

Cogital
GROUP

Annual Review

Blue

2018



OUR MISSION

To support entrepreneurial businesses, their owners and managers in achieving long term success through the provision of broadly based critical business support, BPO and advisory services. And to provide private clients including high net worth individuals with efficient tax and related compliance and reporting services.

STRATEGIC GOAL

Our Strategic goal is to become a leading, differentiated and technology supported international business services group focused on our chosen markets.

The entrepreneurial and private company segments are the growth engines of the economies of developed countries. These are CogitalGroup's addressable markets: of substantial size and growing.





A DIFFERENTIATED BUSINESS MODEL

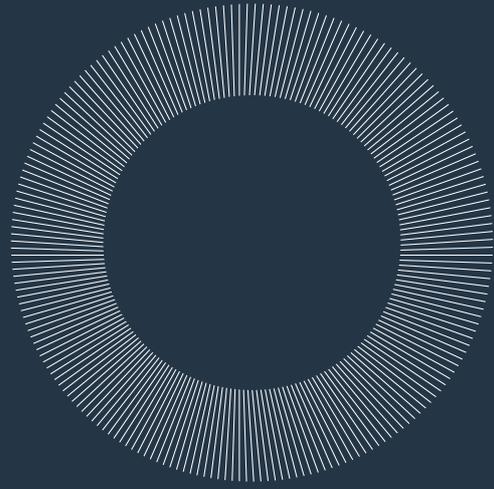
Our aim is to create a differentiated business model founded upon key principles:

- an obsessive focus on clients and quality
- an environment where our highly motivated and talented people develop, meet their personal goals and enjoy their work experience
- an emphasis on innovation and the application of leading edge technologies
- and driving our business success with a lean organisational structure and an aversion to complexity.

BUSINESS PROPOSITION

Our scale, investment capacity and strategy will deliver services to our clients not matched by our competitors:

- local presence and customer intimacy with the power of scale
- exceptional quality delivered by highly motivated and talented people
- market leading, innovative technologies
- specialist skills, sector expertise supported by verticalisation and analytics.





CONTENTS

1. Executive Chairman's Report	4
2. Building CogitalGroup	6
3. Our Services	10
4. The People of CogitalGroup	16
5. Innovation and Technology	20
6. Nearshoring	26
7. Our Strategy	28
8. Corporate Social Responsibility	30
9. Leadership and Governance	32
10. Financial Highlights	34



John P Connolly
Executive Chairman, CogitalGroup

EXECUTIVE CHAIRMAN'S REPORT

An obsessive focus on clients and quality supported by a significant emphasis on innovation and the application of leading edge technologies.

Welcome to Blue, CogitalGroup's Annual Review. Blue's objective is to provide a report on Cogital's progress to all of our stakeholders – Cogital people, our clients, our 360 shareholders and our bankers.

Cogital is a young business, launched just two years ago in December 2016. In 2018 we have made good progress building our business. Our annualised revenues are now above £450m with 50% generated in the Nordic markets and 50% generated in the UK markets. Our medium term goal is to expand our business profitably with high organic growth enhanced by selected, smart acquisitions and mergers. Our goal: to be strongly positioned in the UK, wider European markets and North America.

Technology will be a major contributor to our differentiation. Our technology and digitalisation is already contributing value added services to our clients. Smart technology, increasingly including robotics will continue to be right at the heart of our business activity supported by significant investment. A major development this year has been the enhancement and rebranding of our Nordic customer portal as CoZone and recently commencing the launch of the portal into UK markets. CoZone, a cloud-based portal was developed in our group. Embedding the portal more widely across the group is a critical priority in the period ahead.

An extremely valuable feature of our group is our nearshoring capability. Today, in four centres in Romania we have over 700 people. At present our nearshoring activity is primarily supporting our Nordic businesses. As we go forward we will be increasing further the nearshore production and extending the focus of this automated support across the group.

Achieving high organic growth is a key element of our strategy. Our increasing scale is bringing a wider range of skills into the business. We are exploiting these skills

“Launched in December 2016 CogitalGroup is building a differentiated business model. Our clear focus is to bring our people and technology to support entrepreneurial businesses and private clients with broadly based critical business support, BPO, compliance, tax and advisory services. Annualised revenues now exceed £450m.”

to bring more value added services to our client base and establishing industry and service line verticals to support client capture.

Turning to mergers and acquisitions. During 2018, 13 new acquisitions have brought over 1200 great people to our team including specialists in new service areas. In the second half of 2017 Campbell Dallas joined CogitalGroup, providing a presence of scale in the Scottish markets. In September this year we completed our largest acquisition since launch with Wilkins Kennedy joining our group. Wilkins Kennedy brings our group significant strength in the key south of England markets: over 700 people in 18 offices with revenues of £55m.

Vital to our success is our people – over 6,000 highly talented and motivated people working across seven countries and serving over 90,000 clients. Cogital people are contributing daily to building this special business. Thank you to all of you and I look forward to working with you in the year ahead.

John P Connolly
Executive Chairman, CogitalGroup
1 December 2018

John Baldwin
CEO, UK Regions

Nilesh Shah
CEO, UK London

Roar Wiik Andreassen
CEO, Nordics



Our brands today



BUILDING COGITALGROUP



Since CogitalGroup's launch in December 2016 the group has grown rapidly through organic growth enhanced by smart acquisitions. 43 businesses have joined Cogital and today we have 6,000 people serving over 90,000 clients through our operations in seven countries.

We serve our clients in the UK, Norway, Sweden, Denmark and Finland. Our nearshore support centres are based in Romania and we have a systems development team in Lithuania. CogitalGroup operates through three business divisions: Nordics; UK London; UK Regions.

Our annual revenues now exceed £450m: 50% in the Nordics and 50% in the UK.

ON BEING PART OF COGITALGROUP

Campbell Dallas

“Being part of CogitalGroup brings bigger opportunities for everyone at Campbell Dallas. Our colleagues have better and more varied opportunities in relation to their careers than before.

Campbell Dallas' growth potential, and ability to scale up more quickly, has been greatly improved. Most crucially, our delivery of a local client service continues to be at the heart of our business, but with the added benefit of access to some of the smartest digital technology to help take the delivery of that service to the next level.”

Chris Horne | Managing Partner

Allianse Accounting

CogitalGroup in the Nordics, was looking for a specialized accounting firm to strengthen their competence in the Marine Food Sector and their Hotel Vertical. Allianse with 40 people specialising in this sector joined our group in April 2017.

“We wanted to become a part of CogitalGroup in the Nordics, due to Azets strong brand as the market leader in innovation, technology, professional sales organization and a good geographic and cultural fit.”

