26 September 2022

CPPGroup Plc
(“CPP Group”; “the Group”; or “the Company”)
HALF YEAR REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

CPP Group (AIM: CPP), a provider of assistance and insurance products, which reduce disruptions to everyday life for millions of customers across the world, is pleased to announce its half year results for the six months ended 30 June 2022.

Financial Highlights:

- Group revenue from continuing operations increased by 18% to £77.8 million (H1 2021 restated: £65.7 million)
- Core revenues increased by 26% to £69.5 million (H1 2021: £55.0 million)
- EBITDA from continuing operations increased by 18% to £3.1 million (H1 2021 restated: £2.6 million)
- Central overheads reduced to £4.8 million (H1 2021: £5.5 million)
- Exceptional items of £0.5 million (H1 2021: £1.5 million)
- Profit before tax from continuing operations increased to £1.3 million (H1 2021 restated: £0.5 million loss)
- Loss after tax from continuing operations improves to £0.2 million (H1 2021 restated: £1.6 million loss)
- Cash balance of £19.3 million at 30 June 2022 (H1 2021: £19.6 million)
- Dividends suspended pending completion of the strategy review (Change Programme)

Operational Highlights:

- Simplified structure focused on four business units
- Simplified the proposition away from “insurance” to “assurance” services
- Simplified the management and operational structures
- Core business (CPP India, CPP Turkey, Blink and Globiva) performing well
- Major partner renewals for CPP India, and new partner wins for both CPP Turkey and Blink
- Legacy Business (UK & European back book) revenues continue to record year-on-year decline

Simon Pyper, CEO of CPP Group, commented:
“Despite global economic headwinds, the Group has, from a trading perspective, delivered robust revenue growth, particularly from its Indian and Turkish operations. Blink, the Group’s InsurTech business focused on the Global Travel Sector, also performed well, albeit from a low base. As international travel recovers, Blink is starting to see real growth in its new business pipeline both domestically and internationally. The good performance from our core markets somewhat masks the structural decline in profitability from our Legacy Businesses, a decline long understood by the business though never addressed.

On appointment, I found a business which had no adequate plan to address the decline in its Legacy Business, which had no sense of purpose, and no strategy for the future. Consequently, much of my time since appointment as CEO has been focused on simplifying the business, simplifying our proposition, and simplifying our management and operating structures. Additionally, the management team and I have been working on a broader Change Programme, the aim of which is to define what CPP’s purpose is, and to set a course (“strategy”) for the business which over time should improve outcomes for our key stakeholder groups.

It is my expectation that I will be able to share the key outputs from the Change Programme with shareholders in October of this year.

In spite of the uncertain economic climate, the Board remains confident in the outlook and growth prospects for our core operations. However, structural issues pertaining to our Legacy Business and associated IT costs need to be addressed which will have some impact on overall performance and we will provide further guidance in due course.”

Financial and non-financial highlights – continuing operations

£ millions	Six months to 30 June 2022	Six months to 30 June 2021 (Restated[1])	Change
Financial highlights:			
Group			
Revenue	77.8	65.7	18%
EBITDA[2]	3.1	2.6	18%

Operating profit/(loss)	1.3	(0.3)	529%
Profit/(loss) before tax			
- Reported	1.3	(0.5)	363%
- Underlying[3]	1.8	1.0	78%
(Loss)/profit after tax			
- Reported	(0.2)	(1.6)	90%
- Underlying[3]	0.3	(0.3)	223%
Basic loss per share (pence)	(4.09)	(21.53)	81%
Cash and cash equivalents	19.3	19.6	(1)%
Segmental revenue			
Core[4]	69.5	55.0	26%
Legacy[5]	8.3	10.7	(22)%
Non-financial highlights:			
Customer numbers (millions)	12.1	11.9	2%

1. Restated to reflect China as a discontinued operation.
2. EBITDA represents earnings before interest, taxation, depreciation, amortisation and exceptional items.
3. Underlying profit before tax excludes exceptional items of £0.5 million (H1 2021: £1.5 million). The tax effect of the exceptional items is £nil (H1 2021: £0.1 million). Further detail of exceptional items is provided in note 4 of the condensed consolidated interim financial statements.
4. Core revenue comprises CPP India, CPP Turkey, Blink and Globiva.
5. Legacy Business primarily comprises the UK and European renewal books of business, which are principally Card Protection and Identity Protection policies.

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About CPP Group:
CPP Group is a technology-driven assistance company that creates embedded and ancillary real-time assistance products and resolution services that reduce disruption to everyday life for millions of people across the world, at the time and place they are needed, CPP Group is listed on AIM, operated by the London Stock Exchange.

For more information on CPP visit https://international.cppgroup.com/

Chief Executive's Statement

First Half Performance

Despite global economic headwinds, the Group has, from a trading perspective, delivered robust revenue growth, particularly from its Indian and Turkish operations. Blink, the Group's InsurTech business focused on the Global Travel Sector, also performed well, albeit from a low base. As international travel recovers, Blink is starting to see real growth in its new business pipeline both domestically and internationally. The good performance from our core markets somewhat masks the structural decline in profitability from our Legacy Businesses, a decline long understood by the business though never addressed.

The Group's revenue performance against prior year has also benefited from favourable comparatives (impact of COVID-19 restrictions on 2021 revenues) and foreign exchange movements. Of the 18% increase in year-on-year revenues to £77.8 million (H1 2021 restated: £65.7 million), circa 5% is due to favourable comparatives from COVID-19 and 2% is due to favourable foreign exchange movements. Adjusting for these two factors, the Group's underlying revenue growth for the first half was 11%, which given the prevailing economic environment is a more than satisfactory outcome.

EBITDA improved by 18% or £0.5 million to £3.1 million (H1 2021 restated: £2.6 million). The Legacy business, as expected, recorded a decline in EBITDA for the period of £0.4 million which partially offset the £0.4 million improvement from the Core business and the £0.4 million benefit of reduced central costs. Group EBITDA margin for the period remained broadly level with prior year at 4.0%.

Operating profit has increased to £1.3 million (H1 2021 restated: £0.3 million loss) which includes depreciation charges of £1.3 million (H1 2021 restated: £1.4 million) and exceptional items which have reduced to £0.5 million (H1 2021: £1.5 million). The exceptional items in the period principally reflect the exit costs of the former CEO. As a result, the Group's profit before tax has improved to £1.3 million (H1 2021 restated: £0.5 million loss).

