

26 March 2024

## CPPGroup Plc

("CPP Group"; "the Group"; or "the Company")

### FULL YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### DELIVERY OF STRATEGY ON TRACK

CPP Group (AIM: CPP), provider of real-time, digitally delivered assistance products which reduce disruptions to everyday life for millions of people across the world is pleased to announce its full year results for the 12 months ended 31 December 2023.

#### Financial Highlights:

- Group revenue increased by 14% to £193.0 million (2022: £169.8 million).
- EBITDA<sup>1</sup> at £4.8 million (2022: £6.9 million).
- Core business units<sup>3</sup> revenues increased by 17% to £181.0 million (2022: £154.3 million).
- EBITDA from Core business units<sup>3</sup> at £7.4 million (2022: £8.3 million).
- Exceptional items total £8.4 million (2022: £1.7 million) primarily relating to planned Legacy business closures.
- Loss before tax of £6.1 million (2022: £2.4 million profit).
- Cash balance of £19.0 million at 31 December 2023 (31 December 2022: £21.0 million).

#### Operational Highlights:

- Group re-focused on three Core businesses (Blink Parametric; CPP India; and CPP Turkey).
- Simplified proposition away from "insurance" to "digital assurance" services.
- Core business<sup>3</sup> performing well.
  - Seven new business partners and a 100% renewal rate for Blink Parametric
  - Strong growth in CPP India and CPP Turkey
- Change Management Programme proceeding as planned, with Phase 1 of the new Indian IT platform delivered.
- Exit from Legacy operations progressing as expected and at pace.
- Planned divestment of Globiva over three years for approximately £5.1 million announced in November 2023.
- Disposal of minority interest in KYND Limited ("KYND") for £2.6 million announced post period end.
- Post period, due to regulatory changes in India, a subset of LivCare business with Bajaj Finance Limited ("Bajaj") has transferred from the Group.

#### Simon Pyper, CEO of CPP Group, commented:

"That we have been able to implement and execute the Change Management Programme ("CMP"), to divest non-core businesses such as Globiva and KYND, and at the same time, to deliver growth from our core business, is I believe, a testament to the quality of the people that I have the privilege to work with.

From a trading perspective the Group's key Indian and Turkish markets, despite currency headwinds, performed well. Both businesses added new partners and new products and are well positioned to make further progress in 2024. Blink, the Group's parametric business primarily focused on the global travel market, also made good progress, securing seven new business partners, and achieving a 100% renewal rate of its existing client base, both of which are further proof points of the value our services provide to both the Insurer and end customer. Despite the good revenue growth, EBITDA from our core business units was lower than prior year at £7.4 million reflecting the planned investment in Blink, a mix change in CPP India product sales, and £0.8 million adverse currency movements.

From an operational perspective, the Group is now at the implementation stage of its CMP which, at its conclusion, will see the Group exit from its Legacy businesses and focus on growing its core Blink, Indian, and Turkish operations. The Group achieved the majority of the objectives that it set for itself for 2023, having over the past year delivered a new IT platform for its business in India, exited from its legacy operations in Spain, and commenced the closure process for its legacy UK businesses. As expected, the legacy closure activity has led to substantial exceptional provisions in our financial statements and moreover, is expected to consume cash as the businesses are wound down over the medium-term.

Whilst much has been achieved, there remains much to be done before we fully realise our ambition to transform CPP into a digitally led parametric business. Progress may never be as fast as I would like, but I am confident that we are travelling in the right direction and at an appropriate speed."

## Financial and non-financial highlights – continuing operations

| £ millions                              | 31 December 2023 | 31 December 2022 | Change  |
|---|------------------|------------------|---------|
| <b>Financial highlights:</b>            |                  |                  |         |
| <b>Group</b>                            |                  |                  |         |
| Revenue                                 | 193.0            | 169.8            | 14%     |
| EBITDA <sup>1</sup>                     | 4.8              | 6.9              | (30)%   |
| Operating (loss)/profit                 |                  |                  |         |
| - Reported                              | (6.4)            | 2.6              | (345)%  |
| - Underlying <sup>2</sup>               | 2.0              | 4.3              | (54)%   |
| (Loss)/profit before tax                |                  |                  |         |
| - Reported                              | (6.1)            | 2.4              | (351)%  |
| - Underlying <sup>2</sup>               | 2.3              | 4.1              | (46)%   |
| (Loss)/profit for the year              |                  |                  |         |
| - Reported                              | (8.1)            | 0.1              | >(999)% |
| - Underlying <sup>2</sup>               | 0.1              | 1.6              | (96)%   |
| Basic (loss)/earnings per share (pence) |                  |                  |         |
| - Reported                              | (97.84)          | (1.73)           | >(999)% |
| - Underlying <sup>2</sup>               | (5.56)           | 15.12            | (137)%  |
| Cash and cash equivalents               | 19.0             | 21.0             | (9)%    |
| <b>Segmental</b>                        |                  |                  |         |
| Revenue                                 |                  |                  |         |
| - Core <sup>3</sup>                     | 181.0            | 154.3            | 17%     |
| - Legacy <sup>4</sup>                   | 12.0             | 15.5             | (22)%   |
| EBITDA <sup>1</sup>                     |                  |                  |         |
| - Core <sup>3</sup>                     | 3.0              | 5.0              | (39)%   |
| - Legacy <sup>4</sup>                   | 1.8              | 1.9              | (8)%    |
| <b>Non-financial highlights:</b>        |                  |                  |         |
| Customer numbers (millions)             | 10.5             | 11.4             | (8)%    |

1. EBITDA represents earnings before interest, taxation, depreciation, amortisation, and exceptional items.
2. Underlying operating profit and underlying profit before tax excludes exceptional items of £8.4 million (2022: £1.7 million). The tax effect of the exceptional items is £0.2 million (2022: £0.2 million). Further detail of exceptional items is provided in note 5 of the condensed consolidated financial statements.
3. Core business units comprises revenue and EBITDA from CPP India, CPP Turkey, Blink Parametric and Globiva. Core total also includes central costs of £4.4 million (2022: £3.3 million).
4. Legacy business primarily comprises the UK and European renewal books of business, which are principally Card Protection and Identity Protection policies.

### Enquiries:

#### CPP Group plc

Simon Pyper, Chief Executive Officer  
David Bowling, Chief Financial Officer

Tel: +44 (0)7917 795601

#### Liberum Capital Limited

(Nominated Adviser and Sole Broker)  
Richard Lindley  
Will King

Tel: +44 (0)20 3100 2000

### 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://corporate.cppgroup.com/>

## Chairman's Statement

The last year has been one of notable progress for the Group, as it set about implementing the outcomes of its strategy review concluded in October 2022. The accompanying Change Management Programme (CMP), a set of detailed operational plans and activities by which the Group will achieve its desired outcomes, will, at its conclusion, see the business exit fully from its Legacy operations and migrate towards a digitally focused parametric business, led by Blink and supported by CPP India and CPP Turkey.

We have made good progress; the Group achieved almost all of the objectives it set itself for 2023, with only the second and smaller phase of the new IT platform for its Indian business being delayed until the spring of 2024. However, we will not rest on our collective laurels as we look to build a business which delivers sustainable long-term value for shareholders.

### Strategy for growth

Our strategy remains unchanged, and there have, particularly in the last quarter of 2023, been several indicators that suggest it is both robust and appropriate:

- Blink, the Group's parametric business primarily focused on providing digitally delivered assistance products to the global travel market, has secured seven new client wins and exited the year with a record pipeline of new business opportunities. In addition, Blink achieved a 100% renewal rate of its existing client base, and, in most instances, secured volume growth.
- Our businesses in India and Turkey, despite currency headwinds, have achieved growth in revenues and profitability.
- The Group's Legacy businesses, which, as expected, continued their decline in 2023, have started to be closed or wound down. During the year the Group exited from its operations in Spain and commenced the closure process for its business in the UK.

### Change Management Programme

The CMP consists of seven inter-dependent projects, which include the delivery of a new standalone IT platform for CPP India, a capacity and functional build for Blink, and an orderly exit programme from our Legacy operations.

Some key highlights on the good progress achieved in 2023:

- new IT platform (Phase 1) for Indian business delivered in August 2023;
- investment in Blink's operational capacity to support future growth;
- closure of Legacy operations in Spain;
- closure planning for the Legacy UK business completed, with closure process to commence in 2024; and
- planned divestment of Globiva for approximately £5.1 million announced in November 2023.

The plans and objectives that we have set ourselves for 2024, particularly those relating to the closure of the Legacy businesses and associated IT platforms, are demanding. We are, as ever, mindful that not all such endeavours proceed exactly as planned and there may well be disappointments and delays along the way. However, through the CMP that we have put in place, we aim to mitigate risk and meet expectations.

### Financial results

Group revenues, which include results from our Legacy operations, increased by 14% to £193.0 million whilst EBITDA of £4.8 million (2022: £6.9 million) was, as expected, lower than the prior year.

The trading performance from Core operations (Blink, CPP India, CPP Turkey and Globiva) was robust, with revenues increasing by 17% to £181.0 million whilst EBITDA, which also includes central costs, reduced to £3.0 million (2022: £5.0 million).

Our balance sheet shows cash of £19.0 million (2022: £21.0 million), which allows the Group to fund its working capital and CMP commitments.

### People

I am firmly of the view that there are few businesses of our size and resources which could have contemplated the challenge of transforming from one business model to another. That we have chosen to do so, achieved so much and still delivered revenue growth from our Core operations, is a clear testament to the quality, dedication and hard work of our colleagues across the Group, for which I would like to express my gratitude.

### Board and shareholders

Following certain allegations made against Hamish Ogston in a newspaper article in the latter part of last year, I stood down as his nominee on the Board, but was invited to remain in post as an independent Non-Executive Director and Chairman. For the avoidance of doubt, Mr Ogston remains a substantial and supportive shareholder, but he has had no active engagement in the Company since 2013. Subsequent to the article in question, it was not considered an appropriate time to continue with the process to find an additional Non-Executive Director, and there is currently no search in train. However, the membership of the Board will be reviewed again during the course of this year.

## Outlook

We have had a positive start to the year with trading performing in line with expectations and we are encouraged by the good pipeline of new business within Blink. There is much to be satisfied with, but we remain cautious and measured, as there is much to do between now and the end of this year and next.

David Morrison  
Non-Executive Chairman  
25 March 2024

## Chief Executive Officer Statement

### Full year performance

That we have been able to implement and execute the CMP, to divest non-core businesses such as Globiva and KYND, and, at the same time, to deliver growth from our Core business is, I believe, a testament to the quality of the people that I have the privilege to work with.

The Group's key Indian and Turkish businesses, despite currency headwinds, performed well. Both businesses added new partners and new products and are well positioned to make further progress in 2024. Blink, the Group's parametric business primarily focused on the global travel market, also made good progress, securing seven new business partners, and achieved a 100% renewal rate of its existing client base. These are further proof points of the value Blink provides to both the insurer and end customer.

Despite good revenue growth, EBITDA from our Core business units was lower than prior year at £7.4 million (2022: £8.3 million) reflecting the investment in Blink and a mix change in CPP India product sales, both of which were expected, and £0.8 million adverse currency movements, which were outside of our control.

- Blink investment:** Blink is the Group's only global product, one currently focused on delivering parametric InsurTech solutions to the worldwide travel insurance market. It forms a key part of the Group's strategy and requires sustained investment over the near- to medium-term if it is to realise its full potential. Blink reported an EBITDA loss of £1.8 million compared to a marginal loss in the prior year.
- Indian margin erosion:** as expected, CPP India's gross profit margin has been adversely impacted by the growth of lower margin products such as LivCare and, to a lesser extent, the customer acquisition costs associated with a growing Card business. CPP India's gross profit margin reduced by 1.2 percentage points to 9.3% (2022: 10.5%).
- Currency headwinds:** the Group derives 91% of its revenues in Indian rupees which weakened by 6% against sterling during the period. On a constant currency basis, the Group would have reported an additional £0.8 million of EBITDA. A comparatively weak position with our main trading currencies may well continue for the foreseeable future.