Kjetil Nødland | CEO

Westleton Drake

“Since joining CogitalGroup in July 2018, we have seen immediate and tangible benefit to the breadth and quality of service we can deliver to our private clients.

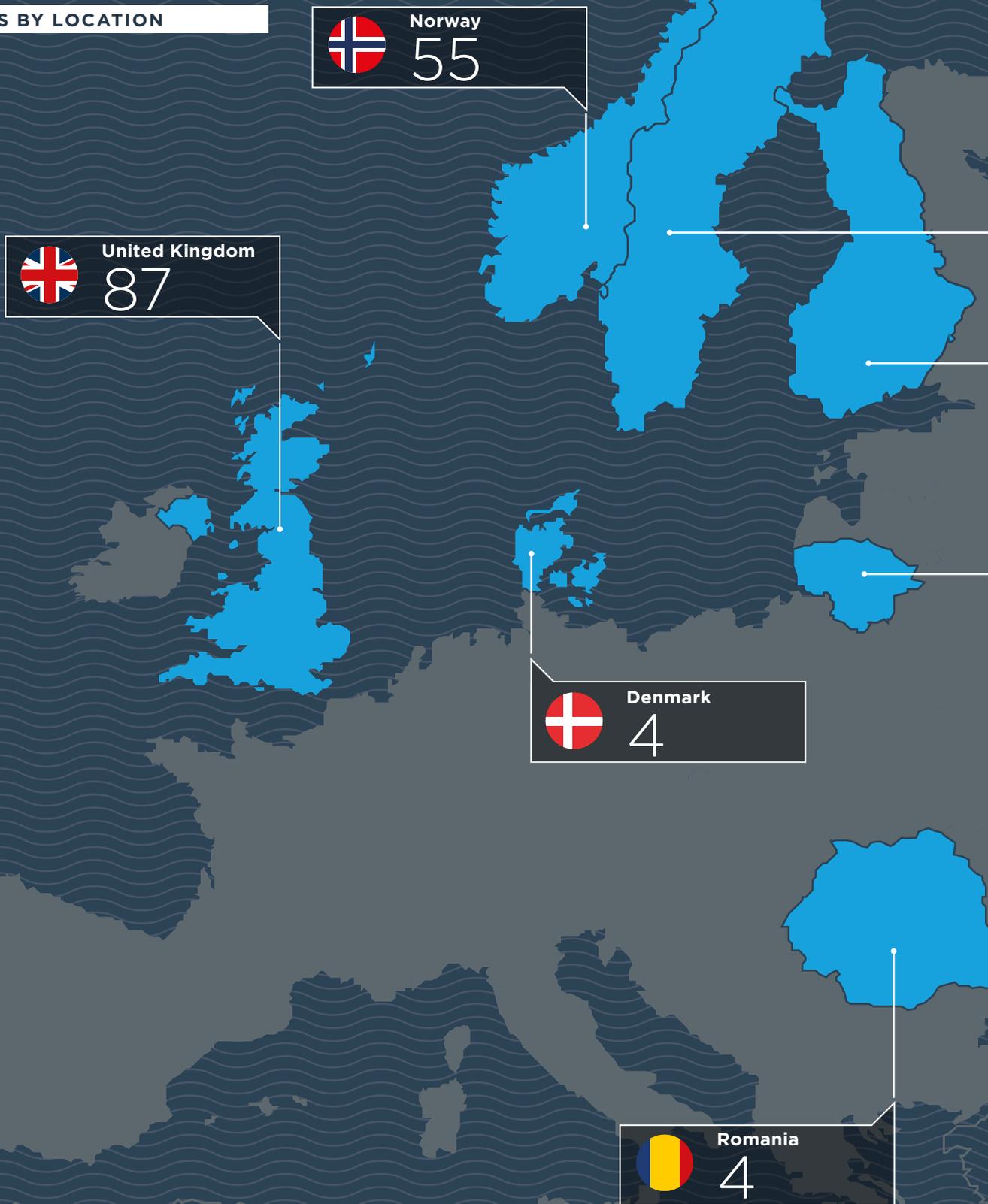
Access to colleagues with a diverse range of skills, who are able to deliver first class advisory, accounting and tax services has changed entirely the extent to which we can act as a trusted advisor and the centre of a private client's world.

There is great power in teams working together in a common culture for a common goal.”

Daniel Hyde | Partner

CogitalGroup Overview

OUR OFFICES BY LOCATION



CLIENT PROFILE BY FEE BANDINGS

Fee Banding	Nordics		UK		Group	
	By number	By value	By number	By value	By number	By value
<£5k	63%	10%	90%	40%	84%	25%
£6k - £25k	25%	22%	8%	36%	12%	28%
£26k - £100k	10%	33%	1%	18%	3%	26%
>£100k	2%	35%	1%	6%	1%	21%



Sweden

8



Finland

18



Lithuania

1

OUR CLIENTS

90,000
clients
(churn <6%)

OUR OPERATIONS

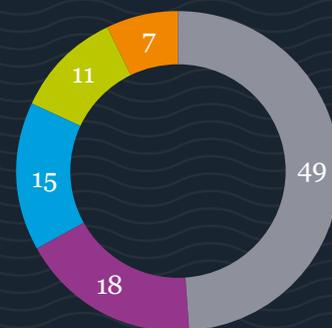
7*
countries

177
offices

6,000
people

* Five operating sales countries, software development centre (Lithuania) and nearshoring centre (Romania)

OUR REVENUE BREAKDOWN (%)



- BPO, accounting, book-keeping, compliance tax, global services
- Payroll and HR related services
- IT and related advisory services
- Consulting: tax, corporate finance, corporate recovery
- Audit

Repeat revenue c.85%

Accounting outsourcing
Payroll outsourcing
Transactional invoice and
payment processing services

Global accounting and
administration services

Financial and
management accounts
Audits
Financial reporting

Tax compliance
VAT compliance and advisory
Expatriate services

HR services
Recruitment

Restructuring and insolvency
Corporate finance
IT consulting

International tax
Corporate tax advice
Private client tax advice

OUR SERVICES

Our mission at CogitalGroup is to support our clients in achieving long term success. We provide a broad range of critical business support, BPO and advisory services. In this section we put a spotlight on a range of our services.

> SPOTLIGHT ON: OUR BUSINESS DIVISIONS

Nordics

In the Nordics, Azets has a broad range of customers across a wide range of industries and verticals. Our core is supporting SME business across geographies and service areas and Azets has the size and strength to support businesses throughout their lifecycle.

Whilst a major proportion of our customer base is smaller, we also have a long and solid experience in supporting larger businesses and smaller businesses being part of chains like retail with BPO services. Technology driven service is at the heart of all service delivery and with significant production, delivered from our nearshore centre. The different needs of customers require bespoke solutions which have been developed together with our customers.