Key Performance Metrics:

£ millions	**REVENUE**			**EBITDA**		
	H1 2022	**H1 2021[1]**	**CHANGE**	**H1 2022**	**H1 2021[1]**	**CHANGE**
CPP India	**60.7**	48.7	25%	**3.1**	2.8	13%
Globiva	**7.1**	4.4	61%	**1.3**	1.1	12%
CPP Turkey	**1.5**	1.8	(21)%	**0.2**	0.4	(49)%
Blink	**0.2**	0.1	58%	**(0.1)**	(0.2)	53%
Core Business	**69.5**	55.0	26%	**4.5**	4.1	8%
Legacy Business	**8.3**	10.7	(22)%	**0.8**	1.2	(31)%
Business Unit Total	**77.8**	65.7	18%	**5.3**	5.3	0%
Central Functions	**—**	—	—	**(2.2)**	(2.6)	15%
Share of JV	**—**	—	—	**—**	(0.1)	100%
Group Total	**77.8**	65.7	18%	**3.1**	2.6	18%
Attributable to:						
CPP Shareholders				**2.5**	2.1	20%
Non-Controlling Interests				**0.6**	0.5	12%

1. Restated to reflect China as a discontinued operation.

CPP India: EBITDA of £3.1 million (H1 2021: £2.8 million), EBITDA margin 5.1% (H1 2021: 5.6%)
Revenue has increased by £12.0m or 25% versus prior year, and by 21% on a constant currency basis, in part due to prior year comparatives being impacted by COVID-19, with volume growth derived from our My Tech, My Health, and My Home assistance products. During the period, CPP India secured contract extensions with its two largest partners, Bajaj Finance Limited (Bajaj), and SBI Cards. EBITDA margin reduced by 0.5% reflecting a modest change in revenue mix during the period towards lower margin products (particularly in My Health), and amortisation of the Bajaj marketing incentive.

Globiva: EBITDA of £1.3 million (H1 2021: £1.1 million), EBITDA margin 17.5% (H1 2021: 25.2%)
Third party revenue of £7.1 million which is +61% versus prior year, and on a constant currency basis by +55%. Revenue growth reflects new business wins and underlying occupancy (number of seats) improvement, noting that prior year comparatives reflect a business recovering from the impact of COVID-19 restrictions. The EBITDA margin has reduced by 7.7% which is function of new business growth and occupancy utilisation.

Turkey: EBITDA of £0.2 million (H1 2021: £0.4 million), EBITDA margin 14.7% (H1 2021: 23.0%)
Revenues have decreased by £0.4 million or -21% versus prior year, this reduction is all foreign exchange related as on a constant currency basis the business recorded revenue growth of 27%, reflecting in part, the development of the Turkiye Insurance relationship established in 2021. The EBITDA margin reduced by 8.3% reflecting cost inflation brought about by local economic conditions.

Blink: EBITDA loss of £0.1 million (H1 2021: £0.2 million loss)
There is a dedicated management and operational team now in place to build capacity and to drive growth. The pipeline for Blink's Travel Disruption products (Flight Delay and Lost Baggage) is starting to see real growth. Post period end, the business has started to provide its services to four new partners.

Legacy Business: EBITDA of £0.8 million (H1 2021: £1.2 million)
There has been a continued decline in both revenue and EBITDA from the UK and European Back Books (predominantly Card Protection and Identity Protection).

Central costs: £2.2 million (H1 2021: £2.6 million)
Central overheads before appropriate recharge to business units are £4.8 million (H1 2021: £5.5 million) which is a reduction of £0.7 million primarily reflecting lower Executive and Board costs. The central costs include £1.8 million (H1 2021: £2.0 million) relating to the cost of the Group's IT operations which forms the principal element of the costs recharged to business units.

EBITDA Attributable to Shareholders
The Group holds a 51% majority interest in Globiva, a Business Processes Management company incorporated in India, with the other 49% of the shares beneficially owned by the three founders of the business. As the Group demonstrates control of the business through its majority holding, CPP is required under accounting standards to consolidate 100% of Globiva's revenues and earnings into its financial statements. The minority interest, being the 49% held by the founders, is recorded at the foot of the Group's income statement as "Attributable to non-controlling interests". When our holding in Globiva falls below the 51% threshold the Group will relinquish control and will no longer consolidate Globiva's revenues and earnings. In the normal course of business, this is expected to occur in 2026.

Taxation
The Group's tax charge from continuing operations is £1.4 million (H1 2021: £1.1 million) which reflects an effective tax rate (ETR) of 113% (H1 2021 restated: negative 232%). The tax charge mainly comprises tax payable in India, along with smaller charges from our European and Turkish markets.

The Group's ETR is expected to remain high and variable over the medium term, as the Group executes its Change Programme. The programme once complete is expected to lead to a stabilisation in the ETR at a much lower level. However, it is still expected to remain notably higher than the UK statutory rate of 19% as we make most of our taxable profit in India, provide for withholding taxes on overseas distributions and continue to generate losses in certain markets against which we are not able to recognise deferred tax assets.

Adjusted ETR
The adjusted ETR (which excludes the impact of exceptional items) at 81% (H1 2021 restated: 127%) demonstrates the progressive improvement in the Group's tax position as the Group addresses its loss-making operations and overall cost-base. The adjusted ETR reflects a more normalised tax charge for the Group.

The adjusted ETR is summarised as follows:

	H1 2022			H1 2021		
Continuing operations	Reported	Exceptional items[1]	Adjusted	Reported	Exceptional items[1]	Adjusted
Profit before tax	**1.3**	**0.5**	**1.8**	(0.5)	1.5	1.0
Tax charge	**1.4**	**—**	**1.4**	1.1	0.2	1.3
ETR	**113%**	**n/a**	**81%**	(232)%	9%	127%

1. Refer to note 4 of the condensed consolidated interim financial statements.

Overall, we expect a progressive reduction in our ETR as our loss-making operations reduce, distributions from overseas markets stabilise and volatility arising from one-off charges declines.

