we use the acquisition to help build out our domestic trust offering in the US. Post period end, we also secured a licence to operate in the Bahamas to support Project Amaro, further expanding the footprint of the PCS business and providing greater optionality for clients.

More broadly, the Division's global network continued to deliver growth across a number of key regions, including its original nexus in the Channel Islands.

Under Iain's consistent leadership and drive for growth and innovation, the PCS Division continues to be regarded as the pre-eminent trust company business and a leader in its markets. It is now evolving to become more than just a trust company and this is evidenced by growth in revenues from sophisticated and enhanced services, such as JTC Private Office, and Group wide services including strategic transformation, treasury, custody, tax compliance and regulatory reporting. We are successfully redefining the parameters of a world-class PCS offering, which in turn enlarges our addressable market. This innovative and growth-orientated approach, coupled with our geographic expansion, particularly in the US, and well-established reputation for client service excellence, sets the PCS Division on an exciting course for 2023 and beyond.

RISK

JTC continues to have an excellent record in managing the risks associated with being a leading regulated professional services business. In 2022 the senior risk team once again focused a large amount of their time and effort on developing and enhancing our Risk & Compliance function globally to meet the ever evolving and increasing burden of international regulation. While this brings a number of complex challenges, it also provides huge opportunities for growth and we are embracing these as clients of all sizes, but especially larger and more complex organisations, look to us for support and recognise the value we offer in this area. Emerging service lines such as strategic transformation, tax compliance and regulatory reporting are all driven, in part or in whole, by the expanding regulatory landscape.

12.0%

Net organic revenue growth

23.6%

Inorganic revenue growth

We continue to see long-term emerging risks come into greater focus, and in particular, transition risks associated with the world moving to a low carbon future. In 2022, we created an ESG Forum within the Executive arm of the business to manage and deliver our internal sustainability roadmap and oversee target setting and disclosures. At Board level, the former Audit & Risk Committee was separated into an Audit Committee and a new Risk & Governance Committee, with the latter taking responsibility for oversight of risk at a Group level, as well as providing guidance on our ongoing sustainability journey and the commercial opportunities the Group might capture through the provision of ESG services to clients. We were once again a Carbon Neutral+ organisation in 2022 and post period end, have set ourselves the goal to achieve net zero by 2030 at the latest. More detail, including our latest TCFD disclosures, can be read in the Sustainability section starting on page 32.

At the time of writing, the conflict in Ukraine is entering its second year and it remains unclear how or when it will come to an end. As reported last year, as a Group, we have virtually no exposure to Russia, Ukraine or Belarus with no operations there and limited exposure amongst a small number of clients to those countries. However, we remain acutely aware of our responsibilities in relation to sanctions compliance and enforce all such measures rigorously. The knock-on effects relating to energy prices, inflation and interest rates have been monitored closely at all times and successfully navigated to date.

OUTLOOK

2022 was an exceptional year for JTC and I am delighted with the accelerated progress made towards the Galaxy era goal of once again doubling the size of the Group. Our ability to grow consistently through periods of volatility is a fundamental feature of the business that has been refined over 35 years of operations. The natural rhythm we observe between growth contributions from new and existing clients is supplemented by our ability to source and secure the right acquisitions in a consolidating market and to shape our own future through sophisticated innovation and service expansion.

None of this would be possible without our people and I am more convinced than ever that our shared ownership culture is the unique and vital glue that bonds us together and allows us to execute our strategies with passion, energy and commitment. This culture infuses every aspect of our approach to growth, including our proven ability to integrate acquisitions fully onto the JTC platform.

Our two Divisions continue to provide balance and diversification to the Group with the added catalyst of the Commercial Office and are generating more cross-pollination opportunities than ever before, particularly in the exciting area of strategic transformation.

Looking ahead, we have carried good momentum into 2023 and anticipate continued strong organic growth. We are energised by the Galaxy era progress already made as well as the prospect of what is possible in the future. We will continue to ensure that our platform remains well-invested at all times and that our talented global team are ready and equipped to grow with the business, maximise their individual potential and exceed the expectations of our clients. In a sector that remains primed for consolidation, we have a healthy pipeline of opportunities and will maintain our disciplined approach to M&A. JTC will continue to innovate and shape the markets we serve in a way that supports long-term value creation for the Group and its stakeholders.

In concluding, I once again extend my thanks to every member of the growing, talented and market leading JTC team for their efforts in 2022. We are both stronger together and growing together.