Azets has dedicated industry teams across the Nordic countries which embrace Oil and Gas, Hotel and Leisure, Real Estate, Consumer Business, Manufacturing and Technology.

A major business segment is Payroll and HR related services which represents [40%] of revenues in the division ■

UK Regions

In our UK Regional offices we serve over 60,000 clients across the SME segment. Increasingly our clients are facing the challenges and opportunities arising in a fast changing business environment with technology playing a bigger and bigger role.

Underpinning these new challengers to the market are entrepreneurs who see themselves as disruptors and often a key component of their business model is the rapid advancement of new digital technologies.

In order for entrepreneurs to win, they want their service providers to be aligned with technology change. We understand that we need to provide digital technology solutions so that our clients can thrive off the information that they require at their fingertips.

We have invested heavily so that our teams are capable of producing real time information immediately available on the clients' mobile devices and tablets. This information allows our entrepreneurial clients to keep track of their data and make decisions on a daily basis.

The provision of real time information on a business's financial position is complemented by advisory services including tax advisory and strategic business planning, which ensures that the disruptors have both the right business structure and that they are also tax efficient ■

UK London

With clients ranging from UK entrepreneurial businesses, large international corporates to very high net worth individuals, Blick Rothenberg has a unique place in the market. We compete with the much larger firms when it comes to advising larger clients on complex tax matters but, with recent acquisitions, can also provide a full service to SMEs.

We act for around 900 overseas based companies, half of which are from the US. We advise them on complex international structures as well as providing basic payroll and bookkeeping services, the latter in 60 different countries from our London office.

With the recent acquisition of Westleton Drake, focusing on UK/US private client tax, our private client practice is now around 100 people. Combined with our very strong corporate tax practice and the global mobility business our total tax practice is around 160 people, one of the largest outside the Big 4.

The core historical part of the practice which advises UK entrepreneurial businesses continues to grow, organically and with acquisitions. We act as business partners to such clients, dealing with not just compliance matters but providing commercial and tax advice through the life cycle of a family owned business ■



Our core support and advisory service to the SME market

COGITALGROUP is an innovator, investor and early adopter of technologies that will improve the level of service we provide to all of our clients. We understand how the business services, professional and accountancy client relationship will change dramatically over the next 3-5 years as the sector adapts to the changes arising from Industry 4.0. We believe this period of change will mark out CogitalGroup as leaders in the provision of technology driven business services.

Compliance is fast becoming an automated function directly in the hands of our clients through their cloud

enabled devices. Their expectations are changing with over 60% of growing SMEs now ready to use cloud technology and wanting to be digitally connected to their business advisers. What they also need is quality data, guidance and support with implementation, forecasting, insight and help to grow and scale up their businesses.

The opportunities are deep for high value organic growth for our business as the number of SMEs is expected to grow very significantly in the years ahead and HMRC forces all companies to be digitally tax compliant by 2020.

The unwavering shift in the way services are delivered



Right now we are helping clients to use the new tools available to them and transition to the cloud. This is freeing up more advisory time away from compliance and enabling us to provide more high value advice on

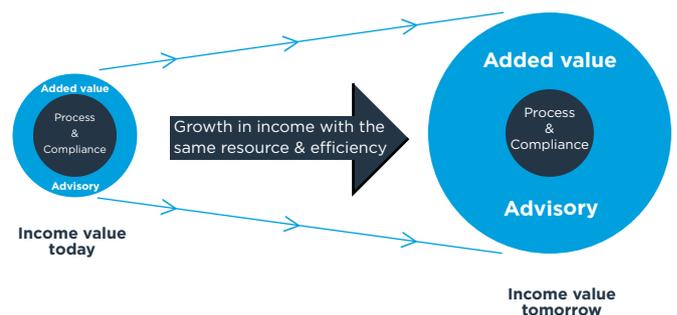
reviewing their data, providing better insight and identifying issues and opportunities for our clients to help them process and exploit information at an earlier stage.

Our Solution: Technology & changing the way we deliver client service



We have created CoZone a SMART web based portal for all of our clients, giving them fully secure access to all of their financial information in one place from a fully customisable dashboard on the device of their choice. Our clients can use this platform to provide them with easy, real time access to all of their financial information and current business performance. There is a range of descriptive, predictive and prescriptive analytics they can choose to utilise, helping our clients to plan, act and grow their companies. See page 22 to find out more about CoZone.

Adding Value to Our Business



> SPOTLIGHT ON



Private Clients



Caroline Le Jeune

Head of Private Client Tax Group

Nimesh Shah

Partner, Private Client

Daniel Hyde

Partner US/UK Private Client Tax

UR private client tax team occupies a unique position in the marketplace. Our work with successful entrepreneurs, complex individuals and both international and domestic companies brings a unique approach to the provision of tax advisory and compliance services.

The team has a depth and breadth of expertise and international tax knowledge which differentiate us from competitors. We deliver what the client needs rather than generic analysis.

In a world where firms can become paralysed by compliance, our team distinguishes itself from the competition by providing pragmatic advice. As a result our clients become advocates for the business and happily introduce us to business associates, friends and family.

Within the tax practice we identified an area where we lacked coverage – the provision of advice to individuals with UK and US tax filing obligations. The rules between the two countries with the longest tax codes in the world is extremely complex. With private clients and entrepreneurs becoming increasingly mobile the issue of US taxation was repeatedly cropping up. We were therefore delighted to announce the strategic acquisition of Westleton Drake – a firm focused on meeting the compliance and tax advisory needs of Americans living in the UK. The acquisition is a natural fit both in terms of technical expertise and client approach.

We look forward to being able to leverage from the expertise brought to the table to take our offering to new heights. This increased expertise will benefit our global mobility, private client and corporate teams and help us provide seamless cross-jurisdictional support for our clients ■

> SPOTLIGHT ON



Corporate Finance



Mark Selby

Head of Corporate Finance,
Regional Business

Andy Coghlan

Head of WK Corporate Finance

With the evolution of CogitalGroup in the UK, our Corporate Finance business is experiencing strong growth.

The national team now comprises around 40 professionals based in London and major regional centres. Together, this team is unrivalled in the owner-managed SME advisory space and in the provision of due diligence services to Private Equity firms investing in the SME sector.

The advisory team focuses on providing advice to owners and managers on the acquisition, sale and buyout of owner-managed SME businesses.

At a regional level, the teams have deep and close relationships with local professional intermediaries and, importantly, the staff in our local offices, facilitating the provision of expert advice to all of our clients.

Decisions regarding the precise scope and nature of work to be undertaken and the setting of fees are undertaken locally, meaning that regional teams are able to reflect local competition and market dynamics when working with local businesses, rather than being required to adhere to rigid and inflexible work and fee

structures like many other national firms.