Financial Position
The Group had cash balances at 30 June 2022 of £19.3 million (H1 2021: £19.6 million; 31 December 2021: £22.3 million). The extension of the Bajaj contract included payment of upfront fees, which along with costs to develop the IT platform in India, restructuring costs in the UK and payment of the dividend have led to the £3.1 million reduction in cash since the year end. Although the Group's cash cycle is naturally weighted to H2 this benefit will be reduced this year as development work on the India platform accelerates. Whilst the Group has previously and continues to report healthy cash balances, it should be noted that not all cash is available for distribution or able to be used on demand for working capital purposes in all parts of the Group. At present, approximately 40% of the Group's cash balances are "restricted" due to either tax, legal, or regulatory requirements.

Operational Highlights

Simplified Structure
The business is now organised around four business units being CPP India, CPP Turkey, Blink and the Legacy Business (UK & European back book) along with Central Functions. Each business unit is managed by a dedicated CEO who has full accountability

for delivering agreed financial and non-financial objectives. This simplified structure will allow for local decisions to be made more quickly and moreover, allow each business to more effectively react to changing business partner needs.

Globiva is managed independently of the Group and save for CPP holding three Board seats (including the Chairman) and having the majority voting rights there is minimal management and operational interaction between the two companies.

Simplified Proposition

There is a move to providing a suite of technology-enabled assistance products and services focused around six themes: My Travel; My Tech; My Health; My Digital Life; My Home; and My Finances. Our simplified proposition reflects and supports our purpose, one of being a "technology-driven assistance company that creates embedded and ancillary real-time assistance products and resolution services that reduce disruption to everyday life for millions of people across the world, at the time and place they are needed".

Simplified Management and Operational Structure

The Executive Management Committee ("EMC"), is chaired by me and comprises the four Business Unit CEOs, the Group Chief Financial Officer, the Chief Risk and Operating Officer, the Group HR Director, and the Group Legal Counsel. The EMC is the key decision-making committee of the business focused on delivering the Group's strategic, operational, and financial objectives. The committee meets weekly.

The Operational Board, which reports to the EMC, reviews, implements, and monitors actions agreed at the EMC. In simple terms the Operational Board is focused on the "doing" whilst the EMC is focused on the "management" of the business. The Operational Board meets weekly, is chaired by me, and comprises several EMC members and other senior executives and managers of the Group.

Dividend

Due to the costs and uncertainties associated with the Change Programme, the Board has taken the decision to suspend dividend payment until further notice. If circumstances change, the Board will review and update shareholders when appropriate to do so.

Outlook

We are confident about the outlook and growth prospects for our core operations for the second half of the year. However, we do expect some softening in reported margin in the second half reflecting a modest mix change towards lower margin products, the impact of the new commercial terms agreed with Bajaj when extending the contract in May and revised incentive costs for our CPP India team. However, structural issues pertaining to our Legacy Business and associated IT costs need to be addressed which will have some impact on overall performance and we will provide further guidance in due course. Our expectations are that we will be able to provide the key outputs of the Change Programme in October.

Simon Pyper
Chief Executive Officer
23 September 2022

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	Note	**6 months ended 30 June 2022 £'000 (Unaudited)**	6 months ended 30 June 2021 (Restated*) £'000 (Unaudited)	Year ended 31 December 2021 £'000 (Audited)
Continuing operations				
Revenue	3	**77,768**	65,670	143,625
Cost of sales		**(62,173)**	(50,230)	(110,708)
Gross profit		**15,595**	15,440	32,917
Administrative expenses		**(14,256)**	(15,633)	(29,827)
Share of loss in joint venture		**—**	(119)	(189)
Operating profit/(loss)		**1,339**	(312)	2,901
Analysed as:				
EBITDA	3	**3,100**	2,619	7,524
Depreciation and amortisation		**(1,264)**	(1,442)	(2,995)

	Note			
Exceptional items	4	**(497)**	(1,489)	(1,628)
Investment revenues		**176**	112	223
Finance costs		**(228)**	(289)	(358)
Other gains and losses		**—**	—	1,459
Profit/(loss) before taxation		**1,287**	(489)	4,225
Taxation	5	**(1,449)**	(1,136)	(3,707)
(Loss)/profit for the period from continuing operations		**(162)**	(1,625)	518
Discontinued operations				
Profit for the period from discontinued operations	8	**616**	2,901	2,490
Profit for the period		**454**	1,276	3,008
Attributable to:				
Equity holders of the Company		**254**	1,013	2,565
Non-controlling interests		**200**	263	443
		454	1,276	3,008
(Loss)/earnings per share				
Basic		**Pence**	Pence (Restated*)	Pence
Continuing operations	7	**(4.09)**	(21.53)	0.85
Continuing and discontinued operations	7	**2.87**	11.55	29.16
Diluted		**Pence**	Pence (Restated*)	Pence
Continuing operations	7	**(4.09)**	(21.53)	0.83
Continuing and discontinued operations	7	**2.87**	11.55	28.43

* Restated to reflect China as a discontinued operation. See note 2.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 June 2022 £'000 (Unaudited)	6 months ended 30 June 2021 £'000 (Unaudited)	Year ended 31 December 2021 £'000 (Audited)
Profit for the period	**454**	1,276	3,008
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**196**	(451)	(695)
Exchange differences reclassified on disposal of foreign operations	**(1,081)**	(4)	(4)
Other comprehensive expense for the period net of taxation	**(885)**	(455)	(699)
Total comprehensive (expense)/income for the period	**(431)**	821	2,309
Attributable to:			
Equity holders of the Company	**(704)**	588	1,867
Non-controlling interests	**273**	233	442
	(431)	821	2,309

CONSOLIDATED BALANCE SHEET

	Note	**30 June 2022 £'000 (Unaudited)**	30 June 2021 £'000 (Unaudited)	31 December 2021 £'000 (Audited)
Non-current assets				
Goodwill		**567**	528	540
Other intangible assets		**4,453**	3,845	3,603
Property, plant and equipment		**1,360**	1,357	1,335
Right-of-use assets		**4,101**	5,577	5,109
Equity investment		**1,889**	—	1,889
Investment in joint venture		**—**	331	—
Deferred tax assets		**341**	245	396
Contract assets		**448**	593	564
		13,159	12,476	13,436
Current assets				
Inventories		**115**	146	102
Contract assets		**4,538**	3,689	4,020
Trade and other receivables		**15,776**	13,150	13,605
Cash and cash equivalents		**19,321**	19,592	22,319
		39,750	36,577	40,046
Assets classified as held for sale		**—**	—	478
		39,750	36,577	40,524
Total assets		**52,909**	49,053	53,960
Current liabilities				
Income tax liabilities		**(808)**	(1,047)	(1,362)
Trade and other payables		**(21,732)**	(17,483)	(19,544)
Lease liabilities		**(869)**	(910)	(937)
Contract liabilities		**(9,909)**	(8,405)	(9,190)
		(33,318)	(27,845)	(31,033)
Liabilities classified as held for sale		**—**	—	(550)

