

RNS Number : 4991D
CPPGroup Plc
10 September 2024

10 September 2024
CPPGroup Plc
("CPP Group", "Group", or the "Company")

Accelerated disposal of Globiva

CPP Group (AIM: CPP), a provider of real-time, digitally delivered assistance products which reduce disruptions to everyday life for millions of people announces that it has completed the disposal of its 51% interest in Globiva Services Private Ltd ("Globiva") for a total cash consideration of approximately £3.8 million (415.5 million rupees) (the "Transaction").

Background

The Group held a 51% majority interest in Globiva, a Business Processes Management company incorporated in India, with the other 49% of the shares beneficially owned by the three founders of Globiva, Navneet Gupta, Vikram Singh Nathawat, and Ashish Goyal, who manage the business (the "Globiva Founders").

On 27 November 2023, the Group confirmed that it had agreed with the Globiva Founders to the disposal of its 51% interest in Globiva over a three-year period concluding in Q1 2027. The total aggregate consideration of approximately £4.7 million¹ (515.0 million rupees) was based on forecast EBITDA for the 2023, 2024 and 2025 financial years and subject to a maximum adjustment of plus or minus 10% (the "Original Agreement").

Disposal

Globiva's earnings outlook, due to a general slowdown in the Indian technology market, has deteriorated. At the request of the Globiva Founders the Group has agreed to accelerate the disposal of its interest in Globiva, previously scheduled to complete in Q1 2027, and in accordance with the Original Agreement to apply the 10% reduction to price.

The revised consideration of £3.8 million (415.5 million rupees) reflects the lower end of the Original Agreement and is net of the benefit accruing (a net present value adjustment) to the Group of receiving the cash consideration in full on completion rather than over a three-year period.

For the 2023 financial year, Globiva contributed EBITDA of £2.2 million to the Group's overall EBITDA of £3.5 million (restated), albeit the Group's shareholders only ultimately benefitted from 51% of Globiva's results. As at 31 December 2023, Globiva had net assets of £4.2 million. The proceeds from the Transaction will support the Group's transformation to a digitally led parametric business.

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 Group's Directors consider, having consulted with the Company's nominated adviser, Panmure Liberum Limited, that the terms of the Transaction are fair and reasonable insofar as the Company's shareholders are concerned.

Simon Pyper, CEO of CPP Group, commented:

"The accelerated disposal of Globiva is consistent with our strategy and is another positive step as we simplify the Group and transform to a digitally led parametric business."

¹ *Calculated at current exchange rates. The Indian rupee has weakened since November 2023 reducing the expected Sterling consideration.*

Enquiries:

CPP Group plc

Simon Pyper, Chief Executive Officer

Tel: +44 (0)7917 795601

David Bowling, Chief Financial Officer

Panmure Liberum

(Nominated Adviser and Sole Broker)

Tel: +44 (0)20 3100 2000

Richard Lindley

Will King

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/>

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

DISSSAFWUELSU