A further key differentiator from many of our rivals is the close interaction between our corporate finance teams and colleagues in other parts of our business- and the extent of those other experts available within the firm. The corporate finance teams work closely with our specialist tax advisory, corporate recovery, forensic and probate teams ■



> SPOTLIGHT ON



Global Services

The Global Business Service streams in the UK and Finland provide a specialist outsourced service supporting those companies expanding overseas for the first time through to larger multinational organisations with multiple subsidiaries throughout the world.

Our role is to act as an extension of our clients finance and administrative functions, supporting global growth projects by combining strong technical expertise and personal client service with innovative, real-time technology. Our service offering covers bookkeeping, accounting, payroll, year-end closing, VAT and tax filings.

We operate in a single, secure environment using leading technology such as SAP Business One, NetSuite and Concur. We can service clients in 55 different countries, providing the client with one team for all countries. The service provision is supported by our Romanian nearshore centres ■



> SPOTLIGHT ON



CogiDocs

COGIDOCs is the largest invoice scanning provider in the Nordics, handling more than 12 million invoices per year. Invoices is a core area for us, but with new acquisitions and continuous innovation, new services emerge.

Intelligent software and efficient industry scanners supports us in providing similar digitalization services to other types of paper documents, like contracts, applications and a broad range of documents in the Public sector.

Benefits for the customers:

- Standardization
- Electronic input to the accountant
- Enables distributed work processes
- Faster access to transactions and increased efficiency.

Although fully digital invoices are on a sharp rise (ie. central government standard), the total volume of paper documents and invoices are still massive in the Nordics. We are confident that specialized competence and intelligent software will be around for many years and that the potential for expanding our invoice digitalization services to other areas in the future is very promising ■





Insourced Accounting

The provision of insourced services is being explored as a growth opportunity in CogitalGroup. Below, we highlight two clients.

DOMINO'S DENMARK: A FULL SERVICE DELIVERY FROM AZETS

Domino's has been growing rapidly in recent years. The retail chain employs more than 500 people and produces more than one million pizzas in the Danish market.

Management wanted to have sole focus on growing their business, establishment of new stores, market activities and decided to outsource their back office functions within Payroll and Accounting to Azets three years ago. The partnership has developed rapidly and covers today Payroll processing and Accounting support to new stores,

IT solution implementations, process improvements and support for financial reporting and analysis is provided. *"Continuity, business knowledge, one customer contact and flexibility are areas that are very much appreciated in the partnership between Azets and Domino's"* says the Managing Director of Domino's, Carsten Falck ■



VISMA: NORTH EUROPE'S BIGGEST ENTERPRISE RESOURCE PLANNING (ERP) SOLUTION PROVIDER

Visma is the leading software company in Northern Europe with approximately 8,000 employees. Visma and Azets have been long term partners.

Azets is delivering core BPO accounting and payroll services to Visma entities in Norway. Services are delivered through highly skilled Norwegian consultants, utilizing nearshoring centers in Romania.

Azets is also a leading software partner of Visma and frontrunner in using their cloud solutions.

"A BPO supplier with high-quality, cost effective services and flexible delivery is important for a growing company like Visma. Also, we appreciate to be partner with a company that understand the importance of cloud services and technology", says Stian Grindheim, Group Controller in Visma ■



Payroll and HR support

In CogitalGroup we process over 250,000 payslips per month – our business is growing.

A **ZETS** is the biggest HR and Payroll services provider in the Nordics, processing more than 200,000 pay slips per month. The

business area has been growing rapidly, driven by an increased focus on outsourcing internal Payroll tasks to third parties, due to rapidly changing HR and Payroll regulations in all countries and the businesses challenges to keep dedicated Payroll teams internally that are up to speed on all regulations.

Azets provide Payroll and HR services with specialized teams in all countries, from more than 10 locations in the Nordics. For smaller accounting customers, a combined service of Accounting and Payroll is provided. Azets invest broadly in the training the teams to be in forefront of new changes and to give our customers a value for money service at all times.

Azets has a unique position in the Nordics supporting big customers to small customers and important Payroll and HR information is at all times available through our portal CoZone. Customers Payroll and HR solutions, expense solutions and time management solutions are easily integrated through CoZone. Personal data is accessed in a secure way for the customers and their employees. Azets also provide internal Payroll and HR solutions were the customers have decided to leave most of the work to Azets. The leading Payroll and HR solutions in all countries are core production platforms for Azets ■

BALDWINS

- Processing payroll for c.7500 companies ranging from 1 to 500 employees across multiple pay frequencies and covering various different industries
- Produce c.60,000 payslips per month
- Current payroll staff count of (FTE) 100

4 THE PEOPLE OF COGITALGROUP

The people of CogitalGroup are critical to our success and a competitive advantage for our business.

While each of the businesses that make up CogitalGroup today has a distinct heritage, we are building a leading enterprise on common values and a shared philosophy to hire great people and offer exceptional opportunities for development and progression.

We have huge ambition that will be delivered by outstanding people – people with the energy, ability

and commitment to create the leading provider of critical business support, BPO and advisory services to entrepreneurial businesses, their owners and managers and to our private clients.

We seek a unified approach to talent that respects the needs of different parts of our business, built on shared values.

Our Values

Success for our people

We believe that our people are the heart of who we are and what we strive for.

As a team, we act with integrity, treat each other with respect and work together so that everyone gets opportunities to fulfil their potential.

Success for our clients

Every client will get the highest quality services to operate their business efficiently and effectively, to achieve competitive advantage.

We will continuously innovate on their behalf and ensure we help our clients to be one step ahead. This is our commitment to them.

Success for our business

Ambitious in everything we do, we're building a high-achieving business for the long term. We're determined to lead in all our chosen markets by out-performing competitors.

Talent Strategy

Our talent strategy is based on six principles:

1. Our business has a requirement for diverse skills and experience but in all cases, we seek to attract, retain and motivate the best people, expect high levels of performance and offer outstanding opportunities for development and progression.
2. While it is the responsibility of each person in CogitalGroup to manage their career, we are committed to offering leading opportunities for personal development and growth.
3. We are a meritocracy and offer reward and career progression according to contribution.
4. We believe that inclusion of all our people, irrespective of differences, is an imperative and the opportunity to broaden the diversity of our talent pool is critical to hiring the best.
5. Our talent processes are those of a leading, innovative business services firm that is technology enabled.
6. We are committed to embedding shared values across the business.