		(33,318)	(27,845)	(31,583)
Net current assets		**6,432**	8,732	8,941
Non-current liabilities				
Borrowings		**42**	77	58
Deferred tax liabilities		**(626)**	(104)	(927)
Lease liabilities		**(4,008)**	(5,304)	(4,936)
Contract liabilities		**(898)**	(1,333)	(1,200)
		(5,490)	(6,664)	(7,005)
Total liabilities		**(38,808)**	(34,509)	(38,588)
Net assets		**14,101**	14,544	15,372
Equity				
Share capital	9	**24,254**	24,232	24,243
Share premium account		**45,225**	45,225	45,225
Merger reserve		**(100,399)**	(100,399)	(100,399)
Translation reserve		**(822)**	409	136
ESOP reserve		**17,192**	17,656	17,418
Retained earnings		**26,831**	26,083	27,202
Equity attributable to equity holders of the Company		**12,281**	13,206	13,825
Non-controlling interests		**1,820**	1,338	1,547
Total equity		**14,101**	14,544	15,372

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium account	Merger reserve	Translation reserve	ESOP reserve	Retained earnings	Total	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6 months ended 30 June 2022 (Unaudited)										
At 1 January 2022		**24,243**	**45,225**	**(100,399)**	**136**	**17,418**	**27,202**	**13,825**	**1,547**	**15,372**
Profit for the period		**—**	**—**	**—**	**—**	**—**	**254**	**254**	**200**	**454**
Other comprehensive expense for the period		**—**	**—**	**—**	**(958)**	**—**	**—**	**(958)**	**73**	**(885)**
Total comprehensive expense for the period		**—**	**—**	**—**	**(958)**	**—**	**254**	**(704)**	**273**	**(431)**
Effects of hyperinflation		**—**	**—**	**—**	**—**	**—**	**43**	**43**	**—**	**43**
Equity-settled share-based payment credit		**—**	**—**	**—**	**—**	**(226)**	**—**	**(226)**	**—**	**(226)**
Exercise of share options	**9**	**11**	**—**	**—**	**—**	**—**	**(5)**	**6**	**—**	**6**
Dividends	**6**	**—**	**—**	**—**	**—**	**—**	**(663)**	**(663)**	**—**	**(663)**
At 30 June 2022		**24,254**	**45,225**	**(100,399)**	**(822)**	**17,192**	**26,831**	**12,281**	**1,820**	**14,101**
6 months ended 30 June 2021 (Unaudited)										
At 1 January 2021		24,153	45,225	(100,399)	834	17,490	27,327	14,630	1,105	15,735
Profit for the period		—	—	—	—	—	1,013	1,013	263	1,276
Other comprehensive expense for the period		—	—	—	(425)	—	—	(425)	(30)	(455)
Total comprehensive income for the period		—	—	—	(425)	—	1,013	588	233	821
Equity-settled share-based payment charge		—	—	—	—	166	—	166	—	166
Exercise of share options		79	—	—	—	—	(69)	10	—	10
Dividends	6	—	—	—	—	—	(2,188)	(2,188)	—	(2,188)
At 30 June 2021		24,232	45,225	(100,399)	409	17,656	26,083	13,206	1,338	14,544
Year ended 31 December 2021 (Audited)										
At 1 January 2021		24,153	45,225	(100,399)	834	17,490	27,327	14,630	1,105	15,735
Profit for the year		—	—	—	—	—	2,565	2,565	443	3,008
Other comprehensive expense for the year		—	—	—	(698)	—	—	(698)	(1)	(699)

Total comprehensive income for the period		—	—	—	(698)	—	2,565	1,867	442	2,309
Equity-settled share-based payment credit		—	—	—	—	(72)	—	(72)	—	(72)
Exercise of share options		90	—	—	—	—	(70)	20	—	20
Deferred tax on share options		—	—	—	—	—	9	9	—	9
Dividends	6	—	—	—	—	—	(2,629)	(2,629)	—	(2,629)
At 31 December 2021		24,243	45,225	(100,399)	136	17,418	27,202	13,825	1,547	15,372

CONSOLIDATED CASH FLOW STATEMENT

	Note	**6 months ended 30 June 2022 £'000 (Unaudited)**	6 months ended 30 June 2021 £'000 (Unaudited)	Year ended 31 December 2021 £'000 (Audited)
Net cash (used in)/from operating activities	10	**(327)**	(302)	4,562
Investing activities				
Interest received		**176**	112	224
Purchases of property, plant and equipment		**(200)**	(136)	(525)
Purchases of intangible assets	3	**(1,153)**	(756)	(1,370)
Cash consideration in respect of sale of discontinued operations	8	**—**	2,353	2,366
Costs associated with disposal of discontinued operations	8	**(72)**	—	—
Cash disposed of with discontinued operations		**(518)**	(112)	(112)
Net cash (used in)/from investing activities		**(1,767)**	1,461	583
Financing activities				
Dividends paid	6	**(663)**	(2,188)	(2,629)
Repayment of the lease liabilities		**(713)**	(775)	(1,507)
Interest paid		**(37)**	(37)	(76)
Issue of ordinary share capital	9	**6**	10	20
Net cash used in financing activities		**(1,407)**	(2,990)	(4,192)
Net (decrease)/increase in cash and cash equivalents		**(3,501)**	(1,831)	953
Effect of foreign exchange rate changes		**413**	(433)	(400)
Cash and cash equivalents at start of period		**22,409**	21,856	21,856
Cash and cash equivalents at end of period		**19,321**	19,592	22,409
Analysed as:				
Continuing operations		**19,321**	19,592	22,319
Discontinued operations		**—**	—	90
		19,321	19,592	22,409

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 General information

The condensed consolidated interim financial statements for the six months ended 30 June 2022 do not constitute statutory accounts as defined under Section 434 of the Companies Act 2006. The Annual Report and Financial Statements (the 'Financial Statements') for the year ended 31 December 2021 were approved by the Board on 28 March 2022 and have been delivered to the Registrar of Companies. The Auditor, PKF Littlejohn LLP, reported on these financial statements; their report was unqualified, did not contain an emphasis of matter paragraph and did not contain statements under s498 (2) or (3) of the Companies Act 2006.