The operating loss of £6.4 million (2022: £2.6 million profit) includes depreciation charges of £2.8 million (2022: £2.5 million) and exceptional items of £8.4 million (2022: £1.7 million) which are associated with the CMP.

### Business unit performance:

| £ millions                 | REVENUE      |              |            | EBITDA <sup>1</sup> |            |              |
|----------------------------|--------------|--------------|------------|---------------------|------------|--------------|
|                            | 2023         | 2022         | CHANGE     | 2023                | 2022       | CHANGE       |
| CPP India                  | 161.0        | 134.8        | 19%        | 5.8                 | 5.6        | 5%           |
| Globiva                    | 14.5         | 15.8         | (8)%       | 2.2                 | 2.4        | (10)%        |
| CPP Turkey                 | 4.7          | 3.2          | 46%        | 1.2                 | 0.7        | 59%          |
| Blink                      | 0.8          | 0.5          | 85%        | (1.8)               | (0.4)      | (291)%       |
| <b>Core business units</b> | <b>181.0</b> | <b>154.3</b> | <b>17%</b> | <b>7.4</b>          | <b>8.3</b> | <b>(11)%</b> |
| Central Functions          | —            | —            | n/a        | (4.4)               | (3.3)      | (30)%        |
| <b>Core total</b>          | <b>181.0</b> | <b>154.3</b> | <b>17%</b> | <b>3.0</b>          | <b>5.0</b> | <b>(39)%</b> |
| Legacy <sup>2</sup>        | 12.0         | 15.5         | (22)%      | 1.8                 | 1.9        | (8)%         |
| <b>Group total</b>         | <b>193.0</b> | <b>169.8</b> | <b>14%</b> | <b>4.8</b>          | <b>6.9</b> | <b>(30)%</b> |

1. EBITDA represents earnings before interest, taxation, depreciation, amortisation and exceptional items.

2. Legacy comprises the UK, Spain, Italy and Portugal.

**CPP India:** EBITDA of £5.8 million (2022: £5.6 million), EBITDA margin of 3.6% (2022: 4.1%)

CPP India works closely with its business partners to drive value by growing customer loyalty through the design and delivery of simple and innovative products, which fit seamlessly into the everyday life of consumers. Revenue has increased by £26.2 million or 19% versus prior year and by 27% on a constant currency basis. Growth has been driven by LivCare, which is a health and wellness product sold via our largest business partner, Bajaj. Whilst this product does secure strong new business for both the Group and Bajaj, it is, and will continue to be, a relatively low margin product for CPP India. The resulting mix change in sales volumes from higher margin products to LivCare reduced CPP India's gross profit margin by 1.2 percentage points to 9.3% (2022: 10.5%), which equates to £1.9 million in gross profit.

In August, the Group delivered Phase 1 of a new IT platform for CPP India, which is now operational servicing Bajaj policies. Phase Two, due to go live in the spring of 2024, will allow CPP India to operate independently from the Centre and to service its growing partner base more effectively. Additionally, once the new IT platform is fully operational the Group will be able to close down its costly legacy IT operations.

The EBITDA margin reduced by 0.5 percentage points reflecting both the reduction in the gross profit margin and the increase in operating costs, some of which reflects the profit-based reward structure for the in-country executive team.

Bajaj has informed the Group that due to regulatory changes it is transferring a portion of its LivCare book to locally based insurers. The sale of these LivCare policies ceased in March 2024. However, due to the benefits derived from the CMP, the Group expects to absorb the estimated EBITDA shortfall from LivCare within its current market estimates.

**Globiva:** EBITDA of £2.2 million (2022: £2.4 million), EBITDA margin of 15.2% (2022: 15.5%)

Globiva is 51% owned by the Group and provides outsourced customer relationship management, back-office functionality and automated human resource services to a predominantly tech-focused client base. As a consequence of the well-publicised global tech downturn, the business, which has a significant number of tech companies on its roster, has seen a softening in seat occupancy and consequently revenues. In addition, given the relatively high operational gearing of such businesses, the softening in revenues has had an immediate, albeit modest, adverse impact on EBITDA growth.

In November 2023, the Group announced a phased divestment of its shareholding in Globiva for an aggregate consideration of approximately £5.1 million. The divestment of Globiva, which will be completed in early 2027, is consistent with Group's strategy and, moreover, provides a satisfactory outcome for both parties.

**Turkey:** EBITDA of £1.2 million (2022: £0.7 million), EBITDA margin of 24.6% (2022: 22.6%)

CPP Turkey performed well during the year with EBITDA increasing by 59%. That the business has been able to deliver real growth following the earthquake in February and in such a turbulent economic environment reflects the quality and strength of our proposition, of our relationships with our business partners and of our newly formed management team.

**Blink:** EBITDA loss of £1.8 million (2022: £0.4 million loss)

Blink is a technology and software platform provider focused on delivering innovative travel disruption (flight delay and lost luggage) solutions for the global travel sector. It is the Group's only offering which can be sold, serviced and delivered across multiple geographies. Blink is, along with CPP India and CPP Turkey, the future of CPP Group.

Towards the end of last year as part of the Group's CMP, we set in place two work streams, one focused on building capacity (people, processes and structures) and the other on growth (new product development and sales and marketing). These work streams will not fully conclude until Q1 2024. The necessary investment into Blink as part of this has led to the increased full year EBITDA losses compared to prior year.

Whilst it is too early to draw conclusions from our full year results, there are a number of proof points, such as, seven new client wins including several blue-chip insurance clients, the 100% renewal of partner contracts in 2023 (including Blue Cross in Canada) and numerous Industry awards, all of which suggest that both our approach and strategy are sound. At the same time, Blink has also demonstrated the quality and value of its proposition to its partners with policies sold which includes Blink's services increasing by 46%, the volume of flights tracked by Blink increasing 78% and claims paid using Blink's technology increasing 63%.

**Legacy business:** EBITDA of £1.8 million (2022: £1.9 million)

Following the withdrawal from China, Mexico and Bangladesh in 2022, we continue to make good progress with exiting our Legacy businesses. As forecast, revenue from the UK and European back books (predominantly Card Protection and Identity Protection) continued to decline. However, EBITDA reduced modestly by £0.1 million as the commencement of closure activities across our Legacy markets reduced costs, most notably in Spain which included beneficial commission terms on the transfer of certain business to underwriters.

In the final quarter of 2023, the Group completed the closure of its Spanish business and commenced the wind-down and closure process for its UK operations.

**Central costs:** £4.4 million (2022: £3.3 million)

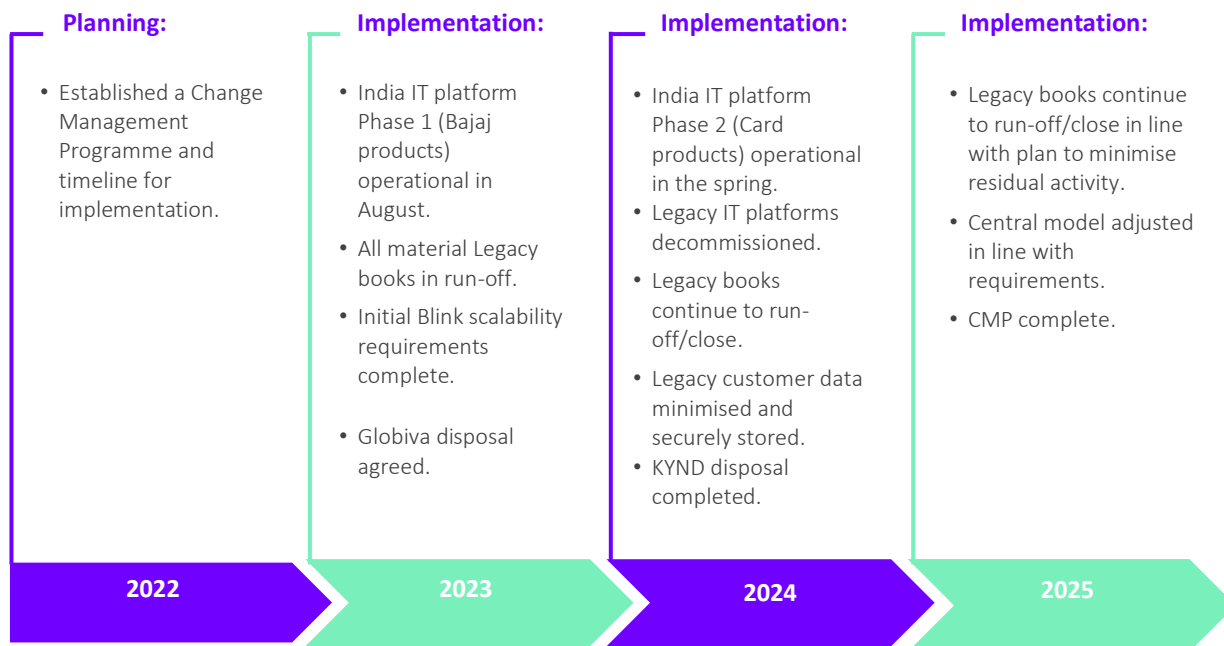
Central overheads before appropriate recharge to business units are £10.1 million (2022: £9.0 million), of which £3.7 million (2022: £3.5 million) relates to the cost of the Group's IT operations. The new IT platform for our Indian business when fully deployed will enable the decommissioning of our expensive legacy IT systems. There will be dual-running costs into H1 2024, but we expect a significant reduction in the running cost of the Group's IT estate thereafter. Net of recharges, our reported central costs have increased by £1.1 million (30%) due to costs associated with Legacy closures, preparations for decommissioning Legacy IT platforms, and additional share scheme charges.

## Operational highlights

From an operational perspective, the Group is now at the implementation stage of its CMP which, at its conclusion, will see the Group exit from its Legacy businesses and focus on growing its Core Blink, Indian and Turkish operations. The Group achieved the majority of its 2023 objectives, having over the past year delivered a new IT platform for its business in India, exited from its Legacy operations in Spain, and commenced the closure process for its legacy UK business.

## Change Management Programme

In October 2022, we announced our strategy to shift towards an InsurTech business led by Blink and supported by CPP India and CPP Turkey, whilst addressing the challenges presented by our declining Legacy book. The CMP is the ‘how’ we build a better future for the Group, one which on completion will provide better outcomes for all shareholders and other stakeholders.



In 2023 we achieved all but one of the objectives that we set ourselves, with only Phase 2 of the new IT platform for CPP India delayed to the spring of 2024.

During the year we delivered:

1. Phase 1 of new IT platform for CPP India delivered in August. The platform is fully operational with over 5 million live policies being administered and serviced.
2. Blink launched a new market-leading, white-labelled online user experience platform. The scalability and speed of deployment increased, with a step change in infrastructure and operational capability supported by hiring of senior operational, customer service and technical management roles.
3. Spanish Legacy business closed in November.
4. Italian portfolio transferred from legacy IT systems to a third party fully managed service provider in June.
5. Wind-down and closure programme for the UK business is underway.
6. Planning finalised for the decommissioning of the Group’s expensive legacy IT systems. Decommissioning is expected to be complete in H1 2024.

Our objectives for 2024 include: the decommissioning of legacy IT platforms; migration of legacy customer data to lower cost third party platforms; continued investment in Blink; and the delivery of Phase 2 of the new India IT platform.

### Our colleagues

I would like to thank all my colleagues for their commitment, hard work and professionalism. We should take pride in what we have achieved thus far and we should be confident about our future and the business we are building together.