CogitalGroup Talent Forum

Sabri Challah
Group Deputy
Chairman

Lin Ackema
Chief HR Officer,
Nordics

Claire Hammond
HR Director,
UK London

David Whitson-Black
Group Learning &
Development Manager,
UK Regional

David Baldwin
Chief Commercial Officer,
UK Regional

Hannah Anderson
Group
Communications

Sara Bennett
Head of HR,
UK Regional

CogitalGroup Talent Forum

We have established a CogitalGroup Talent Forum with HR and Learning & Development professionals drawn from across the business.

Its purpose is to:

- share best practice and act as a centre of expertise
- lead on design and delivery of HR processes fit for a leading professional services firm
- embed our values
- develop enterprise talent programmes where there is advantage.

Our immediate priorities for the talent forum are to:

- review all talent processes to assure best in class approaches
- use people surveys across the business to understand engagement and identify immediate opportunities for improvements in our approach to people
- roll-out the programme to embed our values
- develop the value proposition for our people
- identify opportunities for enterprise talent programmes.



Our talent processes will be those of a leading tech-enabled business services firm. Our processes cover each aspect of the talent cycle:

IDENTIFY & ATTRACT	DEVELOP	ENGAGE
People plan built on business requirements	Effective performance management	Shared values
Sourcing from a diverse talent pool	Career development based on transferant model	Coaching
Exceptional value proposition for our people	Education on the job and classroom	Leadership
Rigorous selection		Inclusion



NICOLE CHRISTIE | Senior, Aberdeen Office, Campbell Dallas

Nicole went into accountancy after College and joined Campbell Dallas in 2015, working with sole traders, partnership and limited companies originally advising on accounts and tax preparation, but now more focused on providing business advice adding real value to support their business growth aspirations. Nicole is passionate about business and technology and is one of our Xero heroes, where she presents direct to clients and trains many of our client facing advisers. Nicole said, *"I always start presentations with 'Hi, I'm Nicole and I'm a self-proclaimed geek' and I'm very proud of that!"*.

ANNE JENSON | Manager, Herlev Office, Nordics

Anne has worked within the payroll department of our Nordic business, Azets for 15 years and has spent 11 of those in a management role. Anne said, *"CogitalGroup supports Azets mission, vision and values. This allows our people to develop their skills and fulfill their potential. Our daily work revolves around consulting our clients on their challenges and tasks, where we not only provide guidance but clever solutions"*. Anne enjoys volunteering for The Danish Cancer Society and lives an active lifestyle with a passion for functional training.



DANIELA KOLI | Sales Director, Helsinki Office, Nordics

Daniela has worked in the Nordic business for 7 years and is proud to be part of CogitalGroup's remarkable growth story. Daniela said, *"I've seen technology change the BPO industry radically, which has made this journey with CogitalGroup who are leading in technology advancements, more interesting. Being part of CogitalGroup means our Nordic team are part of a talented pool of colleagues across Europe who constantly deliver the highest quality of tools and services and I'm proud to be part of that"*. Daniela enjoys spending time with her family and two young daughters and is also a keen runner.

YASMIN PUTZ | Outsourcing Manager, London Office

Yasmin joined the bookkeeping team of the London office as a college leaver and studied for her AAT and ACCA qualifications whilst at the practice. Yasmin has a broad knowledge base and in her role as a senior manager, she has become the first point of contact when a client is looking to scope and implement new accounting systems and processes. Yasmin said, *"The future strategy to build the OMB sector within Blick Rothenberg is an exciting one. In addition, the growth plans set out by the wider CogitalGroup will mean even greater opportunities to enhance my skills in managing a growing team and controlling an expanding client portfolio, whilst opening up new paths for my career that would previously not have existed"*. Outside of work, Yasmin enjoys cycling and exploring the world with her partner and nine year old son.



MARK CRADDOCK | Regional Director, Wolverhampton Office, UK Regional

Over Mark's long spanning career with Baldwins, he has been responsible for increasing the growth, productivity and profitability of many offices and for developing their people. Mark said, *"CogitalGroup's impressive growth goals bring opportunities for the continued development and progression for senior management as the group gets bigger"*. Outside of work, Mark has a keen interest in football and enjoys travelling and spending time with his family.

CLAIRE PURBHOO | Partner, Leamington Office, UK Regional

Claire started her career at Baldwins as an accounts trainee in 2002 and she cites that with "really good mentoring and support" through her AAT and ACA exams, she qualified in 2008. Claire was motivated and inspired to be part of a forward thinking, multi-site business that was rapidly growing and she was quickly promoted to Client Manager and later, at the age of 28, she became the youngest Partner within the Baldwins group. Claire said, *"At the age of 33 I'm not naive to the fact that personal development is still key, so I'm privileged to be part of a business that believes in its people and can offer the opportunities to develop my career. I know from past experience that hard work is recognised and rewarded within this business"*. Claire enjoys reading crime thrillers, cooking and baking and escaping for relaxing weekend cottage breaks with her husband and her lovable rescue dog, Harry.



Vidar Bekken
Group Chief Innovation
& Technology Officer

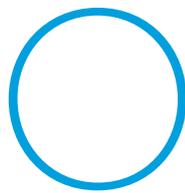
Roar Wiik Andreassen
CEO, Nordics



5

INNOVATION AND TECHNOLOGY A HIGHLY AMBITIOUS TECHNOLOGY-DRIVEN GROUP

CogitalGroup's strategic goal is to become a leading, technology-driven, international business services group.



Our technology and digitalisation are already contributing to value adding service to clients and customers, generating substantial revenues. This will continue to be achieved through the use of smart technology, increasingly including robotics.

CogitalGroup has developed an advanced technology platform. As a group driven by technology, digitalization and data, we have substantial in-house knowledge within the field.

The group has built significant IT expertise, with an IT organization consisting of close to 200 people working directly with IT and technology. This enables us to provide services and support within IT consulting, R&D, Innovation, Security, Cloud, Operations and Support.