2 Accounting policies

Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2021 which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted International Accounting Standards (UK IASs).

The condensed consolidated interim financial statements were approved for release on 23 September 2022.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2021.

Discontinued operations
On 27 January 2022, the Group completed the sale of its 100% shareholding in CPP Asia Limited and its wholly owned subsidiary CPP Technology Services (Shanghai) Co. Ltd (together "China"). As a result, in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the 30 June 2021 comparative information has been restated to recognise the China operation as discontinued. Discontinued operations also include Germany, which was sold on 17 May 2021 (refer to note 8). The adjustments relating to the restatement have not been audited.

Segmental reporting
The Group has revised its segmental reporting from 1 January 2022. In accordance with IFRS 8 the operating segments have been changed to reflect the way in which the Group is now managed and how resources are allocated. The Group's operating segments are identified as India, Turkey, Blink, UK & Rest of the World (UK & ROW) and Central Functions. These segments replace the 'Ongoing Operations', 'Restricted Operations' and 'Central Functions' basis that was previously in place. The prior period segmental information has been restated to reflect the change. Further detail is included in note 3. The adjustments relating to the restatement have not been audited.

Hyperinflation
The Group has operations in Turkey, which has now met the criteria to be classified as a hyperinflationary economy. This is based on the Turkish Statistical Institute published consumer price index, which has cumulative inflation of 109.4% over a three year period as at March 2022. IAS 29 *Financial Reporting in Hyperinflationary Economies* requires that inflation accounting is applied to the financial statements of entities where the cumulative inflation rate in three years approximates or exceeds 100%. Inflation accounting aims to restate the value of the assets, liabilities and P&L items of an entity in terms of the monetary values as at the reporting period end date, to better represent their true and fair value.

This is performed by applying a conversion factor calculated using the reporting date inflation index over the inflation index at the date of recognition or revaluation of non-monetary or profit and loss financial statement line items. The CPI inflation index published by the Turkish Statistical Institute has been used for this calculation.

In Turkey's case, this has impacted other intangible assets, property, plant and equipment, right-of-use assets, prepayments, contract liabilities, deferred tax, share capital and all income statement items. Monetary items are not restated as they are already recognised in terms of the monetary unit current at the balance sheet date. The exchange rate then used to retranslate all financial statement line items (including income statement items) is the period end exchange rate, which as at 30 June 2022 was 20.33.

On initial adoption in the period ending 30 June 2022, the impact of inflation to the start of the period is recognised as a movement in retained earnings. Comparative balances are not restated. Inflation for the current period has been recognised within finance costs. The inflation index has moved by 42.35% from 31 December 2021 to 30 June 2022.

The overall impact of inflation accounting in Turkey in the period has been as follows;

	6 months ended 30 June 2022 £'000 (Unaudited)
Net Assets	106
Profit before Tax	59
Taxation	(10)
Profit after Tax	49
Retained earnings	43
Translation reserve	14

Insurance balances
The comparative balance sheet information as at 30 June 2021 and 31 December 2021 has been re-presented to recognise insurance assets and liabilities within 'trade and other receivables' and 'trade and other payables' respectively. This change reflects the immaterial nature of both the balances and the Group's insurance operations. The presentational changes have no impact on the EBITDA, operating profit, profit before tax or net assets of either the 30 June 2021 or 31 December 2021 comparatives.

Going concern
In reaching their view on the preparation of the condensed consolidated interim financial statements on a going concern basis, the Directors are required to consider whether the Group can continue in operational existence for a period of at least 12 months from the date of this report.

The Group has a formalised process of budgeting, reporting and review along with procedures to forecast its profitability and cash flows. The plans provide information to the Directors which are used to ensure the adequacy of resources available for the Group to meet its business objectives, both in the short-term and in relation to its strategic priorities. The Group's revenue, profit and cash flow forecasts are subject to robust downside stress testing which involves modelling the impact of a combination of plausible adverse scenarios focused on crystallisation of the Group's key operational risks, taking into consideration the changing economic back drop. This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies.

Taking the analysis into consideration, the Directors are satisfied that the Group has the necessary resources to continue in operational existence for a period of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

3 Segmental analysis

IFRS 8 *Operating segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors to allocate resources to the segments and to assess their performance. The Group's operating segments have changed in the current year and the comparatives have been restated accordingly.

The Group is now managed on the basis of five broad business units:
- India (CPP India and Globiva);
- Turkey;
- Blink;
- UK & Rest of World (UK MGA business, UK legacy business (previously categorised as restricted operations), Spain, Portugal, Italy and Mexico); and
- Central Functions - central cost base required to provide expertise and operate a listed group. Central Functions is stated after the recharge of certain central costs that are appropriate to transfer to the relevant geographies for statutory purposes.

Segment revenue and performance for the current and comparative periods are presented below:

Six months ended 30 June 2022 (Unaudited)	**India £'000**	**Turkey £'000**	**Blink £'000**	**UK & Rest of World £'000**	**Central Functions £'000**	**Total £'000**
Continuing operations						
Revenue - external sales	**67,836**	**1,453**	**216**	**8,263**	**—**	**77,768**
Segmental EBITDA	**4,330**	**213**	**(57)**	**821**	**(2,207)**	**3,100**
Share of loss in joint venture						**—**
EBITDA						**3,100**
Depreciation and amortisation						**(1,264)**
Exceptional items						**(497)**
Operating profit						**1,339**
Investment revenues						**176**
Finance costs						**(228)**
Profit before taxation						**1,287**
Taxation						**(1,449)**
Loss for the period from continuing operations						**(162)**
Discontinued operations						
Profit for the period from discontinued operations						**616**
Profit for the period						**454**

Six months ended 30 June 2021 (Unaudited) Continuing operations (Restated*, **)	India £'000	Turkey £'000	Blink £'000	UK & Rest of World £'000	Central Functions £'000	Total £'000
Revenue - external sales	53,044	1,833	137	10,656	—	65,670
Segmental EBITDA	**3,835**	**421**	**(120)**	**1,186**	**(2,584)**	**2,738**
Share of loss in joint venture						(119)
EBITDA						**2,619**
Depreciation and amortisation						(1,442)
Exceptional items						(1,489)
Operating loss						**(312)**
Investment revenues						112
Finance costs						(289)
Loss before taxation						**(489)**
Taxation						(1,136)
Loss for the period from continuing operations						**(1,625)**
Discontinued operations						
Profit for the period from discontinued operations						2,901
Profit for the period						**1,276**

* Restated to reflect China as a discontinued operation. See note 2. ** Restated to reflect new operating segments. See note 2.