### Outlook

We are confident about the outlook and growth prospects for our Core operations although adverse currency headwinds look set to continue for the foreseeable future. The CMP is expected to consume cash as we continue to exit from our Legacy business and incur closure costs, such as redundancies. That aside, our focus remains unchanged, on reshaping and building a business which will improve outcomes for all stakeholders over the longer-term. Whilst progress is never as fast as I would like, I remain confident that we are travelling in the right direction and at an appropriate speed.

**Simon Pyper**  
Chief Executive Officer  
25 March 2024



## Chief Financial Officer Statement

### Overview

The Group made good financial progress in the year, growing revenue in its Core operations. The CMP has progressed to plan with Legacy operations being wound down or exited, Phase 1 of the new Indian IT platform in operation and servicing the business, and Blink continuing to grow. As a result, and as expected, EBITDA has reduced whilst the Group repositions itself as a technology-led business focused on three Core businesses. The withdrawal from the Legacy markets through the CMP will continue to reduce cash in the medium-term, yet the Group is in a solid financial position with which to complete its simplification in order to improve outcomes for all stakeholders.

The Group has made other positive strides in its simplification with the planned exit from Globiva over three years for consideration of approximately £5.1 million and the post-period disposal of its interest in KYND for £2.6 million. The cash consideration from these transactions will support the CMP and further investment required to scale Blink.

Group revenue increased by 14% (21% constant currency) to £193.0 million (2022: £169.8 million). Revenue growth was driven by our Core operations which represent 94% of Group revenues and were 17% higher than last year at £181.0 million (2022: £154.3 million). New business has been particularly strong in India increasing by 19% principally through the relationship with Bajaj. EBITDA has, as expected, reduced to £4.8 million (2022: £6.9 million). The reduction in EBITDA reflects additional investment in Blink, a softening of margins in India and currency headwinds.

| <b>Continuing Operations</b>              | <b>2023</b>    | <b>2022</b> |
|---|----------------|-------------|
| Revenue (£ millions)                      | <b>193.0</b>   | 169.8       |
| Gross profit (£ millions)                 | <b>30.9</b>    | 30.8        |
| EBITDA (£ millions) <sup>1</sup>          | <b>4.8</b>     | 6.9         |
| Operating (loss)/profit (£ millions)      | <b>(6.4)</b>   | 2.6         |
| (Loss)/profit before tax (£ millions)     | <b>(6.1)</b>   | 2.4         |
| Taxation (£ millions)                     | <b>(2.0)</b>   | (2.3)       |
| (Loss)/profit for the year (£ millions)   | <b>(8.1)</b>   | 0.1         |
| Basic loss per share (pence)              | <b>(97.84)</b> | (1.73)      |
| Cash generated by operations (£ millions) | <b>5.5</b>     | 7.3         |

1. Excluding depreciation, amortisation and exceptional items.

Gross profit remained broadly flat at £30.9 million (2022: £30.8 million). However, the gross profit margin has decreased to 16.0% (2022: 18.1%) which is a continuation of the change in market mix with growth in our Indian business which has higher costs of acquisition from new sales than the Legacy renewal books it is replacing. In addition, a shift to lower margin product variants and inflationary pressures have impacted our margins in India and Globiva. We expect our gross profit margins to continue to reduce in the short- to medium-term as withdrawal from the Legacy markets is completed as part of the CMP before stabilising in 2025 and improving incrementally thereafter. The margin will continue to be weighted towards India, which is operating at a gross margin of approximately 9%.

EBITDA reduced to £4.8 million (2022: £6.9 million) reflecting additional investment in Blink's operational capability as the business is prepared for scale, the softening margins in India and adverse currency movements in the rupee and lira. On a constant currency basis EBITDA would have been £5.6 million which is £0.8 million higher than reported. Administrative expenses, before depreciation and exceptional items, continue to be closely monitored, albeit there has been an increase in the year as a result of business growth in India and Turkey, scaling Blink and general inflationary pressures. The cost base is expected to reduce in 2024 as the benefits of closing Legacy operations and decommissioning the Legacy IT platforms come through.

Depreciation and amortisation charges have increased to £2.8 million (2022: £2.5 million). The increase reflects the Phase 1 launch of the Group's new technology platform in India in August 2023. The Group's depreciation charges are expected to increase further in 2024 as Phase 2 of the platform is launched in the Spring.

### Exceptional items

As expected, the Legacy closure activity led to substantial exceptional charges of £8.4 million (2022: £1.7 million) which relate to:

- onerous contract provision of £3.4 million (2022: £0.2 million) reflecting an estimate for future contractual losses in the UK and Spain as the businesses are wound down and the Group's legacy IT systems are decommissioned;



- restructuring and closure costs of £3.7 million (2022: £0.8 million) comprising redundancy and settlement costs in Spain, the UK and Turkey, along with charges for retention schemes established to safeguard the delivery of the CMP activities over an extended period of time;
- IT impairments charges of £0.2 million (2022: £0.2 million) relating to closure activities; and
- Deferred Bonus Plan (DBP) charges of £1.1 million (2022: £nil). The DBP is a share-based retention measure for the Executive Management Committee (EMC) whereby participants agreed to defer a portion of their 2022 annual bonus in return for share options.

The IT impairment and DBP charges are non-cash items. At the balance sheet date, £5.9 million remains to be paid over the next three years to settle CMP liabilities.

The substantial exceptional costs, result in an operating loss of £6.4 million (2022: £2.6 million profit). Consequently, the Group is reporting a loss before tax of £6.1 million (2022: £2.4 million profit), and a loss after tax of £8.1 million (2022: £0.1 million profit).

## Tax

The tax charge for the year is £2.0 million (2022: £2.3 million), which is an effective tax rate (ETR) of negative 32% (2022: positive 96%). The tax charge includes £1.5 million (2022: £1.6 million) relating to India.

The negative tax rate reflects the substantial CMP exceptional charges and increased operational investment in Blink; against both of these factors the Group is unable to offset all the losses or recognise tax credits. At the same time the Group continues to generate taxable profits in India and Turkey.

### Adjusted ETR

|                          | Continuing Operations |               |              | Exceptional items |               |              | Adjusted    |               |              |
|--------------------------|-----------------------|---------------|--------------|-------------------|---------------|--------------|-------------|---------------|--------------|
|                          | Core<br>£'m           | Legacy<br>£'m | Total<br>£'m | Core<br>£'m       | Legacy<br>£'m | Total<br>£'m | Core<br>£'m | Legacy<br>£'m | Total<br>£'m |
| <b>2023</b>              |                       |               |              |                   |               |              |             |               |              |
| (Loss)/profit before tax | (0.7)                 | (5.4)         | (6.1)        | 1.4               | 7.0           | 8.4          | 0.7         | 1.6           | 2.3          |
| Tax                      | (1.8)                 | (0.2)         | (2.0)        | —                 | (0.2)         | (0.2)        | (1.8)       | (0.4)         | (2.2)        |
| ETR                      | (248)%                | (4)%          | (32)%        | 4%                | 3%            | 3%           | 277%        | 24%           | 97%          |

|                          | Continuing Operation |               |              | Exceptional items |               |              | Adjusted    |               |              |
|--------------------------|----------------------|---------------|--------------|-------------------|---------------|--------------|-------------|---------------|--------------|
|                          | Core<br>£'m          | Legacy<br>£'m | Total<br>£'m | Core<br>£'m       | Legacy<br>£'m | Total<br>£'m | Core<br>£'m | Legacy<br>£'m | Total<br>£'m |
| <b>2022</b>              |                      |               |              |                   |               |              |             |               |              |
| Profit/(loss) before tax | 1.6                  | 0.8           | 2.4          | 1.0               | 0.7           | 1.7          | 2.6         | 1.5           | 4.1          |
| Tax                      | (2.0)                | (0.3)         | (2.3)        | (0.1)             | (0.1)         | (0.2)        | (2.1)       | (0.4)         | (2.5)        |
| ETR                      | 124%                 | 41%           | 96%          | 13%               | 8%            | 11%          | 82%         | 26%           | 61%          |

The exceptional items in the year have reduced profit before tax by £8.4 million (2022: £1.7 million) whilst there has been an associated reduction in tax of £0.2 million (2022: £0.2 million). Without the exceptional items the Group's ETR would be 97% (2022: 61%).

As the CMP progresses, the Core performance of the business will increasingly provide a better indication of future performance. The Core operations adjusted ETR is 277% (2022: 82%), which includes withholding taxes on dividend repatriations from India and Turkey and the loss-making Central Functions. The notable increase in Core adjusted ETR reflects the increased losses generated by additional operational investment in Blink and higher central costs.

A high and volatile Group ETR is expected to persist until Legacy operations are exited. The CMP is expected to improve both the Group and Core operations ETR in the medium-term as the simplification of the Group enables UK-based central costs to be further reduced and Blink moves towards profitability.

## Dividend

Due to the costs and uncertainties associated with the CMP, the dividend payment remains suspended until further notice. If circumstances change, the Board will review and update shareholders when appropriate to do so.

## Foreign exchange

The general weakening against sterling of the Group's main trading currencies, the Indian rupee and Turkish lira, has led to an adverse exchange rate movement in the Group's results. The Indian rupee has depreciated by 6% (2022: 5% appreciation) whilst the Turkish lira has continued to weaken with a further 48% reduction in 2023 (2022: 63% reduction).

The reported results compared to 2023 include the following adverse foreign exchange movements: £10.3 million (2022: £4.5 million favourable) within revenue; and £0.8 million (2022: £0.1 million favourable) at an EBITDA level.

## Cash flow and net funds

|   | <b>2023</b>  | 2022  |
|---|--------------|-------|
|   | <b>£'m</b>   | £'m   |
| EBITDA                                      | <b>4.8</b>   | 7.0   |
| Exceptional items <sup>1</sup>              | <b>(7.2)</b> | (1.7) |
| Non-cash items                              | <b>0.1</b>   | —     |
| Working capital movements <sup>2</sup>      | <b>7.8</b>   | 2.0   |
| Cash generated by operations                | <b>5.5</b>   | 7.3   |
| Tax   | <b>(1.9)</b> | (3.5) |
| Operating cash flow                         | <b>3.6</b>   | 3.8   |
| Capital expenditure (including intangibles) | <b>(3.9)</b> | (2.7) |
| Lease repayments                            | <b>(1.4)</b> | (1.4) |
| Disposal of discontinued operations         | —            | (0.9) |
| Net finance revenues                        | <b>0.7</b>   | 0.4   |
| Costs of refinancing the bank facility      | <b>(0.1)</b> | —     |
| Dividends                                   | —            | (0.7) |
| Net movement in cash <sup>3</sup>           | <b>(1.1)</b> | (1.5) |
| Net funds <sup>4</sup>                      | <b>15.3</b>  | 16.3  |

1. Cash-based exceptional items, being onerous contract provisions and restructuring and closure costs. The other exceptional items in the year were non-cash.
2. Working capital includes £5.9 million (2022: £0.4 million) relating to exceptional items not yet paid.
3. Excluding the effect of exchange rates.
4. Net funds comprise cash and cash equivalents of £19.0 million (2022: £21.0 million) and a borrowing asset of £0.1 million (2022: £nil) less lease liabilities of £3.8 million (2022: £4.7 million).

The net funds position has decreased to £15.3 million (2022: £16.3 million), which includes cash of £19.0 million (2022: £21.0 million). The Group had a net cash outflow of £1.1 million (2022: £1.5 million) in the year following an acceleration in costs to develop the IT platform in India, which enabled the successful launch of Phase 1 in August and progress on Phase 2 which is expected to launch in spring 2024.

Cash generated by operations has reduced to £5.5 million (2022: £7.3 million) reflecting increased investment to scale Blink and restructuring costs as closure activities progress in Spain and the UK, including the UK-based IT function. There is a net working capital benefit in the year of £7.8 million which in part reflects restructuring costs and onerous contract provisions that have been recognised but not yet paid. Tax paid has decreased to £1.9 million (2022: £3.5 million) which is due to lower taxable profits in India and a reduction in overseas dividends to the UK which typically suffer withholding taxes.