NIGEL LE QUESNE
Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

Q&A WITH NIGEL LE QUESNE

Q The theme of this year's report is 'Growing Together', what have been the growth highlights from your perspective?

I think the real highlight has been the ability of the business to accelerate through the second year of our Galaxy era business plan following such a strong start in 2021 in the face of ongoing market turbulence. Having been in the business for over 30 years, I'm in the privileged position of being able to understand and guide the business to ensure that JTC is able to grow so consistently year after year, including through several periods of exceptional volatility. An enormous part is due to our unique culture and our people, but another key highlight from 2022 has been seeing the hard work put into the Group Commercial Office start to bear fruit as a growth catalyst alongside and between the two Divisions. What we're spinning up to speed now is powerful and we're very excited about it.

Q Organic growth is clearly part of the firm's DNA, what makes the JTC approach special?

Put simply, we expect to make the business better every single day and those 'inches' that we gain each day compound over time to drive predictable and reliable growth. Our culture makes everyone a direct owner and we empower our people accordingly. This means that everyone at JTC, whatever their job title, knows it's part of their role to help clients grow, look for new opportunities, innovate and build the business carefully and thoughtfully so that it is always stable and robust as we scale. We are fortunate to enjoy long relationships with our clients – the average lifetime across the Group is now over 14 years – and that means we can really get to know and understand our clients and partner with them to grow together. Innovation and entrepreneurial flair are further key ingredients and we've always taken pride in our ability to find a solution. As the business has grown, including through acquisitions, we've been able to industrialise these capabilities and our growth engine is now starting to shape markets rather than merely follow them. In the 5 years since our IPO we've launched our Private Office and Edge client portal, established a Group banking platform, created a global tax compliance practice, a governance practice, sustainability services and most recently, strategic transformation services supporting some of the biggest institutions in the world. All of this work, combined with a sophisticated go to market approach and consistent service delivery excellence, is what drives our organic performance.

Q What about inorganic growth? What have been your observations from 2022 and how does the near-term future look?

There's no doubt that 2022 was a tougher year for M&A, both in terms of market sentiment and deal flow. Of course for JTC, having completed a record seven acquisitions in 2021, it was relatively natural for us to enter a period of consolidation and spend the appropriate time integrating those businesses. We observe other players taking a far more aggressive approach to building scale, but as alluded to above when talking about organic growth, businesses like JTC are sophisticated, global and challenging to run well year after year. We believe we know how to build the Group responsibly over time and our discipline manifests itself not only in selecting the right targets and negotiating the best price, but also in the manner and pace with which we add to our platform. We say no to a lot more deals than we say yes to! Looking ahead, and again thanks to our deep expertise and experience in the sector, we have good visibility on most opportunities and are still able to find attractive deals, many of them off market, that meet our '2+2=5' criteria to create long-term value. The NYPTC deal in Q4 was a fantastic example of this and we have a good pipeline going into 2023 that covers both Divisions and our chosen target markets.

Q With JTC rapidly closing in on delivering its Galaxy Era goal of once again doubling the size of the Group, what comes next?

Before answering that question, I think it's worth pausing to reflect on the phenomenal success our people and the business have delivered. When we listed in 2018 we started the Odyssey era business plan and aimed to double the size of the Group (in terms of revenue and underlying EBITDA) from where we'd been prior to going public. That was achieved by the end of 2020, despite the early impact of the pandemic, and led to Shared Ownership awards of £20m in JTC stock for our global team. We then set the goal of doubling again in the Galaxy era and estimated a four to five year timeframe due to our increased scale. To be sitting here today, confident that we will deliver Galaxy by the end of 2023, two years ahead of expectation and through a period of continued volatility is, in my view, outstanding. Looking ahead, we already have strategic planning sessions for our next era, Cosmos, booked for summer 2023. We believe that our market drivers remain compelling and provide tailwinds to our plans. Success to date has come from a process of 'evolution, not revolution' and I see no reason to deviate from that successful formula. We remain hugely ambitious for JTC and expect not only continued opportunities for organic growth based on the high quality businesses that we have built and integrated successfully over the years, but also inorganic growth potential with many further global consolidation opportunities ahead."

> "We believe that our market drivers remain compelling and provide tailwinds to our plans. Success to date has come from a process of 'evolution, not revolution' and I see no reason to deviate from that successful formula."