Year ended 31 December 2021 (Audited) Continuing operations (Restated**)	India £'000	Turkey £'000	Blink £'000	UK & Rest of World £'000	Central Functions £'000	Total £'000
Revenue - external sales	119,273	3,568	319	20,465	—	143,625
Segmental EBITDA	**7,830**	**849**	**(254)**	**3,480**	**(4,192)**	**7,713**
Share of loss in joint venture						(189)
EBITDA						**7,524**
Depreciation and amortisation						(2,995)
Exceptional items						(1,628)
Operating profit						**2,901**
Investment revenues						223
Finance costs						(358)
Other gains and losses						1,459
Profit before taxation						**4,225**
Taxation						(3,707)
Profit for the period from continuing operations						**518**
Discontinued operations						
Profit for the period from discontinued operations						2,490
Profit for the period						**3,008**

** Restated to reflect new operating segments. See note 2.

Segmental assets (Restated**)

	30 June 2022 £'000	30 June 2021 (Restated*) £'000	31 December 2021 £'000

	(Unaudited)	(Unaudited)	(Audited)
India	**31,098**	29,731	29,252
Turkey	**1,849**	1,871	1,754
Blink	**360**	472	406
UK & Rest of World	**13,012**	13,619	12,927
Central Functions	**3,793**	1,539	6,318
Total segment assets	**50,112**	47,232	50,657
Assets relating to discontinued operations	**—**	717	478
Unallocated assets	**2,797**	1,104	2,825
Consolidated total assets	**52,909**	49,053	53,960

* Restated to reflect China as a discontinued operation. See note 2. ** Restated to reflect new operating segments. See note 2.

Goodwill, deferred tax assets, equity investment and investment in joint venture are not allocated to segments.

Capital expenditure (Restated)**

	Other intangible assets		
	6 months ended 30 June 2022	6 months ended 30 June 2021	Year ended 31 December 2021
	£'000 (Unaudited)	£'000 (Unaudited)	£'000 (Audited)
Continuing operations			
India	**949**	267	712
Turkey	**—**	1	—
Blink	**72**	99	151
UK & Rest of World	**127**	102	460
Central Functions	**5**	287	47
Total additions	**1,153**	756	1,370

** Restated to reflect new operating segments. See note 2.

In the period to 30 June 2022 £985,000 (30 June 2021: £636,000, 31 December 2021: £1,192,000) of the total other intangible asset additions related to internally generated software assets in development. These reflect the capitalisation of staff and contractor costs in IT development projects.

Timing of revenue recognition

The Group derives revenue from the transfer of goods and services over time and at a point in time as follows:

	6 months ended 30 June 2022	6 months ended 30 June 2021 (Restated*)	Year ended 31 December 2021
	£'000	£'000	£'000
	(Unaudited)	(Unaudited)	(Audited)
Continuing operations			
At a point in time	**68,739**	56,421	126,606
Over time	**9,029**	9,249	17,019
Revenue from continuing operations	**77,768**	65,670	143,625
Discontinued operations	**114**	1,785	2,464
Total revenue	**77,882**	67,455	146,089

* Restated to reflect China as a discontinued operation. See note 2.

Information about major customers

Revenue from customers of one business partner in our India segment represented approximately £49,825,000 (H1 2021: £36,156,000; year ended 31 December 2021: £84,159,000) of the Group's total revenue.

4 Exceptional items

	6 months ended 30 June 2022 £'000 (Unaudited)	6 months ended 30 June 2021 £'000 (Unaudited)	Year ended 31 December 2021 £'000 (Audited)
Restructuring costs	**497**	1,489	1,628
Exceptional charge included in operating profit	**497**	1,489	1,628
Other gains and losses – gain on reclassification of investment	**—**	—	(1,459)
Total exceptional charge included in profit before tax	**497**	1,489	169
Tax on exceptional items	**—**	(137)	(171)
Total exceptional charge/(gain) after tax	**497**	1,352	(2)

Restructuring costs of £497,000 primarily relate to settlement costs in exiting the former CEO and redundancy costs in the UK MGA as the business moves to closure. The prior year restructuring costs relates to wide-scale operational changes or closure activities in Spain, Mexico, Malaysia, Blink and Head Office, as well as closure of the Malaysian operations. The charges recognised are primarily settlement or redundancy costs.

5 Taxation

The tax charge is calculated by aggregating the tax arising in each jurisdiction based on estimated profits chargeable to corporation tax and withholding taxes arising in H1 2022 at the local statutory rate of tax. This leads to a tax charge on continuing operations of £1.4 million (H1 2021 restated: £1.1 million; year ended 31 December 2021: £3.7 million) reflecting the charges arising in India, Turkey and our European markets. These tax charges result in an effective tax rate (ETR) at the half year of 113% (H1 2021 restated: negative 232%; year ended 31 December 2021: 88%).

The corporate income tax in our profitable overseas jurisdictions is higher than the current UK corporate income tax rate of 19% and, in addition, there are withholding taxes applied to funds repatriated from our overseas operations which further increases the ETR. Profits generated from our UK operations are expected to be covered by group relief from losses arising in other UK entities.

The Mini-Budget on 23 September 2022, announced a reversal of the planned increase in April 2023 to 25% of the corporate income tax rate in the UK. The rate will now remain at its current level of 19%. This change has not been substantively enacted at the balance sheet date, and as a result deferred tax balances continue to be measured at 25%. The reversal is not expected to have a material impact on the financial statements.