The Group had cash balances of £19.0 million; however, cash is expected to progressively reduce in the medium-term as the UK is run-off, other CMP liabilities are settled and investment continues to scale Blink. In addition, as the Group's growth has shifted to overseas markets a substantial amount of the cash balance is generated in India and Turkey. As a result, not all of our cash resources are immediately available for distribution or on demand for working capital purposes around the Group. At 31 December 2023, approximately 40% of the cash balances were considered 'restricted'. There are also tax costs associated with returning overseas funds to the UK so cash planning is increasingly crucial as the Group's cash resources reduce over the medium-term.

In June 2023, the Group renewed its £5.0 million revolving credit facility (RCF) for a further three-year term to August 2026. The RCF renewal, which is on improved terms, is a positive endorsement of the Group's strategic direction and will provide cash flow flexibility as the business progresses through the CMP. The RCF is currently undrawn.

## Events after the balance sheet date

On 15 February 2024, the Group disposed of its 13.3% (fully diluted basis) shareholding in KYND for a cash consideration of £2.6 million. The investment in KYND was non-core to the Group. The transaction is another positive step in the simplification of the Group and will provide additional cash resources to support the CMP and investment in Blink.

**David Bowling**  
**Chief Financial Officer**  
**25 March 2024**

## Consolidated income statement

For the year ended 31 December 2023

|  | Note | 2023           |                 |                | 2022          |                 |                |
|--|------|----------------|-----------------|----------------|---------------|-----------------|----------------|
|  |      | Core<br>£'000  | Legacy<br>£'000 | Total<br>£'000 | Core<br>£'000 | Legacy<br>£'000 | Total<br>£'000 |
| <b>Continuing operations</b>                                 |      |                |                 |                |               |                 |                |
| Revenue  | 4    | 181,010        | 12,026          | 193,036        | 154,267       | 15,516          | 169,783        |
| Cost of sales  |      | (159,031)      | (3,060)         | (162,091)      | (133,924)     | (5,087)         | (139,011)      |
| <b>Gross profit</b>  |      | <b>21,979</b>  | <b>8,966</b>    | <b>30,945</b>  | <b>20,343</b> | <b>10,429</b>   | <b>30,772</b>  |
| Administrative expenses                                      |      | (22,739)       | (14,608)        | (37,347)       | (18,469)      | (9,689)         | (28,158)       |
| <b>Operating (loss)/profit</b>                               |      | <b>(760)</b>   | <b>(5,642)</b>  | <b>(6,402)</b> | <b>1,874</b>  | <b>740</b>      | <b>2,614</b>   |
| <b>Analysed as:</b>  |      |                |                 |                |               |                 |                |
| EBITDA   | 4    | 3,013          | 1,770           | 4,783          | 4,928         | 1,925           | 6,853          |
| Depreciation and amortisation                                |      | (2,408)        | (362)           | (2,770)        | (2,055)       | (452)           | (2,507)        |
| Exceptional items  | 5    | (1,365)        | (7,050)         | (8,415)        | (999)         | (733)           | (1,732)        |
| Investment revenues  |      | 521            | 228             | 749            | 370           | 116             | 486            |
| Finance costs  |      | (471)          | (15)            | (486)          | (630)         | (26)            | (656)          |
| <b>(Loss)/profit before taxation</b>                         |      | <b>(710)</b>   | <b>(5,429)</b>  | <b>(6,139)</b> | <b>1,614</b>  | <b>830</b>      | <b>2,444</b>   |
| Taxation   | 6    | (1,761)        | (199)           | (1,960)        | (2,000)       | (343)           | (2,343)        |
| <b>(Loss)/profit for the year from continuing operations</b> |      | <b>(2,471)</b> | <b>(5,628)</b>  | <b>(8,099)</b> | <b>(386)</b>  | <b>487</b>      | <b>101</b>     |
| <b>Discontinued operations</b>                               |      |                |                 |                |               |                 |                |
| Profit for the year from discontinued operations             |      | —              | —               | —              | —             | 676             | 676            |
| <b>(Loss)/profit for the year</b>                            |      | <b>(2,471)</b> | <b>(5,628)</b>  | <b>(8,099)</b> | <b>(386)</b>  | <b>1,163</b>    | <b>777</b>     |
| <b>Attributable to:</b>                                      |      |                |                 |                |               |                 |                |
| Equity holders of the Company                                |      | (3,027)        | (5,628)         | (8,655)        | (640)         | 1,163           | 523            |
| Non-controlling interests                                    |      | 556            | —               | 556            | 254           | —               | 254            |
|  |      | (2,471)        | (5,628)         | (8,099)        | (386)         | 1,163           | 777            |
| <b>Basic and diluted (loss)/earnings per share</b>           |      |                |                 |                |               |                 |                |
| Continuing operations  | 7    | (34.22)        | (63.62)         | (97.84)        | (7.24)        | 5.51            | (1.73)         |
| Discontinued operations                                      | 7    | —              | —               | —              | —             | 7.64            | 7.64           |
|  |      | (34.22)        | (63.62)         | (97.84)        | (7.24)        | 13.15           | 5.91           |

**Consolidated statement of comprehensive income**

For the year ended 31 December 2023

|   | <b>2023</b>    | 2022    |
|---|----------------|---------|
|   | <b>£'000</b>   | £'000   |
| (Loss)/profit for the year  | <b>(8,099)</b> | 777     |
| <b>Items that may be reclassified subsequently to profit or loss:</b> |                |         |
| Fair value gain on equity investment                                  | <b>610</b>     | 152     |
| Exchange differences on translation of foreign operations             | <b>(696)</b>   | (2,052) |
| Exchange differences reclassified on disposal of foreign operations   | <b>68</b>      | 1,093   |
| <b>Other comprehensive expense for the year net of taxation</b>       | <b>(18)</b>    | (807)   |
| <b>Total comprehensive expense for the year</b>                       | <b>(8,117)</b> | (30)    |
| <b>Attributable to:</b>   |                |         |
| Equity holders of the Company   | <b>(8,571)</b> | (286)   |
| Non-controlling interests   | <b>454</b>     | 256     |
|   | <b>(8,117)</b> | (30)    |

**Consolidated balance sheet**

As at 31 December 2023

|   | Note | 2023<br>£'000   | 2022<br>£'000   |
|---|------|-----------------|-----------------|
| <b>Non-current assets</b>                                   |      |                 |                 |
| Goodwill  |      | 513             | 544             |
| Other intangible assets                                     | 8    | 6,619           | 4,710           |
| Property, plant and equipment                               |      | 932             | 1,243           |
| Right-of-use assets   |      | 3,122           | 3,936           |
| Equity investment   |      | —               | 2,041           |
| Deferred tax assets   |      | 693             | 230             |
| Contract assets   |      | 208             | 275             |
|   |      | <b>12,087</b>   | <b>12,979</b>   |
| <b>Current assets</b>                                       |      |                 |                 |
| Inventories   |      | 9               | 87              |
| Contract assets   |      | 6,716           | 5,764           |
| Trade and other receivables                                 |      | 13,761          | 19,841          |
| Cash and cash equivalents                                   |      | 19,001          | 20,984          |
|   |      | <b>39,487</b>   | <b>46,676</b>   |
| Assets classified as held for sale                          |      | 2,631           | —               |
|   |      | <b>42,118</b>   | <b>46,676</b>   |
| <b>Total assets</b>   |      | <b>54,205</b>   | <b>59,655</b>   |
| <b>Current liabilities</b>                                  |      |                 |                 |
| Borrowings  |      | —               | 23              |
| Income tax liabilities                                      |      | (1,004)         | (1,195)         |
| Trade and other payables                                    |      | (25,696)        | (26,210)        |
| Provisions  |      | (1,877)         | (224)           |
| Lease liabilities   |      | (907)           | (966)           |
| Contract liabilities  |      | (11,581)        | (11,238)        |
|   |      | <b>(41,065)</b> | <b>(39,810)</b> |
| <b>Net current assets</b>                                   |      | <b>1,053</b>    | <b>6,866</b>    |
| <b>Non-current liabilities</b>                              |      |                 |                 |
| Borrowings  |      | 105             | —               |
| Deferred tax liabilities                                    |      | (646)           | (702)           |
| Provisions  |      | (1,588)         | (145)           |
| Lease liabilities   |      | (2,892)         | (3,752)         |
| Contract liabilities  |      | (604)           | (773)           |
|   |      | <b>(5,625)</b>  | <b>(5,372)</b>  |
| <b>Total liabilities</b>                                    |      | <b>(46,690)</b> | <b>(45,182)</b> |
| <b>Net assets</b>   |      | <b>7,515</b>    | <b>14,473</b>   |
| <b>Equity</b>   |      |                 |                 |
| Share capital   | 9    | 24,257          | 24,256          |
| Share premium account                                       |      | 45,225          | 45,225          |
| Merger reserve  |      | (100,399)       | (100,399)       |
| Translation reserve   |      | (1,351)         | (825)           |
| ESOP reserve  |      | 18,334          | 17,212          |
| Retained earnings   |      | 19,192          | 27,201          |
| <b>Equity attributable to equity holders of the Company</b> |      | <b>5,258</b>    | <b>12,670</b>   |
| Non-controlling interests                                   |      | 2,257           | 1,803           |
| <b>Total equity</b>   |      | <b>7,515</b>    | <b>14,473</b>   |

## Consolidated statement of changes in equity

For the year ended 31 December 2023

|   | Note | Share capital<br>£'000 | Share premium<br>account<br>£'000 | Merger<br>reserve<br>£'000 | Translation<br>reserve<br>£'000 | ESOP<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>£'000 | Non-<br>controlling<br>interests<br>£'000 | Total<br>equity<br>£'000 |
|---|------|------------------------|-----------------------------------|----------------------------|---------------------------------|--------------------------|-------------------------------|----------------|---|--------------------------|
| <b>At 1 January 2022</b>                                |      | 24,243                 | 45,225                            | (100,399)                  | 136                             | 17,418                   | 27,202                        | 13,825         | 1,547                                     | 15,372                   |
| Profit for the year                                     |      | —                      | —                                 | —                          | —                               | —                        | 523                           | 523            | 254                                       | 777                      |
| Other comprehensive<br>(expense)/income for<br>the year |      | —                      | —                                 | —                          | (961)                           | —                        | 152                           | (809)          | 2   | (807)                    |
| Total comprehensive<br>(expense)/income for<br>the year |      | —                      | —                                 | —                          | (961)                           | —                        | 675                           | (286)          | 256                                       | (30)                     |
| Equity-settled share-<br>based payment credit           | 10   | —                      | —                                 | —                          | —                               | (206)                    | —                             | (206)          | —   | (206)                    |
| Exercise of share<br>options                            |      | 13                     | —                                 | —                          | —                               | —                        | (7)                           | 6              | —   | 6                        |
| Deferred tax on share<br>options                        | 6    | —                      | —                                 | —                          | —                               | —                        | (9)                           | (9)            | —   | (9)                      |
| Effects of<br>hyperinflation                            |      | —                      | —                                 | —                          | —                               | —                        | 3                             | 3              | —   | 3                        |
| Dividends paid  |      | —                      | —                                 | —                          | —                               | —                        | (663)                         | (663)          | —   | (663)                    |
| <b>At 31 December 2022</b>                              |      | 24,256                 | 45,225                            | (100,399)                  | (825)                           | 17,212                   | 27,201                        | 12,670         | 1,803                                     | 14,473                   |
| (Loss)/profit for the<br>year                           |      | —                      | —                                 | —                          | —                               | —                        | (8,655)                       | (8,655)        | 556                                       | (8,099)                  |
| Other comprehensive<br>(expense)/income for<br>the year |      | —                      | —                                 | —                          | (526)                           | —                        | 610                           | 84             | (102)                                     | (18)                     |
| Total comprehensive<br>(expense)/income for<br>the year |      | —                      | —                                 | —                          | (526)                           | —                        | (8,045)                       | (8,571)        | 454                                       | (8,117)                  |
| Equity-settled share-<br>based payment charge           | 10   | —                      | —                                 | —                          | —                               | 1,122                    | —                             | 1,122          | —   | 1,122                    |
| Exercise of share<br>options                            | 9    | 1                      | —                                 | —                          | —                               | —                        | (1)                           | —              | —   | —                        |
| Effects of<br>hyperinflation                            |      | —                      | —                                 | —                          | —                               | —                        | 37                            | 37             | —   | 37                       |
| <b>At 31 December 2023</b>                              |      | 24,257                 | 45,225                            | (100,399)                  | (1,351)                         | 18,334                   | 19,192                        | 5,258          | 2,257                                     | 7,515                    |