CoZone

The customer portal in the cloud

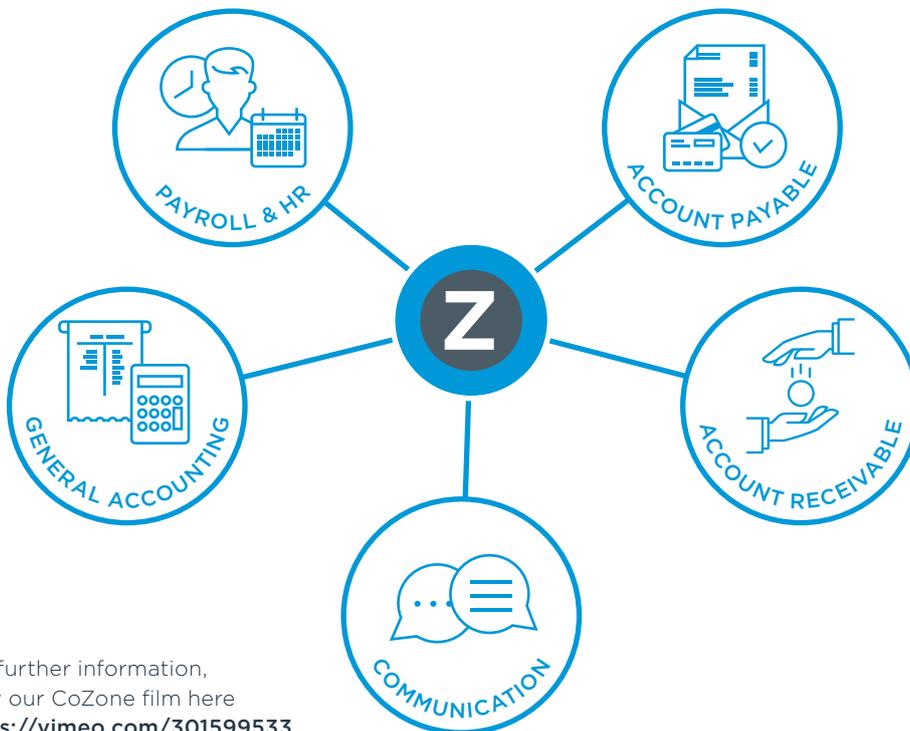
Smart, efficient and secure. CoZone is the common, cloud-based portal for CogitalGroup clients, developed by CogitalGroup. Today, the portal has over 110,000 users, with more than 25 applications integrated into the portal. 13 applications have been developed in-house, utilizing artificial intelligence (AI) and machine learning.

CoZone was developed in the Nordics, and we are currently in the process of adding our UK clients to the portal. The clients get a full overview in an instant and are able to carry out multiple processes with ease. CoZone has just one simple login for the client, providing access to everything the client needs.

CoZone features self-service SaaS products and automated processes. Clients will have access to reports,

invoices, lists of tasks and get alerts close to important deadlines. It is easy to integrate with new applications and the access for clients is completely secure. Artificial intelligence (AI) has been applied in several of the custom-made applications.

Furthermore, a tailor-made reporting tool provides our clients with meaningful insights into their business with user-friendly dashboards and the ability to drill-down to the invoice.



For further information, view our CoZone film here <https://vimeo.com/301599533>



CoZone KEY FACTS & FIGURES

1
login

4
core processes

25+
applications

110,000
users

7,000
clients

Software and services – development and sales

The Nordic business in CogitalGroup is currently developing an array of new software solutions, several of which will be launched in the early part of 2019.

IT consulting – advisory services

We have developed and are successfully selling a suite of tech-related advisory services to clients, ranging from digital strategy to advice on choosing the right cloud solution. The full selection of services include an IT mapping, GDPR mapping, IT and digital strategy, cloud solutions and Electronic Data Interchange (EDI).

Azets Invoice – the document workflow application

Azets Invoice is Azets' own document workflow application. The application is tightly integrated in the CoZone processes, as well as our ERP-system. Azets Invoice supports a wide range of implementation, for all kinds of business. It enables us to support everything from simple workflows with only approval, to massive hierarchies with automatic approvals and amount limits.

In short, Azets Invoice makes it easy for the customer to keep track and manage incoming and outgoing invoices. It is

developed in-house by the Azets Development team in Oslo and Timisoara, focusing relentlessly on delivering a product that is perfect for both our customers and employees.

A new version was recently released, featuring a new module for creating outgoing invoices. A scanning app has also been released, allowing the users with access to scanning in Azets Invoice to easily upload documents from their iOS device.



MORE HIGHLIGHTS WITHIN THE GROUP

Application Capacity

Related to developing our own, unique applications for CogitalGroup. Our organization is fully up and running and has strengthened its capacity significantly in this important area.

Artificial Intelligence (AI)

Our very first AI solution available for our customers in one of our products. We helped 6,300 Nordic managers to identify faulty time reports, removing errors before approval.

Machine Learning

Actively used among those of our customers using the workflow solution that we developed in-house.

Robotic Process Automation (RPA)

Specialized team working with robotics within CogitalGroup. Many processes have been automated and run in production. We are ramping up with new processes every month.

COGITALGROUP *in the* CLOUD

Our regional business has increased in size exponentially over the last two years requiring a significant reshaping of IT infrastructure, we recognised that in today's technology driven climate, it is essential to have a reliable, flexible and scalable infrastructure solution for our platforms.

After evaluation at board level, during the year Baldwins embarked on a project to move its central IT infrastructure from a privately hosted data centre to the public cloud platform of AWS.

The project was undertaken over six months and involved significant end user testing to confirm the viability of the solution for all Baldwin sites. Further work on connectivity and security was conducted at each office to enhance the user experience from the migration.

The project went live in June. Baldwins infrastructure is now capable of scaling quickly to match the demand needed from its rapid expansion. In the first month of

operation the platform has increased in size twice and capacity has increased by 20% during that time.

The flexibility of the solution also means that we can power down 90% of the platform during night time hours resulting in a significantly lower cost base than would have been expected.



MAKING TAX DIGITAL

Making Tax Digital (MTD) in the UK will represent a fundamental change and an enormous challenge for businesses and their advisers. CogitalGroup has met this challenge with significant investment and is now well prepared to support our clients.



So, what exactly is the objective of MTD for the UK market? Quite simply it's to change the way businesses and individuals submit their tax affairs to HMRC by adopting digital systems. In essence this means a quicker flow of data to accountants and HMRC which allows for streamlining of monthly, quarterly and annual submissions. The objective for HMRC is transparent data flow in line with current digital trends.

We have prepared for MTD over the last 18 months across our offices and we are MTD ready and working towards full digitisation. We have partnered with multiple software providers and attained the key certifications to enable us to serve our clients effectively and assist with cutting edge technology. We anticipate being one of the first businesses to attain Platinum status with multiple accounting software suppliers giving our accountants the ability to advise clients, considering their needs and not systems that just suit our internal processes.

- Sage Platinum Partner
- Xero Platinum
- QuickBooks Platinum

Being MTD ready does not only require the ability to link with clients who use cloud accounting software. We have invested in technology allowing us to do submissions on behalf of our clients. Many businesses use bespoke systems or desktop software which cannot be cost effectively upgraded to match HMRC MTD requirements or timelines. In this scenario the accountants MTD service becomes critical.

The investment in technology has allowed us to be amongst the absolute leading UK firms that are truly MTD ready.

Our own architected client portal CoZone will give our clients the ability to launch software applications for accounting, reporting, cashflow forecasting, collections and operations. This will also allow clients to exchange documents digitally in a fully encrypted environment. The portal will allow clients to upload financial reports required to allow our accountants and tax teams to do MTD submissions on their behalf as an agent.