The Group's forecast ETR for the full year is notably higher than the UK corporate income tax rate due to losses principally in Blink and the UK, which coupled with the one-time exceptional restructuring charges will reduce the overall Group profit before tax to a level that is lower than the tax charges recognised in our profitable markets. The strategic refocus and restructuring activity undertaken in 2022 is expected to alleviate this position and enable a progressive reduction in the Group's ETR over the longer-term.

6 Dividends

	6 months ended 30 June 2022 £'000 (Unaudited)	6 months ended 30 June 2021 £'000 (Unaudited)	Year ended 31 December 2021 £'000 (Audited)
Interim dividend for the year ended 31 December 2021 of 5 pence	**—**	—	441
Final dividend for the year ended 31 December 2021 of 7.5 pence (2020: 25 pence)	**663**	2,188	2,188
	663	2,188	2,629

The Directors have not proposed an interim dividend for 2022.

7 (Loss)/earnings per share

Basic and diluted (loss)/earnings per share (EPS) has been calculated in accordance with IAS 33 *Earnings per share*. Underlying (loss)/earnings per share, which excludes exceptional items, has also been presented in order to give a better understanding of the performance of the business. In accordance with IAS 33, potential ordinary shares are only considered dilutive when their conversion would decrease the EPS or increase the loss per share attributable to equity holders. Consequently, options are not dilutive on continuing operations in the period and therefore, in accordance with IAS 33, have not been treated as dilutive on discontinued operations or total EPS. The diluted (loss)/earnings per share is therefore equal to the basic (loss)/earnings per share in the six months ended 30 June 2022.

Six months ended 30 June 2022 (Unaudited)	**Continuing operations**	**Discontinued operations**	**Total**
(Loss)/earnings	**£'000**	**£'000**	**£'000**
(Loss)/earnings for the purposes of basic and diluted (loss)/earnings per share	**(362)**	**616**	**254**
Exceptional items (net of tax)	**497**	**(657)**	**(160)**
Earnings/(loss) for the purposes of underlying basic and diluted earnings/(loss) per share	**135**	**(41)**	**94**

Number of shares	**Number (thousands)**
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share and basic underlying earnings/(loss) per share	**8,843**
Effect of dilutive ordinary shares: share options	**57**
Weighted average number of ordinary shares for the purposes of diluted underlying earnings/(loss) per share	**8,900**

(Loss)/earnings per share	**Continuing operations Pence**	**Discontinued operations Pence**	**Total Pence**
Basic and diluted (loss)/earnings per share	**(4.09)**	**6.96**	**2.87**
Basic and diluted underlying earnings/(loss) per share	**1.53**	**(0.46)**	**1.07**

Six months ended 30 June 2021 (Unaudited) (Restated*)	**Continuing operations**	**Discontinued operations**	**Total**
(Loss)/earnings	**£'000**	**£'000**	**£'000**
(Loss)/earnings for the purposes of basic and diluted (loss)/earnings per share	(1,888)	2,901	1,013
Exceptional items (net of tax)	1,352	(2,641)	(1,289)
(Loss)/earnings for the purposes of underlying basic and diluted (loss)/earnings per share	(536)	260	(276)

Number of shares	**Number (thousands)**
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share and underlying (loss)/earnings per share	8,770

(Loss)/earnings per share	**Continuing operations Pence**	**Discontinued operations Pence**	**Total Pence**
Basic and diluted (loss)/earnings per share	(21.53)	33.08	11.55
Basic and diluted underlying (loss)/earnings per share	(6.11)	2.96	(3.15)

* Restated to reflect China as a discontinued operation.

Year ended 31 December 2021 (Audited)	Continuing operations	Discontinued operations	Total
Earnings	**£'000**	**£'000**	**£'000**
Profit for the purposes of basic and diluted earnings per share	75	2,490	2,565
Exceptional items (net of tax)	(2)	(2,399)	(2,401)
Profit for the purposes of underlying basic and diluted earnings per share	73	91	164

Number of shares	**Number (thousands)**
Weighted average number of ordinary shares for the purposes of basic earnings per share and basic underlying earnings per share	8,796
Effect of dilutive ordinary shares: share options	225
Weighted average number of ordinary shares for the purposes of diluted earnings per share and diluted underlying earnings per share	9,021

Earnings per share	**Continuing operations**	**Discontinued operations**	**Total**
	Pence	**Pence**	**Pence**
Basic earnings per share	0.85	28.31	29.16
Diluted earnings per share	0.83	27.60	28.43
Basic underlying earnings per share	0.83	1.03	1.86
Diluted underlying earnings per share	0.81	1.01	1.82

8 Discontinued operations

On 27 January 2022, the Group completed the sale of its 100% shareholding in CPP Asia Limited and its wholly owned subsidiary CPP Technology Services (Shanghai) Co. Ltd (together "China"). Consideration on disposal was HKD 1.

In the prior period, on 17 May 2021, the Group completed the sale of its 100% shareholding in CPP Creating Profitable Partnerships GmbH ("Germany"). The final consideration on disposal was £2,366,000 (€2,752,000).

In accordance with IFRS 5 *Non–current assets held for sale and discontinued operations* this operation has been presented as a discontinued operation.

Profit from discontinued operations comprises the following:

Six months ended 30 June 2022	**China £'000 (Unaudited)**
Revenue	**114**
Cost of sales	**(33)**
Gross profit	**81**
Administrative expenses	**(114)**
EBITDA and operating profit	**(33)**
Finance costs	**(8)**
Loss before taxation	**(41)**
Taxation	**—**
Loss after taxation	**(41)**
Profit on disposal	**657**
Total profit	**616**

Six months ended 30 June 2021	Germany £'000 (Unaudited)	China £'000 (Unaudited)	Total £'000 (Unaudited)

Revenue	1,062	723	1,785
Cost of sales	(430)	(306)	(736)
Gross profit	632	417	1,049
Administrative expenses	(4)	(796)	(800)
EBITDA and operating profit	628	(379)	249
Finance costs	33	8	41
Profit/(loss) before taxation	661	(371)	290
Taxation	(30)	—	(30)
Profit/(loss) after taxation	631	(371)	260
Profit on disposal	2,641	—	2,641
Total profit	3,272	(371)	2,901

Year ended 31 December 2021	Germany £'000 (Audited)	China £'000 (Audited)	Total £'000 (Audited)
Revenue	1,062	1,402	2,464
Cost of sales	(430)	(547)	(977)
Gross profit	632	855	1,487
Administrative expenses	—	(1,649)	(1,649)
EBITDA and operating profit	632	(794)	(162)
Finance costs	33	67	100
Profit/(loss) before taxation	665	(727)	(62)
Taxation	(30)	—	(30)
Profit/(loss) after taxation	635	(727)	(92)
Profit/(loss) on disposal	2,654	(72)	2,582
Total profit/(loss)	3,289	(799)	2,490

Operating results for the six months ended 30 June 2022 reflect the trading performance of China up to the date of disposal, being 27 January 2022. Comparative information reflects a complete six months and 12 months respectively. Prior to disposal China was part of the UK & ROW segment. In the prior periods, Germany is included up to the date of disposal on 17 May 2021.