**Consolidated cash flow statement**

For the year ended 31 December 2023

|   | Note | 2023<br>£'000  | 2022<br>£'000 |
|---|------|----------------|---------------|
| <b>Net cash from operating activities</b>                 | 11   | <b>3,610</b>   | 3,822         |
| <b>Investing activities</b>                               |      |                |               |
| Interest received   |      | 749            | 490           |
| Purchases of property, plant and equipment                |      | (335)          | (526)         |
| Purchases of intangible assets                            | 8    | (3,551)        | (2,194)       |
| Costs associated with disposal of discontinued operations |      | —              | (128)         |
| Cash disposed of with discontinued operations             |      | —              | (823)         |
| <b>Net cash used in investing activities</b>              |      | <b>(3,137)</b> | (3,181)       |
| <b>Financing activities</b>                               |      |                |               |
| Dividends paid  |      | —              | (663)         |
| Costs of refinancing the bank facility                    |      | (128)          | —             |
| Repayment of the lease liabilities                        |      | (1,396)        | (1,388)       |
| Interest paid   |      | (69)           | (75)          |
| Issue of ordinary share capital                           | 9    | —              | 6             |
| <b>Net cash used in financing activities</b>              |      | <b>(1,593)</b> | (2,120)       |
| <b>Net decrease in cash and cash equivalents</b>          |      | <b>(1,120)</b> | (1,479)       |
| Effect of foreign exchange rate changes                   |      | (863)          | 54            |
| Cash and cash equivalents at 1 January                    |      | 20,984         | 22,409        |
| <b>Cash and cash equivalents at 31 December</b>           |      | <b>19,001</b>  | 20,984        |



## Notes to condensed financial statements

### 1. General information

While the financial information included in this annual results announcement has been computed in accordance with the recognition and measurement criteria in conformity with UK-adopted International Accounting Standards ('UK IAS') and with those parts of the Companies Act 2006 applicable to companies reporting under UK IAS, this announcement does not itself contain sufficient information to comply with UK IAS. The Company will publish full financial statements that comply with UK IAS in April 2024.

The financial information set out above does not constitute the Company's statutory financial statements for the years ended 31 December 2023 or 31 December 2022 but is derived from the 2023 financial statements. Statutory financial statements for 2022 for the Company prepared under UK IAS have been delivered to the Registrar of Companies and those for 2023 for the Company will be delivered following the Company's Annual General Meeting. The Auditor, PKF Littlejohn LLP, has reported on these financial statements; their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498 (2) or (3) of the Companies Act 2006. These 2023 financial statements were approved by the Board of Directors on 25 March 2024.

### 2. Accounting policies

The same accounting policies, presentation and methods of computation are followed in the condensed financial statements as were applied in the Group's audited financial statements for the year ended 31 December 2022. The following Standards and Interpretations have become effective and have been adopted in these condensed financial statements. No Standards or Interpretations have been adopted early in these condensed financial statements.

| Standard/Interpretation | Subject  |
|-------------------------|--|
| IAS 1                   | Disclosure of accounting policies  |
| IAS 8                   | Definition of accounting estimates   |
| IAS 12                  | Deferred tax related to assets and liabilities arising from a single transaction |
| IFRS 17                 | Insurance contracts  |

IFRS 17 is applicable for the first time in the current period. The Group's insurance operations are not material and as a result, no adjustment has been made for this accounting standard change as the valuation of the remaining insurance contract balances in the Group's consolidated financial statements will be materially the same under both IFRS 17 and IFRS 4.

Amendments to IAS 1, IAS 8 and IAS 12 have not had a material impact to the Group on adoption.

### Going concern

In reaching their view on the preparation of the Group's 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. 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 financial statements.

### 3. Critical accounting judgements and key sources of estimation uncertainty

#### Critical judgements

##### *Revenue recognition*

The Group recognises revenue either immediately on inception of a policy or over the duration of a policy where there are ongoing obligations to fulfil to a customer. Certain of the Group's contractual structures relating to product features require judgement in determining whether the Group carries an obligation to the customer over the term of the policy or if the exposure to that obligation has been transferred to a third party on inception.

This judgement determines when the Group has completed the performance obligation to the customer and can recognise revenue.

The Group allocates revenue on a cost plus margin basis. The cost base may vary over time as product features are enhanced, suppliers changed, or underlying costs move. Judgement is applied in determining if the resulting changes to the cost base represent a temporary or permanent adjustment in the allocation of revenue to performance obligations. If a change is considered temporary, or within a materiality threshold, revenue recognition principles are not amended to aid consistency.

##### *Classification of exceptional items*

Exceptional items are those items that are required to be separately disclosed by virtue of their size or incidence or have been separately disclosed on the income statement in order to improve a reader's understanding of the financial statements. Consideration of what should be included as exceptional requires judgement to be applied. Exceptional items are considered to be ones which are material and outside of the normal operating practice of the Group. Items which are in other gains or losses and exceptional from their size or nature are identified in the exceptional note.

#### Assumptions and estimation uncertainties

##### *Current tax*

The Group operates in countries with complex tax regulations, where filed tax positions may remain open to challenge by local tax authorities for several years. Corporation taxes are recognised by assessment of the specific tax law and likelihood of settlement. Where the Group has uncertain tax treatments it has recognised appropriate provisions reflecting the expected value calculated by the sum of the probability-weighted amounts in a range of possible outcomes.

Changes to the Group's assessment of uncertain tax treatments are reflected through the consolidated income statement.

##### *Onerous contract provisions*

The Group has recognised substantial provisions for onerous contracts in the current year. These represent a best estimate as at the balance sheet date of the costs to deliver contractual commitments over the remaining term of these contracts, which is up to 36 months from the balance sheet date. These estimates are reviewed at every reporting date; however, there are a number of factors which could influence the amount required for these provisions, including policy cancellations and staff costs.

### 4. 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 is managed on the basis of five broad business units:

- India (CPP India and Globiva);
- Turkey;
- Blink;
- 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 relevant geographies for statutory purposes; and
- Legacy (UK MGA, UK Legacy, Spain, Portugal, Italy)

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

| Year ended 31 December 2023  | India<br>£'000 | Turkey<br>£'000 | Blink<br>£'000 | Central<br>Functions<br>£'000 | Legacy<br>£'000 | Total<br>£'000 |
|--|----------------|-----------------|----------------|-------------------------------|-----------------|----------------|
| <b>Continuing operations</b>   |                |                 |                |                               |                 |                |
| Revenue – external sales   | 175,519        | 4,675           | 816            | —                             | 12,026          | 193,036        |
| Cost of sales  | (157,118)      | (1,834)         | (79)           | —                             | (3,060)         | (162,091)      |
| <b>Gross profit</b>  | <b>18,401</b>  | <b>2,841</b>    | <b>737</b>     | <b>—</b>                      | <b>8,966</b>    | <b>30,945</b>  |
| Administrative expenses excluding depreciation, amortisation and exceptional items | (10,353)       | (1,689)         | (2,529)        | (4,395)                       | (7,196)         | (26,162)       |
| <b>EBITDA</b>  | <b>8,048</b>   | <b>1,152</b>    | <b>(1,792)</b> | <b>(4,395)</b>                | <b>1,770</b>    | <b>4,783</b>   |
| Depreciation and amortisation  | (1,852)        | (139)           | (162)          | (255)                         | (362)           | (2,770)        |
| Exceptional items (note 5)   | —              | (223)           | —              | (1,142)                       | (7,050)         | (8,415)        |
| <b>Operating profit/(loss)</b>   | <b>6,196</b>   | <b>790</b>      | <b>(1,954)</b> | <b>(5,792)</b>                | <b>(5,642)</b>  | <b>(6,402)</b> |
| Investment revenues  |                |                 |                |                               |                 | 749            |
| Finance costs  |                |                 |                |                               |                 | (486)          |
| <b>Loss before taxation</b>  |                |                 |                |                               |                 | <b>(6,139)</b> |
| Taxation   |                |                 |                |                               |                 | (1,960)        |
| <b>Loss for the year</b>   |                |                 |                |                               |                 | <b>(8,099)</b> |

| Year ended 31 December 2022  | India<br>£'000 | Turkey<br>£'000 | Blink<br>£'000 | Central<br>Functions<br>£'000 | Legacy<br>£'000 | Total<br>£'000 |
|--|----------------|-----------------|----------------|-------------------------------|-----------------|----------------|
| <b>Continuing operations</b>   |                |                 |                |                               |                 |                |
| Revenue – external sales   | 150,613        | 3,212           | 442            | —                             | 15,516          | 169,783        |
| Cost of sales  | (132,413)      | (1,448)         | (63)           | —                             | (5,087)         | (139,011)      |
| <b>Gross profit</b>  | <b>18,200</b>  | <b>1,764</b>    | <b>379</b>     | <b>—</b>                      | <b>10,429</b>   | <b>30,772</b>  |
| Administrative expenses excluding depreciation, amortisation and exceptional items | (10,168)       | (1,038)         | (837)          | (3,372)                       | (8,504)         | (23,919)       |
| <b>EBITDA</b>  | <b>8,032</b>   | <b>726</b>      | <b>(458)</b>   | <b>(3,372)</b>                | <b>1,925</b>    | <b>6,853</b>   |
| Depreciation and amortisation  | (1,305)        | (129)           | (208)          | (413)                         | (452)           | (2,507)        |
| Exceptional items (note 5)   | (519)          | —               | —              | (480)                         | (733)           | (1,732)        |
| <b>Operating profit/(loss)</b>   | <b>6,208</b>   | <b>597</b>      | <b>(666)</b>   | <b>(4,265)</b>                | <b>740</b>      | <b>2,614</b>   |
| Investment revenues  |                |                 |                |                               |                 | 486            |
| Finance costs  |                |                 |                |                               |                 | (656)          |
| <b>Profit before taxation</b>  |                |                 |                |                               |                 | <b>2,444</b>   |
| Taxation   |                |                 |                |                               |                 | (2,343)        |
| <b>Profit for the year from continuing operations</b>                              |                |                 |                |                               |                 | <b>101</b>     |
| <b>Discontinued operations</b>   |                |                 |                |                               |                 |                |
| Profit for the year from discontinued operations                                   |                |                 |                |                               |                 | 676            |
| <b>Profit for the year</b>   |                |                 |                |                               |                 | <b>777</b>     |

## Segment assets

|                                    | 2023<br>£'000 | 2022<br>£'000 |
|------------------------------------|---------------|---------------|
| India                              | 36,677        | 38,613        |
| Turkey                             | 2,293         | 1,665         |
| Blink                              | 873           | 636           |
| Central Functions                  | 958           | 5,092         |
| Legacy                             | 9,567         | 10,834        |
| <b>Total segment assets</b>        | <b>50,368</b> | <b>56,840</b> |
| Unallocated assets                 | 1,206         | 2,815         |
| Assets classified as held for sale | 2,631         | —             |
| <b>Consolidated total assets</b>   | <b>54,205</b> | <b>59,655</b> |

Goodwill, deferred tax and equity investment (classified as held for sale in the year ended 31 December 2023) are not allocated to segments.