Our technology allows us to meet all clients MTD obligations as an agent through options best meeting each client's needs.

- Cloud accounting clients directly integrates to our MTD Module. Clients can self-submit, and records seamlessly sync via our technology. We can submit on client's behalf utilising the same integrations to our tax technology.
- Where clients keep their records in Excel or with non compliant MTD software we will portal upload to our CSV/Excel data and submit for clients as agents.
- Finally, we can accommodate various applications due to extensive software packages we maintain to serve our clients compliance requirements. Our technology can extract data from multiple accounting software solutions which allows us to submit on our client's behalf as agent.

6

NEARSHORING: STRONG GROWTH IN ROMANIA

In 2009, Azets established its presence in Romania, marking the start of a very successful story of efficiency, co-operation and great results. Today, we have 730 CogitalGroup people in Romania, delivering client services to the Nordic and increasingly the UK Divisions.

The teams in Romania efficiently and successfully deliver BPO services to the four Nordic countries (Norway, Denmark, Finland and Sweden) and now increasingly

the UK divisions. The client and customer ownership and dialogue resides within the home countries. In peak periods, our strong capacity in Romania enables us to deliver and excel. Standardized processes and automation releases more time for customers and delivering high-quality services that add more value.

The services delivered are similar to the services we deliver to our clients in the Nordics and the UK, ranging from basic bookkeeping, scanning and payroll and HR services, to more advanced year end support and public reporting. The highly skilled Software teams in Romania are an integral part of our internal software development capacity and supporting our businesses with customer specific solutions and internal software solutions.

Why nearshoring – and why Romania?

A strong presence in Romania is key to the future success of CogitalGroup. We have built a solid infrastructure and in-depth knowledge of Romania – how we utilize our capacity to maximize our efficiency.

For CogitalGroup, this means that we know the laws and regulations that apply, we understand the people and their competencies, enabling our co-operation to run smoothly.

Romania's strong focus on technically oriented education is reflected in the high level of expertise within software development. However, that same focus is also very recognizable in our accounting and payroll staff. The average Romanian accounting or payroll professional tend to be technologically skilled. Their interests and skills within technology both aim to further strengthen CogitalGroup's position as the natural leader of the technological shift in the BPO industry.

Today, Romania is CogitalGroup's engine for further automation. Going forward, CogitalGroup is looking to build further on the exceptionally strong organizational developments and growth we have experienced in Romania.

ETS

Make sure you prosper



**Success for our people,
our clients and our business**

Our enduring strategic aim is to demonstrate the values, the exceptional and differentiated service offering and the performance that will make CogitalGroup the first choice for clients, employees and investors.



OUR STRATEGY

CogitalGroup's strategic goal is to become a leading, differentiated and technology supported international business services group focused on our chosen markets.

SEVEN PRIMARY STRATEGIES

1. Executing our business model

- embedding an obsessive focus on clients and quality
- developing an environment where our highly motivated and talented people develop, meet their personal goals and enjoy their work experience
- an emphasis on innovation and the application of leading edge technologies
- operating with a lean organisational structure and an aversion to complexity
- consistently monitoring selected key performance indicators
- our businesses exploiting the value of being in the CogitalGroup.

2. Delivering high value, high organic growth

- embedding bold growth targets in each business
- leveraging our differentiated market position and investment capacity
 - local presence and customer intimacy combined with the power of scale
 - exceptional quality delivered by highly motivated and talented people
 - market leading, innovative technologies
 - specialist skills, sector expertise supported by verticalisation and data analytics
- industrialising our sales processes.

3. Creating a leading technology driven business

- collaboration and exploiting the value of the market leading position we have in Azets more widely in our group
- embedding our portal CoZone across the businesses
- investing in technology and increasingly robotics to develop digital value adding services and build efficiency into our client service delivery
- incorporating technology into our own operations to deliver efficiency.

4. Achieving exceptional margins and cash generation

- targeting 20% ebitda margin in each business
- growing higher value advisory services
- significant emphasis on increasing scale of Romania centres to increase the 'export' of production hours from all divisions
- investing in development and roll out of robotics to help lower costs and improve margins
- focus on cost synergies and shared services.

5. OneCogital – Building our brand and reputation

- establishing OneCogital and embedding consistency across our businesses
- executing a brand building plan
- research and thought leadership programmes which tie CogitalGroup to entrepreneurial and SME markets.

6. Embedding our culture and talent plans

- embedding a client focussed and high performance culture with an obsessive focus on quality and an emphasis on innovation and technology
- embedding CogitalGroup values
- developing management incentive plans.

7. Scale and Diversification

- enhancing growth in our core businesses through smart M&A
- executing acquisitions flawlessly to capture anticipated benefits and achieve our required financial metrics
- expanding our service offerings to meet broader requirements of our target markets
- geographic expansion into new markets with emphasis on North America and wider European markets.



CORPORATE SOCIAL RESPONSIBILITY

At CogitalGroup, we are proud to support and encourage our people to be involved in a wide variety of social responsibility programmes including charitable fundraising, youth education and apprentice schemes and community and environmental awareness campaigns.

Many of our offices support local charities and at a Group level, we also support various worthwhile causes internationally such as Save the Children, Barnekreftforeningen and Make a Wish Foundation.

Nordics

Through Azets, we support numerous charities and worthwhile causes in the Nordics:

In Sweden we work with the WeHelp charity and each year we ask our people to bring in Christmas gifts to send to children in Romania.

In Norway we support a vine lottery and the revenue goes to the organization "For en bedre barndom", for a better childhood. The organization donates sports clothing to disadvantaged children in Romania and gives them the opportunity to attend a fully funded sports event in Norway.

In Denmark we support "Knæk" Cancer fundraising event and Azets match all donations made by our people. This year we donated 75,000 DKK.

We also support "Families for Cancer-affected Children" on an annual basis by purchasing a charity 5,000 DKK poster.



Romania

In our Romanian office, our people like to run for charitable causes!

This year, our colleagues participated in various social sports events to fundraise for epilepsy patients, for children in orphanages and for many other worthwhile social causes.

We also strongly support education schemes in Romania and with our help, a children's dance band had the chance to take part in a contest and won the 1st prize!

We also helped two students and their teacher participate in one of the most important scientific events in the world; 'MILSET Expo-Sciences International' held in Brazil, with their innovative project 'The Developer Drone'.



UK Regional

Four years ago, our Baldwins business launched a young entrepreneurs awards programme ‘Baldwins Kickstart’, designed specifically to find the next generation of business owners.

