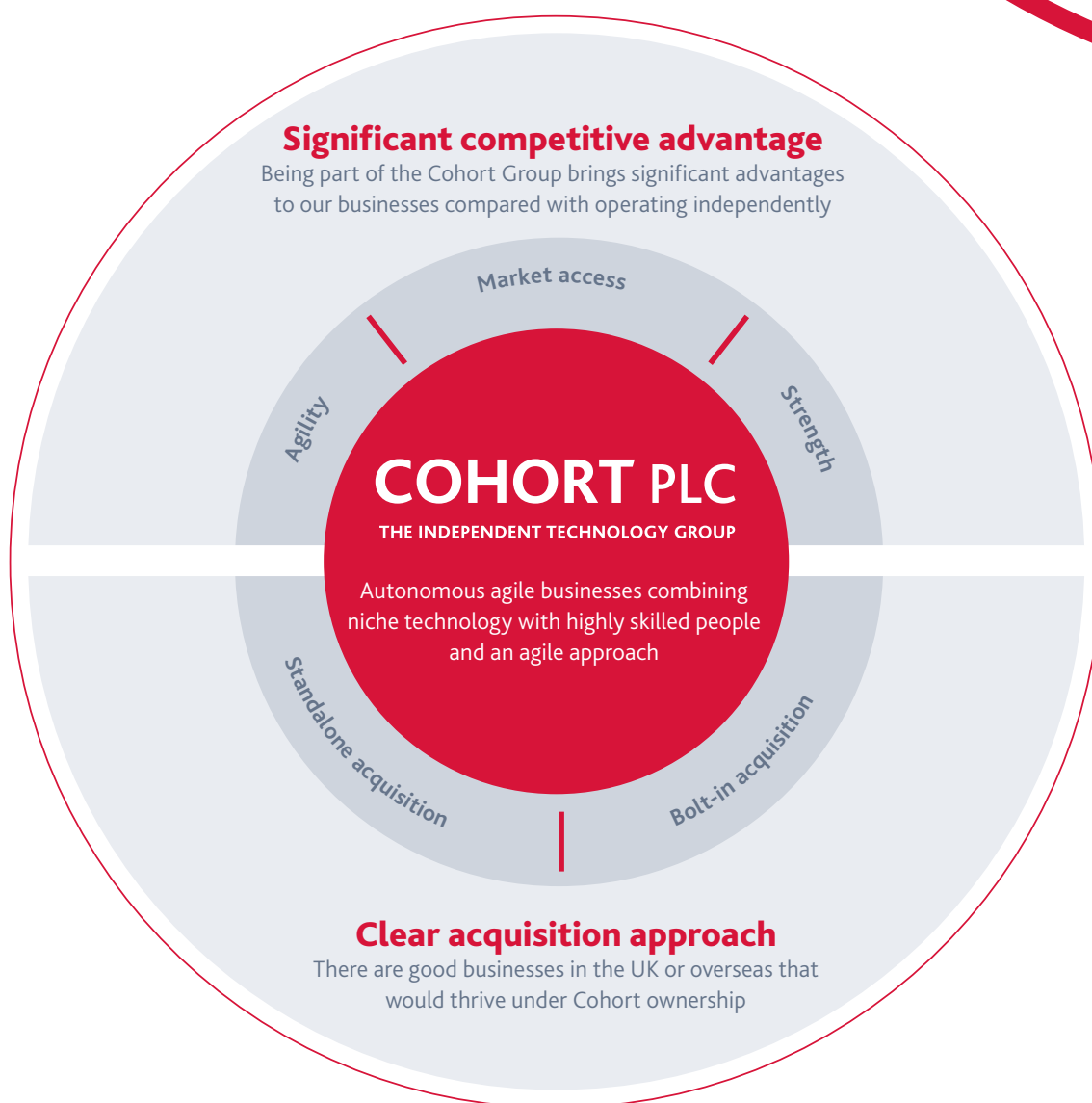


## Business model

# Our business model



### Our mission is clear:

To build and operate a group of companies applying advanced technology in defence, security and related markets and combining the innovation and responsiveness of smaller, independent businesses with the stability, shared knowledge, wider market access and lower funding costs of a listed group to provide enduring benefits to customers, employees and shareholders.

## Business model continued

# How we create value

We create solutions to keep people safe. Acting with agility to find a better way, make smart decisions and meet customers' needs. Where independent subsidiaries are free to grow and deepen relationships with the support of a steady hand. Bringing the expertise of the Group to the ingenuity of our businesses. To deliver purposeful innovation that protects us all.



## Our shareholders

We are committed to delivering value to our shareholders and ensuring that they benefit from our success. We are focused on delivering high standards of corporate governance and providing clear, consistent communication.



## Our customers

Our global customers depend on us to be their trusted partner of choice to deliver reliably and with agility. We use innovation to stay at the forefront of defence and security technology solutions for our customers. Our culture of openness and support makes us easy to do business with.



## Our suppliers and partners

Our suppliers and partners are critical to the success of our business. We work closely with them to ensure we maintain long-term and proactive relationships, and that they are paid promptly for the goods and services received.



## Our people

Our capabilities and customer relationships all ultimately derive from our people. Guided by Our Values, all employees across the Cohort Group can fulfil their potential, develop their careers, make a difference through the roles that they undertake, and feel rewarded for what they do.



## Our communities

We recognise the importance of engaging with the communities and supporting the environment in our local areas. We support our communities through education, work experience, fundraising and sponsorship initiatives, and engage with many military and veterans charities. Across the Group we employ armed forces reservists and are proud to be a signatory of the UK Armed Forces Corporate Covenant.

## Our strategy

# A clear strategy for growth

Three key objectives form our clear strategy for growth:



### Organic growth

Consistently grow profits and cash generation organically through our subsidiaries.

#### Delivered through:

- ▶ A focus on developing long-term customer partnerships.
- ▶ Encouraging innovation and responsiveness.
- ▶ Identifying and pursuing growth opportunities in new and existing markets.
- ▶ Developing high-quality leadership teams and a high-performance culture.

#### What we did in 2019/20

- ▶ Strong first full year at Chess. Growth at MASS and EID. Weaker performance at MCL and SEA.

#### Our priorities for 2020/21

- ▶ Improve long-term order book, especially at Chess, EID and SEA, and improve long-term pipeline at MCL.



### Acquisition

Increase the profitability of the Group and access new markets through selective acquisitions.

#### Delivered through:

- ▶ Proactive engagement with businesses that can add value to the Group.
- ▶ Maintaining a strong acquisition team.
- ▶ Demonstrating a structure and culture that is attractive to potential sellers.

#### What we did in 2019/20

- ▶ Signed an agreement to acquire 100% of Wärtsilä ELAC Nautik GmbH (ELAC) and bank facility extended to enable acquisition to be completed.

#### Our priorities for 2020/21

- ▶ Complete acquisition of ELAC.



### Maintaining confidence

Ensure good corporate governance, sound management of subsidiaries and effective communications to shareholders.

#### Delivered through:

- ▶ A light-touch management of subsidiaries backed by a framework of financial control, strategy review, performance management and leadership development.
- ▶ An effective operational strategy providing support and guidance when circumstances change.
- ▶ Providing clear and consistent investor communications through all channels.

#### What we did in 2019/20

- ▶ Independent Non-executive Director added to the Board.
- ▶ Chess project control process implemented.

#### Our priorities for 2020/21

- ▶ Complete Chess project control process.