## Capital expenditure

|                              | Intangible assets |               | Property, plant and equipment |               | Right-of-use assets |               |
|------------------------------|-------------------|---------------|-------------------------------|---------------|---------------------|---------------|
|                              | 2023<br>£'000     | 2022<br>£'000 | 2023<br>£'000                 | 2022<br>£'000 | 2023<br>£'000       | 2022<br>£'000 |
| <b>Continuing operations</b> |                   |               |                               |               |                     |               |
| India                        | 2,970             | 1,814         | 157                           | 277           | 87                  | 698           |
| Turkey                       | 14                | 36            | 105                           | 106           | 294                 | 98            |
| Blink                        | 251               | 158           | 27                            | 3             | —                   | —             |
| Central Functions            | 138               | 14            | 19                            | 140           | —                   | —             |
| Legacy                       | 178               | 172           | 27                            | —             | 6                   | 13            |
| <b>Total additions</b>       | <b>3,551</b>      | <b>2,194</b>  | <b>335</b>                    | <b>526</b>    | <b>387</b>          | <b>809</b>    |

## Revenues from major products

Major product streams are disclosed on the basis monitored by senior management.

|   | 2023<br>£'000  | 2022<br>£'000  |
|---|----------------|----------------|
| <b>Continuing operations</b>                |                |                |
| My Finances                                 | 43,519         | 39,239         |
| My Tech                                     | 49,836         | 39,059         |
| My Health                                   | 59,298         | 46,614         |
| My Home                                     | 18,605         | 22,301         |
| My Digital Life                             | 5,690          | 5,064          |
| My Travel                                   | 608            | 448            |
| Other                                       | 15,480         | 17,058         |
| <b>Revenue from continuing operations</b>   | <b>193,036</b> | <b>169,783</b> |
| <b>Revenue from discontinued operations</b> | <b>—</b>       | <b>922</b>     |
| <b>Total revenue</b>                        | <b>193,036</b> | <b>170,705</b> |

'Other' revenue predominantly represents revenue from Businesses Process Management (BPM) services provided by Globiva.

The Group derives its revenue from contracts with customers for the transfer of goods and services which is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8.

#### 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:

|   | 2023<br>£'000  | 2022<br>£'000  |
|---|----------------|----------------|
| <b>Continuing operations</b>                |                |                |
| At a point in time                          | 170,368        | 150,266        |
| Over time                                   | 22,668         | 19,517         |
| <b>Revenue from continuing operations</b>   | <b>193,036</b> | <b>169,783</b> |
| <b>Discontinued operations</b>              |                |                |
| At a point in time                          | —              | 657            |
| Over time                                   | —              | 265            |
| <b>Revenue from discontinued operations</b> | <b>—</b>       | <b>922</b>     |
| <b>Total revenue</b>                        | <b>193,036</b> | <b>170,705</b> |

#### Geographical information

The Group operates across a number of territories, of which India, the UK, Spain and Turkey are considered individually material. Revenue from external customers and non-current assets (excluding equity investment and deferred tax) by geographical location are detailed below:

|                                | External revenues |                | Non-current assets |               |
|--------------------------------|-------------------|----------------|--------------------|---------------|
|                                | 2023<br>£'000     | 2022<br>£'000  | 2023<br>£'000      | 2022<br>£'000 |
| India                          | 175,519           | 150,613        | 9,867              | 9,073         |
| UK                             | 7,283             | 8,481          | 35                 | 375           |
| Turkey                         | 4,675             | 3,212          | 584                | 244           |
| Spain                          | 3,127             | 4,960          | —                  | 204           |
| Other                          | 2,432             | 2,517          | 908                | 812           |
|                                | <b>193,036</b>    | <b>169,783</b> | <b>11,394</b>      | <b>10,708</b> |
| <b>Discontinued operations</b> | <b>—</b>          | <b>922</b>     | <b>—</b>           | <b>—</b>      |
|                                | <b>193,036</b>    | <b>170,705</b> | <b>11,394</b>      | <b>10,708</b> |

#### Information about major customers

Revenue from the customers of one business partner in the Group's Indian segment represented approximately £134,637,000 (2022: £110,128,000) of the Group's total revenue.

## 5. Exceptional items

Exceptional items included in the table below details all exceptional items, which are included in operating profit and discontinued operations, as well as the associated taxation.

|   | Note | 2023          |                 |                | 2022          |                 |                |
|---|------|---------------|-----------------|----------------|---------------|-----------------|----------------|
|   |      | Core<br>£'000 | Legacy<br>£'000 | Total<br>£'000 | Core<br>£'000 | Legacy<br>£'000 | Total<br>£'000 |
| <b>Continuing operations</b>                                  |      |               |                 |                |               |                 |                |
| Restructuring and closure costs                               |      | 299           | 3,484           | 3,783          | 480           | 332             | 812            |
| Onerous contract provision                                    |      | —             | 3,388           | 3,388          | —             | 248             | 248            |
| DBP charges   | 10   | 1,066         | —               | 1,066          | —             | —               | —              |
| IT asset impairment   | 8    | —             | 178             | 178            | —             | 153             | 153            |
| Globiva compensation payment                                  |      | —             | —               | —              | 519           | —               | 519            |
| <b>Exceptional charge included in profit before tax</b>       |      | <b>1,365</b>  | <b>7,050</b>    | <b>8,415</b>   | 999           | 733             | 1,732          |
| Tax on exceptional items                                      |      | (56)          | (196)           | (252)          | (131)         | (61)            | (192)          |
| <b>Exceptional charge after tax for continuing operations</b> | 7    | <b>1,309</b>  | <b>6,854</b>    | <b>8,163</b>   | 868           | 672             | 1,540          |
| <b>Discontinued operations</b>                                |      |               |                 |                |               |                 |                |
| Exceptional gain from discontinued operations                 | 7    | —             | —               | —              | —             | (535)           | (535)          |
|   |      | <b>1,309</b>  | <b>6,854</b>    | <b>8,163</b>   | 868           | 137             | 1,005          |

Exceptional costs in the year, relate to the Group's strategy to exit its Legacy markets and focus on its Core operations.

Restructuring and closure costs total £3,783,000 (2022: £812,000) and primarily relate to action taken to withdraw from Legacy operations. As a result, redundancy and associated costs have been recognised in Spain, UK Legacy, UK MGA and Central Functions. Restructuring costs include necessary retention provisions as part of the closure process. Core restructuring costs also includes settlement costs relating to Turkey. Prior year restructuring costs related to Legacy operations, as well as settlement costs related to the departure of the Group CEO.

The onerous contract provisions of £3,388,000 (2022: £248,000) relate to UK Legacy, Spain and Portugal and the decommissioning of the Group's legacy IT platforms. In the prior year, onerous contracts provisions were recognised relating to the UK MGA. All onerous contract provisions recognised relate to the costs required to fulfil and exit contractual commitments above the associated revenue receivable. This includes costs to 2027 and is held as a provision at the balance sheet date.

DBP charges of £1,066,000 (2022: £nil) relate to a share-based retention plan for the EMC whereby participants agreed to defer a portion of their 2022 annual bonus in return for share options. The plan was established to recognise the importance of having a settled and aligned EMC that is engaged and retained for the duration of the CMP.

The impairment of the IT assets of £178,000 (2022: £153,000) relates to the UK Legacy business. Following the decision to exit the UK Legacy business, a value in use calculation was performed leading to recognition of an impairment. The prior year related to an impairment of assets in the UK MGA business.

In the prior year, the Globiva compensation payment represented a one-time additional management compensation payment to the Globiva founders following a review of commitments in the original Shareholder Agreement.

## 6. Taxation

|   | 2023<br>£'000 | 2022<br>£'000 |
|---|---------------|---------------|
| <b>Continuing operations</b>                          |               |               |
| <b>Current tax charge/(credit):</b>                   |               |               |
| UK corporation tax                                    | —             | —             |
| Foreign tax   | 2,504         | 2,679         |
| Adjustments in respect of prior years                 | 23            | (140)         |
| <b>Current tax relating to continuing operations</b>  | <b>2,527</b>  | <b>2,539</b>  |
| <b>Deferred tax (credit)/charge:</b>                  |               |               |
| Origination and reversal of timing differences        | (151)         | 94            |
| Impact of change in tax rates                         | (35)          | (8)           |
| Adjustments in respect of prior years                 | (381)         | (282)         |
| <b>Deferred tax relating to continuing operations</b> | <b>(567)</b>  | <b>(196)</b>  |
| <b>Tax charge relating to continuing operations</b>   | <b>1,960</b>  | <b>2,343</b>  |
| <b>Discontinued operations</b>                        |               |               |
| Tax charge relating to discontinued operations        | —             | —             |
| <b>Total tax charge</b>                               | <b>1,960</b>  | <b>2,343</b>  |

The following is a segmental review of the tax charge, in which withholding taxes arising on distributions are attributed to the country paying the distribution:

|   | 2023<br>£'000 | 2022<br>£'000 |
|---|---------------|---------------|
| <b>Continuing operations</b>                |               |               |
| <i>Core:</i>                                |               |               |
| India                                       | 1,485         | 1,888         |
| Turkey                                      | 370           | 316           |
| Blink                                       | (94)          | —             |
| Central Functions                           | —             | (204)         |
| Total Core                                  | 1,761         | 2,000         |
| Legacy                                      | 199           | 343           |
| <b>Tax charge for continuing operations</b> | <b>1,960</b>  | <b>2,343</b>  |
| <b>Discontinued operations</b>              |               |               |
| Tax charge for discontinued operations      | —             | —             |
|   | <b>1,960</b>  | <b>2,343</b>  |

Overall, UK profits chargeable to corporation tax are offset by group relief surrendered from fellow UK entities. UK corporation tax is calculated at 23.5% (blended rate of 19% to March 2023 increasing to 25% from April 2023) (2022: 19%) of the estimated assessable profit for the year. Deferred tax is provided at the rate at which it is expected to reverse.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions – India 25.2% inclusive of surcharges (2022: 25.2%), Spain 25% (2022: 25%), Turkey 25% (2022: 23%), and Italy 27.5% (2022: 27.5%). Non-UK deferred tax is provided at the local prevailing tax rate which is expected to apply to the reversal of the timing difference.



The charge for the year can be reconciled to the (loss)/profit per the consolidated income statement as follows:

|  | 2023<br>£'000  | 2022<br>£'000 |
|--|----------------|---------------|
| <b>(Loss)/profit before tax from continuing operations</b>         | <b>(6,139)</b> | 2,444         |
| <b>Effects of:</b>   |                |               |
| Tax at the UK corporation tax rate of 23.5% (2022: 19%)            | <b>(1,443)</b> | 464           |
| Unprovided deferred tax arising on losses <sup>1</sup>             | <b>3,016</b>   | 796           |
| Other movement in unprovided deferred tax                          | —              | 124           |
| Recurring expenses not deductible for tax                          | <b>(179)</b>   | 241           |
| One-off costs not deductible for tax                               | —              | 32            |
| Provision for withholding tax on future distributions <sup>2</sup> | <b>654</b>     | 621           |
| Other expense not chargeable for tax purposes                      | <b>(85)</b>    | 96            |
| Higher tax rates on overseas earnings <sup>3</sup>                 | <b>123</b>     | 403           |
| Adjustments in respect of prior years                              | <b>(358)</b>   | (422)         |
| Impact of change in future tax rates on deferred tax               | <b>(35)</b>    | (8)           |
| Deficit of share option charge compared to tax allowable amount    | <b>267</b>     | (4)           |
| <b>Tax charged to income statement for continuing operations</b>   | <b>1,960</b>   | 2,343         |
| Tax charged to the income statement for discontinued operations    | —              | —             |
|  | <b>1,960</b>   | 2,343         |

#### *Effective tax charge*

The net tax charge of £1,960,000 on a loss before tax from continuing operations of £6,139,000 gives an effective tax rate (ETR) of negative 32% (2022: positive 96%) which is lower than the standard rate of 23.5%. Exceptional items of £8,415,000 in the current year have led to an overall loss before tax; however, tax is still payable in our profitable Indian and Turkish markets, resulting in a negative ETR. Further additional information is provided below:

1. Deferred tax has not been recognised on the losses arising in Legacy markets and Blink, as the short-term profit expectations do not support the recognition of deferred tax assets in these areas.
2. There is a withholding tax burden arising on repatriation of funds from overseas countries which is included in the tax charge.
3. Tax is chargeable at the local statutory rates in our profitable countries, which are higher than the UK corporate income tax rate of 23.5%.