The award is targeted towards 18–25 year olds who own start-ups and not businesses that have already become successful. The winner receives a £10,000 grant and £10,000 of advice, mentoring and support. The two runners up receive £5,000 in advice mentoring and support, all paid for and provided solely by Baldwins.

Our Campbell Dallas business have had a long history of supporting local and National charities and communities such as Cancer Research, CHAS, Beatson Cancer, Prince & Princess of Wales Hospice, Alzheimer’s Scotland and local schools amongst others.

The biggest regional fundraising activities our people have been involved in this year have included local bake-off competitions, dress down days and various sporting events which have helped us to raise really valuable funds for our chosen charities.



UK London

Blick Rothenberg people enthusiastically raise money for The Ben Kinsella Trust and fully support the work that the charity does to raise public awareness of knife crime and educate children of all ages about its consequences including the devastating effect it has on families.

We have raised £23,950.98 since we started supporting The Ben Kinsella Trust and we will be presenting a cheque to the charity marking the end of our second year of supporting them.

We also support Brightside Online Mentoring and currently eight of our people work with mentees to help them with their education and career options.

One of our mentors, Tiffany Booth said, *“I have helped four young people with career and university advice and it has been really rewarding seeing my mentees grow in confidence. The mentoring is fully flexible so I set aside two lunch breaks a week to talk to my mentees, but I could even speak to them during my commute. It was easy to sign up to Brightside and I was given training before the mentoring started. After the mentoring programme finishes, mentors have the option to join the Brightside Mentor Network to continue to develop their mentoring skills and to receive alerts to new mentoring opportunities.”*



9

LEADERSHIP & GOVERNANCE

Key to our success will be a high quality leadership team combined with strong governance.



Top row (left to right): Andrew Land, Sabri Challah, John Connolly, Thorsten Toepfer, Florian Wolff

Bottom row (left to right): Roar Wiik Andreassen, Nilesh Shah, Alyn North, John Baldwin

Our Governance

Our governance structure is designed to enable the board to discharge its responsibilities providing a rigorous challenge on strategies, business performance including long term sustainability and corporate accountability.

Board of Directors

JOHN CONNOLLY | EXECUTIVE CHAIRMAN

John was global chairman of Deloitte and Senior Partner and CEO of the firm in the UK. He has chaired FTSE 100 companies and a number of PE backed businesses. With HgCapital John is the founder of CogitalGroup.

SABRI CHALLAH | DEPUTY CHAIRMAN

Chairman of the Remuneration Committee. Sabri is a strategic advisor to John Connolly. He was Global Head of Deloitte Human Capital business.

ANDREW LAND | NON EXECUTIVE DIRECTOR

Chairman of the Audit and Risk Committee. Andrew is a Partner at HgCapital where he leads investments in the Services sector with a particular focus on financial services.

THORSTEN TOEPFER | NON EXECUTIVE DIRECTOR

Thorsten has lead several transactions in the compliance driven services space at HgCapital where he is a Partner and a member of its Investment Committee.

FLORIAN WOLFF | NON EXECUTIVE DIRECTOR

Florian is a Director at HgCapital, where he coordinates their business efforts across the DACH region and leads Hg's activities in Speciality Services across Europe.

ALYN NORTH | GROUP CHIEF FINANCIAL OFFICER

Alyn was part of the Countrywide plc. executive management team and ran their professional services businesses. He previously worked in PwC Corporate Finance and is a chartered accountant.

ROAR WIIK ANDREASSEN | CEO, NORDICS

Roar has many years of experience within technology, outsourcing, business strategy and business transformation from companies such as KPMG, Avinor and Telenor.

JOHN BALDWIN | CEO, UK REGIONS

John co-founded Baldwins in 1971 in the West Midlands. His drive and ambition has led the group to success, with now 84 offices nationally.

NILESH SHAH | CEO, LONDON

Nilesh has an international tax background and undertook various leadership roles within Blick Rothenberg and its international association before taking on the role of CEO.

Our Leadership and Management

GROUP EXECUTIVE COMMITTEE

John Connolly | Executive Chairman

Alyn North | Group Chief Financial officer

Roar Wiik Andreassen | CEO Nordics

John Baldwin | CEO UK Regions

Nilesh Shah | CEO London

Vidar Bekken | Group Chief Innovation & Technology Officer

(and attending and leading on our people agenda, Sabri Challah)

Other Central Team Leadership



Left to right:

Preeya Takhar | Group Legal, Risk & Compliance Officer

Hannah Anderson | Group Communications Officer

Kenny Walker | Group Financial Controller

Business Divisions

The operating businesses are led by the Division Chief Executive supported by a CFO and appropriately structured management teams.

10

FINANCIAL HIGHLIGHTS



ANNUALISED REVENUE*

£453m

64%

Increase since
December 2016
launch

*As at October 2018 (plus
committed acquisitions in
November 2018)

ANNUALISED EARNINGS BEFORE TAX, DEPRECIATION AND AMORTIZATION*

£68m

63%

Increase since
December 2016
launch

GEOGRAPHIC ANALYSIS OF REVENUES

50%

UK

50%

Nordics

FUNDING THE BUSINESS

£272m

Shareholder
Invested Capital

£343m

Total Net Bank Debt*

*As at October 2018



Alyn North
Group Chief
Financial Officer

Enquiries

NORDICS

Helena Julusmoen

Helena.Julusmoen@azets.com

UK REGIONAL

Sarah Duggan

Sarah.Duggan@baldwinandco.co.uk

UK LONDON

David Barzilay

david@barzilay.co.uk

COGITALGROUP

Hannah Anderson

Hannah.Anderson@cogitalgroup.com

PRESS OFFICE

Mark Antelme

MAntelme@celicourt.uk

Henry Lerwill

HLerwill@celicourt.uk

cogitalgroup.com

Design: rocdesign.com

CogitalGroup Limited

First Floor
2 Babmaes Street
St James
London SW1Y 6HD
United Kingdom

+44 (0) 203 668 0344
info@cogitalgroup.com

cogitalgroup.com



@CogitalGroup



<https://www.linkedin.com/company/cogitalg/>

While this Annual Review has been prepared and provided in good faith, no representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted by CogitalGroup or by its officers, employees or agents in relation to the adequacy, accuracy, completeness or reasonableness of the Annual Review, or of any other information (whether written or oral), notice or document supplied or otherwise made available to any interested party or its advisers in connection with any proposed transaction. All and any such responsibility and liability is expressly disclaimed. In particular, but without prejudice to the generality of the foregoing, no representation, warranty, assurance or undertaking is given as to the achievement or reasonableness of any future projections, management estimates, prospects or returns contained in the Annual Review. CogitalGroup gives no undertaking to provide the recipient with access to additional information or to update this Annual Review or correct any inaccuracies which may become apparent.