The Group has recognised a profit on disposal as follows:

	6 months ended 30 June 2022 (China) £'000 (Unaudited)	6 months ended 30 June 2021 (Germany) £'000 (Unaudited)	Year ended 31 December 2021 (Germany and China) £'000 (Audited)
Proceeds	**—**	2,353	2,366
Net (assets)/liabilities sold	**(424)**	284	284
Costs associated with disposal	**—**	—	(72)
Currency translation differences on disposal	**1,081**	4	4
Profit on disposal	**657**	2,641	2,582

9 Share capital

Share capital at 30 June 2022 is £24,254,000 (30 June 2021: £24,232,000; 31 December 2021: £24,243,000). To satisfy share option exercises in the six month period to 30 June 2022 the Company has issued 11,069 £1 ordinary shares for a total equity value of £11,000 and cash consideration of £6,000.

The total number of ordinary shares in issue at 30 June 2022 is 8,844,267 of which 8,839,268 are fully paid and 4,999 are partly paid.

10 Reconciliation of operating cash flows

	6 months ended 30 June 2022 £'000 (Unaudited)	6 months ended 30 June 2021 £'000 (Unaudited)	Year ended 31 December 2021 £'000 (Audited)

Profit for the period	**454**	1,276	3,008
Adjustments for:			
Depreciation and amortisation	**1,260**	1,584	3,111
Share-based payment (credit)/charge	**(248)**	226	(64)
Impairment loss on right-of-use assets	**—**	—	48
Impairment loss on intangible assets	**—**	—	176
Impairment loss on property, plant and equipment	**—**	—	3
Loss on disposal of intangible assets	**175**	—	—
Loss on disposal of property, plant and equipment	**42**	4	26
Profit on disposal of discontinued operations	**(657)**	(2,641)	(2,582)
Share of loss of joint venture	**—**	119	189
Effects of hyperinflation	**(69)**	—	—
Investment revenues	**(176)**	(112)	(224)
Finance costs	**281**	247	259
Other gains and losses	**—**	—	(1,459)
Income tax charge	**1,449**	1,166	3,737
Operating cash flows before movement in working capital	**2,511**	1,869	6,228
(Increase)/decrease in inventories	**(13)**	(4)	40
(Increase)/decrease in contract assets	**(148)**	569	354
(Increase)/decrease in receivables	**(1,810)**	2,099	1,672
Increase/(decrease) in payables	**1,404**	(3,061)	(636)
Decrease in contract liabilities	**(30)**	(867)	(276)
Cash from operations	**1,914**	605	7,382
Income taxes paid	**(2,241)**	(907)	(2,820)
Net cash (used in)/from operating activities	**(327)**	(302)	4,562

11 Related party transactions

Transactions with associated undertakings

In the six months to 30 June 2022, the Group incurred fees of £8,000 plus VAT (30 June 2020: £4,000 and year ended 31 December 2020: £8,000) for services rendered from KYND, which was payable under 14 day credit terms. The creditor balance at 30 June 2022 was £nil (30 June 2021: £nil, 31 December 2021: £1,000).

Transactions with related parties

On 27 January 2022, the Group completed the sale of China to T-Link Holdings Limited ("T-Link") for nominal cash consideration of HK$1. As part of the Disposal, the Group made a working capital cash injection into China of £0.5 million.

The majority shareholder of T-Link is Wilson Chan, the CEO of China. The terms of the Disposal reflect the ongoing cash losses and investment requirements of China. The Board concluded that sale of the business to T-Link rather than a closure was both the least costly for the Group and the right option for all stakeholders, enabling the Group to focus on its core markets while ensuring in China the smooth transition of colleagues and continuity of service to partners and their customers.

As Wilson Chan is CEO of China and a majority shareholder in T-Link, the Disposal constitutes a related party transaction. The Directors consider, having consulted with the Company's nominated adviser, Liberum Capital Limited, that the terms of the Disposal are fair and reasonable insofar as the Company's shareholders are concerned.

Remuneration of key management personnel

The remuneration of the Directors and Senior Management Team, who are the key management personnel of the Group, is set out below:

	6 months ended 30 June 2022 £'000 (Unaudited)	6 months ended 30 June 2021 £'000 (Unaudited)	Year ended 31 December 2021 £'000 (Audited)
Short-term employee benefits	**858**	1,024	1,788
Post-employment benefits	**25**	41	74
Termination benefits	**300**	203	203
Share-based payments	**(195)**	108	(65)
	988	1,376	2,000

12 Events after the balance sheet date

Transactions with related parties

In July 2022, the Group agreed to amend the Globiva Shareholder Agreement (SHA) and certain other arrangements. The Group holds a 51% majority interest in Globiva, with the other 49% of share beneficially owned by the three founders. CPP agreed to provide additional funding of £0.5 million through an existing repayable interest-bearing loan which was utilised to make a one-time compensation payment to the Globiva founders. The SHA further entitled, upon achievement of certain performance targets, the Globiva founders to either a cash payment or to buyback of 10% of the ordinary shares in Globiva from CPP. Under the amended arrangements, the Globiva founders will, on meeting performance targets, buyback 10% of the ordinary shares, however in the normal course of business, this cannot be triggered until 1 January 2026 at the earliest.

The compensation payment to the Globiva founders, who are also Directors of Globiva, along with the other arrangements constitute a related party transaction under AIM Rule 13. The Directors of CPP Group consider, having consulted with the Company's nominated adviser, Liberum Capital Limited, that the terms of the transaction are fair and reasonable insofar as the Company's shareholders are concerned.