The Group's ETR is expected to be higher than the UK statutory tax rate in future years as withholding taxes are provided on overseas distributions and deferred tax credits are not taken on losses in markets that are not profitable. The withdrawal from the Legacy markets, is expected to result in a high and variable ETR in the medium-term. In the longer term, once the CMP has concluded, the Group expects the rate to reduce from its current level. The Group maintains appropriate provisions in respect of tax uncertainties arising from operating in multiple overseas jurisdictions.

Income tax charged to reserves during the year was as follows:

|  | 2023<br>£'000 | 2022<br>£'000 |
|--|---------------|---------------|
| <b>Deferred tax</b>  |               |               |
| Timing differences of equity-settled share-based charge            | —             | 9             |
| <b>Total deferred tax charge and total tax charged to reserves</b> | <b>—</b>      | <b>9</b>      |

## **7. (Loss)/earnings per share**

Basic and diluted (loss)/earnings per share have been calculated in accordance with IAS 33 *Earnings per Share*. Underlying (loss)/earnings per share have 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 earnings per share or increase the loss per share attributable to equity holders.

**(Loss)/profit**

|   | Continuing operations |               | Discontinued operations |               | Total          |               |
|---|-----------------------|---------------|-------------------------|---------------|----------------|---------------|
|   | 2023<br>£'000         | 2022<br>£'000 | 2023<br>£'000           | 2022<br>£'000 | 2023<br>£'000  | 2022<br>£'000 |
| (Loss)/profit for the purposes of basic and diluted (loss)/earnings per share                   | <b>(8,655)</b>        | (153)         | —                       | 676           | <b>(8,655)</b> | 523           |
| Exceptional items (net of tax)  | <b>8,163</b>          | 1,350         | —                       | (535)         | <b>8,163</b>   | 815           |
| <b>(Loss)/profit for the purposes of underlying basic and diluted (loss)/earnings per share</b> | <b>(492)</b>          | 1,197         | —                       | 141           | <b>(492)</b>   | 1,338         |

**(Loss)/profit attributable to Core and Legacy**

|   | 2023           |                 |                                   | 2022          |                 |                                   |
|---|----------------|-----------------|-----------------------------------|---------------|-----------------|-----------------------------------|
|   | Core<br>£'000  | Legacy<br>£'000 | Continuing<br>operations<br>£'000 | Core<br>£'000 | Legacy<br>£'000 | Continuing<br>operations<br>£'000 |
| (Loss)/profit for the purposes of basic and diluted (loss)/earnings per share                   | <b>(3,027)</b> | <b>(5,628)</b>  | <b>(8,655)</b>                    | (640)         | 487             | (153)                             |
| Exceptional items (net of tax)  | <b>1,309</b>   | <b>6,854</b>    | <b>8,163</b>                      | 678           | 672             | 1,350                             |
| <b>(Loss)/profit for the purposes of underlying basic and diluted (loss)/earnings per share</b> | <b>(1,718)</b> | <b>1,226</b>    | <b>(492)</b>                      | 38            | 1,159           | 1,197                             |

The table above does not include discontinued operations.

**Number of shares**

|   | 2023<br>Number<br>(thousands) | 2022<br>Number<br>(thousands) |
|---|-------------------------------|-------------------------------|
| Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share and basic underlying (loss)/earnings per share     | <b>8,846</b>                  | 8,844                         |
| Effect of dilutive ordinary shares: share options   | <b>295</b>                    | 30                            |
| Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share and diluted underlying (loss)/earnings per share | <b>9,141</b>                  | 8,874                         |

|  | Continuing operations |               | Discontinued operations |               | Total          |               |
|--|-----------------------|---------------|-------------------------|---------------|----------------|---------------|
|  | 2023<br>pence         | 2022<br>pence | 2023<br>pence           | 2022<br>pence | 2023<br>pence  | 2022<br>pence |
| Basic and diluted (loss)/earnings per share  | <b>(97.84)</b>        | (1.73)        | —                       | 7.64          | <b>(97.84)</b> | 5.91          |
| Basic underlying (loss)/earnings per share   | <b>(5.56)</b>         | 13.53         | —                       | 1.59          | <b>(5.56)</b>  | 15.12         |
| Diluted underlying (loss)/earnings per share | <b>(5.56)</b>         | 13.49         | —                       | 1.59          | <b>(5.56)</b>  | 15.08         |

|  | 2023           |                 |                                   | 2022          |                 |                                   |
|--|----------------|-----------------|-----------------------------------|---------------|-----------------|-----------------------------------|
|  | Core<br>pence  | Legacy<br>pence | Continuing<br>operations<br>pence | Core<br>pence | Legacy<br>pence | Continuing<br>operations<br>pence |
| Basic and diluted (loss)/earnings per share  | <b>(34.22)</b> | <b>(63.62)</b>  | <b>(97.84)</b>                    | (7.24)        | 5.51            | (1.73)                            |
| Basic underlying (loss)/earnings per share   | <b>(19.42)</b> | <b>13.86</b>    | <b>(5.56)</b>                     | 0.43          | 13.10           | 13.53                             |
| Diluted underlying (loss)/earnings per share | <b>(19.42)</b> | <b>13.86</b>    | <b>(5.56)</b>                     | 0.43          | 13.06           | 13.49                             |

The Group has 171,650,000 (2022: 171,650,000) deferred shares which have no rights to receive dividends and only very limited rights on a return of capital. The deferred shares have not been admitted to trading on AIM or any other stock exchange. Accordingly, these shares have not been considered in the calculation of earnings/ loss per share.

## 8. Other intangible assets

|                                  | Business partner relationships<br>£'000 | Internally generated software<br>£'000 | Externally acquired software<br>£'000 | Total<br>£'000 |
|----------------------------------|---|--|---------------------------------------|----------------|
| <b>Cost:</b>                     |   |  |                                       |                |
| At 1 January 2022                | 644                                     | 5,086                                  | 2,891                                 | 8,621          |
| Additions                        | 108                                     | 1,960                                  | 126                                   | 2,194          |
| Disposals                        | (108)                                   | (82)                                   | (54)                                  | (244)          |
| Exchange adjustments             | —                                       | 18                                     | 14                                    | 32             |
| <b>At 1 January 2023</b>         | <b>644</b>                              | <b>6,982</b>                           | <b>2,977</b>                          | <b>10,603</b>  |
| Additions                        | —                                       | <b>3,221</b>                           | <b>330</b>                            | <b>3,551</b>   |
| Disposals                        | —                                       | <b>(20)</b>                            | <b>(824)</b>                          | <b>(844)</b>   |
| Hyper-inflation adjustment       | —                                       | —                                      | <b>17</b>                             | <b>17</b>      |
| Exchange adjustments             | —                                       | <b>(354)</b>                           | <b>(71)</b>                           | <b>(425)</b>   |
| <b>At 31 December 2023</b>       | <b>644</b>                              | <b>9,829</b>                           | <b>2,429</b>                          | <b>12,902</b>  |
| <b>Accumulated amortisation:</b> |   |  |                                       |                |
| At 1 January 2022                | 470                                     | 2,019                                  | 2,529                                 | 5,018          |
| Provided during the year         | 82                                      | 629                                    | 158                                   | 869            |
| Disposals                        | (108)                                   | (81)                                   | (50)                                  | (239)          |
| Impairment                       | 101                                     | —                                      | 86                                    | 187            |
| Exchange adjustments             | (1)                                     | 50                                     | 9                                     | 58             |
| <b>At 1 January 2023</b>         | <b>544</b>                              | <b>2,617</b>                           | <b>2,732</b>                          | <b>5,893</b>   |
| Provided during the year         | <b>66</b>                               | <b>949</b>                             | <b>173</b>                            | <b>1,188</b>   |
| Disposals                        | —                                       | <b>(11)</b>                            | <b>(802)</b>                          | <b>(813)</b>   |
| Impairment                       | —                                       | <b>171</b>                             | <b>7</b>                              | <b>178</b>     |
| Hyper-inflation adjustment       | —                                       | —                                      | <b>11</b>                             | <b>11</b>      |
| Exchange adjustments             | <b>(15)</b>                             | <b>(102)</b>                           | <b>(57)</b>                           | <b>(174)</b>   |
| <b>At 31 December 2023</b>       | <b>595</b>                              | <b>3,624</b>                           | <b>2,064</b>                          | <b>6,283</b>   |
| <b>Carrying amount:</b>          |   |  |                                       |                |
| At 31 December 2022              | 100                                     | 4,365                                  | 245                                   | 4,710          |
| <b>At 31 December 2023</b>       | <b>49</b>                               | <b>6,205</b>                           | <b>365</b>                            | <b>6,619</b>   |

Amortisation of intangible assets totalling £1,188,000 (2022: £869,000) is recognised through administrative expenses in the consolidated income statement.

Internally generated software additions of £3,221,000 (2022: £1,960,000) reflect the capitalisation of staff and contractor costs in IT development projects.

Internally generated software includes £1,205,000 (2022: £3,718,000) relating to assets in development which are not yet operational and are not amortised. The assets held at 31 December 2023 are expected to become operational in Q2 2024.

## 9. Share capital

|                                     | Ordinary<br>shares of<br>£1 each<br>(thousands) | Deferred<br>shares of<br>9 pence<br>each<br>(thousands) | Total<br>(thousands) |
|-------------------------------------|---|---|----------------------|
| <b>Called-up and allotted</b>       |   |   |                      |
| At 1 January 2023                   | 8,846   | 171,650   | 180,496              |
| Issue of shares in connection with: |   |   |                      |
| Exercise of share options           | 1   | —   | 1                    |
| <b>At 31 December 2023</b>          | <b>8,847</b>                                    | <b>171,650</b>  | <b>180,497</b>       |

|                                     | Ordinary<br>shares of<br>£1 each<br>£'000 | Deferred<br>shares of<br>9 pence<br>each<br>£'000 | Total<br>£'000 |
|-------------------------------------|---|---|----------------|
| <b>Called-up and allotted</b>       |   |   |                |
| At 1 January 2023                   | 8,843                                     | 15,413  | 24,256         |
| Issue of shares in connection with: |   |   |                |
| Exercise of share options           | 1   | —   | 1              |
| <b>At 31 December 2023</b>          | <b>8,844</b>                              | <b>15,413</b>                                     | <b>24,257</b>  |

Share capital at 31 December 2023 is £24,257,000 (2022: £24,256,000). To satisfy share option exercises in the year the Company has issued 1,100 £1 ordinary shares for a total equity value of £1,000 and £nil cash consideration.

Of the 8,847,145 (2022: 8,846,045) ordinary shares in issue at 31 December 2023, 8,842,145 are fully paid (2022: 8,841,045) and 5,000 (2022: 5,000) are partly paid.

## 10. Share based payments

### Equity-settled share-based payments

#### Current share plans

Share-based payment charges comprise DBP charges of £1,066,000 (2022: £nil) and 2023 LTIP charges of £56,000 (2022: £nil). These costs are disclosed within administrative expenses, although the DBP share-based payment charge is not included within EBITDA. There have been 635,000 options granted in the current year as part of the DBP and 1,092,000 options granted as part of the 2023 LTIP; neither plan was in operation in the prior year.

|                                   | 2023   |   | 2022   |   |
|-----------------------------------|--|---|--|---|
|                                   | Number<br>of share<br>options<br>(thousands) | Weighted<br>average<br>exercise<br>price<br>(£) | Number<br>of share<br>options<br>(thousands) | Weighted<br>average<br>exercise<br>price<br>(£) |
| <b>DBP</b>                        |  |   |  |   |
| Outstanding at 1 January          | —  | —   | —  | —   |
| Granted during the year           | 635  | —   | —  | —   |
| Outstanding at 31 December        | 635  | —   | —  | —   |
| Exercisable at 31 December        | 317  | —   | —  | —   |
| <b>2023 LTIP</b>                  |  |   |  |   |
| Outstanding at 1 January          | —  | —   | —  | —   |
| Granted during the year           | 1,092  | —   | —  | —   |
| <b>Outstanding at 31 December</b> | <b>1,092</b>                                 | —   | —  | —   |
| Exercisable at 31 December        | —  | —   | —  | —   |

Nil-cost options and conditional shares granted under the DBP will vest in two tranches with 50% vesting after 0.75 years and the other 50% after 1.75 years. The options will lapse if not exercised within ten years of grant and will lapse if option holders cease to be employed by the Group. Vesting of DBP options and shares carries no performance conditions.

The options outstanding in the DBP have a remaining contractual life of 0.5 years (2022: n/a).

Nil-cost options and conditional shares granted under the 2023 LTIP are not linked to a time-based schedule but will vest subject to certain performance conditions, as follows:

| Tranche   | Share options (number) | Share price target* | Maximum vesting period |
|-----------|------------------------|---------------------|------------------------|
| 1         | 168,073                | £3.70               | 3 years                |
| 2         | 252,114                | £4.75               | 4 years                |
| 3         | 420,185                | £6.00               | 5 years                |
| Super-Max | 252,114                | £9.00               | 6 years                |

\* The share options will vest if the average closing share price of a share on AIM over a period of 90 consecutive calendar days equals or exceeds the share price target.

The options will also lapse if not exercised within ten years of grant and will lapse if option holders cease to be employed by the Group.

The options outstanding in the 2023 LTIP have a remaining contractual life of 4.4 years (2022: n/a).

The principal assumptions underlying the valuation of the options granted during the year at the date of grant are as follows:

|                                 | DBP           |            | 2023 LTIP   |            |            |            |
|---------------------------------|---------------|------------|-------------|------------|------------|------------|
|                                 | Tranche 1     | Tranche 2  | Tranche 1   | Tranche 2  | Tranche 3  | Super-Max  |
| Valuation model                 | Black Scholes |            | Monte Carlo |            |            |            |
| Weighted average share price    | £2.35         |            | £1.35       |            |            |            |
| Weighted average exercise price | —             |            | —           |            |            |            |
| Expected volatility             | n/a           |            | 60%         |            |            |            |
| Expected life                   | 0.75 years    | 1.75 years | 2.17 years  | 2.92 years | 3.67 years | 4.50 years |
| Risk-free rate                  | n/a           |            | 4.41%       |            |            |            |
| <b>Dividend yield</b>           | n/a           |            | 0%          |            |            |            |

The aggregate estimated fair value of the options and shares granted in the current year under the DBP was £1,493,000 and under the 2023 LTIP was £723,000.

#### Legacy share plans

Administrative expenses include no charge (2022: £206,000 credit) arising from the 2016 LTIP and the MSP. Both the 2016 LTIP and MSP are closed and no further awards will be made under these plans. There were no options granted in either the current or prior year under either plan.

Details of share options outstanding during the period under these plans are as follows:

|                                   | 2023                                |                                     | 2022                                |                                     |
|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                   | Number of share options (thousands) | Weighted average exercise price (£) | Number of share options (thousands) | Weighted average exercise price (£) |
| <b>2016 LTIP</b>                  |                                     |                                     |                                     |                                     |
| Outstanding at 1 January          | 3                                   | —                                   | 138                                 | —                                   |
| Exercised during the year         | (1)                                 | —                                   | (17)                                | —                                   |
| Lapsed during the year            | (1)                                 | —                                   | (13)                                | —                                   |
| Forfeited during the year         | —                                   | —                                   | (105)                               | —                                   |
| <b>Outstanding at 31 December</b> | <b>1</b>                            | <b>—</b>                            | <b>3</b>                            | <b>—</b>                            |
| Exercisable at 31 December        | 1                                   | —                                   | 3                                   | —                                   |
| <b>MSP</b>                        |                                     |                                     |                                     |                                     |
| Outstanding at 1 January          | 2                                   | 1.00                                | 8                                   | 1.00                                |
| Exercised during the year         | —                                   | 1.00                                | (6)                                 | 1.00                                |
| Lapsed during the year            | (2)                                 | 1.00                                | —                                   | 1.00                                |
| <b>Outstanding at 31 December</b> | <b>—</b>                            | <b>n/a</b>                          | <b>2</b>                            | <b>1.00</b>                         |
| Exercisable at 31 December        | —                                   | n/a                                 | 2                                   | 1.00                                |

All outstanding nil-cost options and conditional shares granted under the 2016 LTIP have vested. These options will lapse if not exercised within ten years of grant and will lapse if option holders cease to be employed by the Group. There have been 1,000 (2022: 17,000) 2016 LTIP options exercised in the current year.

The options outstanding in the 2016 LTIP had no remaining contractual life in either the current or prior year.

There are no outstanding options remaining under the MSP.

### **Cash-settled share-based payments**

#### *CAP*

The CAP is a cash-based plan targeted at certain EMC members. The maximum aggregate amount that can be paid under the CAP is £1,500,000.

| <b>Tranche</b> | <b>CAP amount</b> | <b>Share price target</b> | <b>Maximum vesting period</b> |
|----------------|-------------------|---------------------------|-------------------------------|
| 1              | £150,000          | £3.70                     | 3 years                       |
| 2              | £600,000          | £4.75                     | 4 years                       |
| 3              | £750,000          | £6.00                     | 5 years                       |

The performance conditions associated with the CAP are the same as those under Tranches 1, 2, and 3 of the 2023 LTIP.

The Group has recognised CAP charges in the year of £15,000 (2022: £nil) which is disclosed within administrative expenses. The Group has recorded liabilities for the CAP of £15,000 (2022: £nil) which are included in trade creditors and other payables.

#### *2016 LTIP*

The Group granted certain employees with notional share options that require the Group to pay the intrinsic value of the notional share to the employee at the date of exercise. The notional share options have the same requirements and conditions as the 2016 LTIP. No further awards will be made under the 2016 LTIP. The Group has recorded a total credit in relation to cash-settled awards in the year of £3,000 (2022: £40,000) which is disclosed within administrative expenses. The Group has recorded liabilities for its cash-settled awards of £7,000 (2022: £10,000) which are included in trade creditors and other payables.

## 11. Reconciliation of operating cash flows

|   | 2023<br>£'000  | 2022<br>£'000 |
|---|----------------|---------------|
| (Loss)/profit for the year                                      | (8,099)        | 777           |
| <b>Adjustments for:</b>   |                |               |
| Depreciation and amortisation                                   | 2,770          | 2,509         |
| Share-based payment charge/(credit)                             | 1,134          | (246)         |
| Impairment loss on intangible assets                            | 178            | 187           |
| Impairment loss on property, plant and equipment                | 40             | —             |
| Loss on disposal of property, plant and equipment               | 24             | 15            |
| Loss on disposal of intangible assets                           | 31             | 5             |
| Profit from discontinued operations                             | —              | (535)         |
| Effects of hyperinflation                                       | (82)           | 86            |
| Investment revenues   | (749)          | (490)         |
| Finance costs   | 486            | 709           |
| Income tax charge   | 1,960          | 2,343         |
| <b>Operating cash flows before movements in working capital</b> | <b>(2,307)</b> | <b>5,360</b>  |
| Decrease in inventories   | 78             | 15            |
| Increase in contract assets                                     | (1,259)        | (1,481)       |
| Decrease/(increase) in receivables                              | 4,270          | (6,232)       |
| Increase in payables  | 832            | 7,547         |
| Increase in contract liabilities                                | 833            | 1,655         |
| (Decrease)/increase in insurance liabilities                    | (6)            | 83            |
| Increase in provisions  | 3,096          | 369           |
| <b>Cash from operations</b>                                     | <b>5,537</b>   | <b>7,316</b>  |
| Income taxes paid   | (1,927)        | (3,494)       |
| <b>Net cash from operating activities</b>                       | <b>3,610</b>   | <b>3,822</b>  |

### Reconciliation of net funds

|  | At<br>1 January<br>2023<br>£'000 | Cash flow<br>£'000 | Foreign<br>exchange and<br>other non-cash<br>movements<br>£'000 | At<br>31 December<br>2023<br>£'000 |
|--|----------------------------------|--------------------|---|------------------------------------|
| <b>Net cash per cash flow statement</b>  | 20,984                           | (1,120)            | (863)   | 19,001                             |
| <b>Financing activities:</b>             |                                  |                    |   |                                    |
| Lease liabilities                        | (4,718)                          | 1,396              | (477)   | (3,799)                            |
| Borrowings due outside of one year:      |                                  |                    |   |                                    |
| - Unamortised issue costs                | 23                               | 128                | (46)  | 105                                |
| Total movement from financing activities | (4,695)                          | 1,524              | (523)   | (3,694)                            |
| <b>Total net funds</b>                   | 16,289                           | 404                | (1,386)   | 15,307                             |



## 12. Related party transactions

### Transactions with associated parties

In the year, the Group incurred fees of £10,000 plus VAT (2022: £19,000) for services rendered from KYND, which were payable under 14-day credit terms. The creditor balance at the year end was £1,000 (2022: £2,000).

### Transactions with related parties

#### *Globiva*

In November 2023, the Group announced its planned divestment of Globiva, an Indian Business Processes Management company. The Group currently holds a 51% majority investment. The disposal has been agreed at approximately £5.1 million (subject to currency fluctuations), for the Group's 51% majority interest through the amendment of the existing Shareholder Agreement, with the original Globiva Founders – who currently own the remaining 49% investment. The transaction will provide an exit path for the Group at an acceptable return and will provide additional cash flows for the Group.

The sale and transfer of ownership will be conducted over a three-year period concluding in Q1 2027. This is based on a blended 7.1x multiple of forecast EBITDA (Indian Accounting Standards) for 2023, 2024 and 2025 calendar years. The Group's shareholding is expected to reduce to 35% in Q1 2025, 13% in Q1 2026 and 0% in Q1 2027. This will be performed through Globiva operating a share buy-back mechanism.

The transaction constitutes a related party transaction, pursuant to Rule 13 of the AIM Rules for Companies, as the Globiva Founders are Directors of Globiva. The Directors 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.

### Remuneration of key management personnel

The remuneration of the Directors and senior management team, who are the key management personnel of the Group and Company, is set out below:

|                              | 2023<br>£'000 | 2022<br>£'000 |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 1,412         | 1,101         |
| Post-employment benefits     | 20            | 27            |
| Termination benefits         | —             | 300           |
| Share-based payments         | 593           | (206)         |
|                              | <b>2,025</b>  | <b>1,222</b>  |

## 13. Events after the balance sheet date

On 15 February 2024, the Group disposed of its 13.3% (fully diluted basis) shareholding in KYND for cash consideration of £2.6 million. The investment in KYND was considered non-core to the Group. The transaction will provide additional cash resources to support the CMP and investment in Blink.

**Cautionary statement**

This announcement has been prepared solely to provide additional information to shareholders as a body to meet the relevant requirements of the UK Listing Authority. The announcement should not be relied on by any other party or for any other purpose.

The announcement contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of approval of the announcement but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information. Subject to the requirements of the UK Listing Authority, CPP undertakes no obligation to update these forward-looking statements and it will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this announcement.