CPPGroup Plc

FULL YEAR RESULTS 2024

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Highlights

- Key Messages
- Key Highlights
- Financial Highlights
- Business Units
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Financial Results

- Revenue
- EBITDA
- EBITDA Margin
- Cashflow

Highlights

- Key Messages
- Key Highlights
- Financial Highlights
- By Business Unit
- Moving Forward

Key Messages

A SMALLER MORE FOCUSED GROUP

Pivotal year for the Group

- Completion of Change Management Programme (“CMP”).
- Business now focused on Blink supported by CPP India and CPP Turkey.
- Blink has moved beyond “proof of concept”.

FOCUSED ON BLINK GROWTH

Blink is a viable business with significant opportunities for long-term growth.

- Blink has increased the number of partners served to 28 (Dec 2023: 17).
- Blink has increased the number of geographies served to 22 (Dec 2023: 12).
- Blink has increased Annualised Recurring Revenues (“ARR”) to £1.6 million (Dec 2023: £1.0 million),
- Blink has maintained 100% renewal rate.

Key Highlights

Results for the year ended 31 December 2024

- Core revenues due to partial loss of LivCare business reduced to £155.1 million
- Core EBITDA increased to £1.8 million (2023 restated: £0.5 million) reflecting improved margins and reduced costs.
- Blink ARR increased by 62% to £1.6 million (2023: £1.0 million).
- FX movements reduced EBITDA for the year by £0.4 million.

Operations

- CMP completed ahead of schedule.
- Core businesses each have their own independent IT platforms.
- Exit from Legacy Businesses complete, with UK back book in active run-off.
- Disposal of interests in KYND and Globiva completed during the year.

Blink Parametric

- Making good progress, though not as fast as I would like.
- Business is working with several of the world's leading global and regional insurers and now operates in 22 geographies (FY23: 12) with 28 partners (FY23: 17).
- Healthy pipeline which provides a strong foundation for further growth with new and existing partners.
- Blink has moved beyond "proof of concept" and is a viable business with significant opportunities for growth.

Financial Highlights

For the year ended 31 December 2024

- Core revenues, despite loss of Livcare business & currency headwinds, in line with expectations.
- Core EBITDA marginally ahead of prior year reflecting margin improvement and cost savings.
- Core EBITDA adversely impacted by FX movements of circa £0.4 million.
- Central functions, post recharges reduced to £3.5 million.

£ millions	REVENUE			EBITDA[1]		
	2024	2023[2]	CHANGE	2024	2023[2]	CHANGE
CPP India	145.4	161.0	(10)%	6.6	5.8	13%
CPP Turkey	8.6	4.7	84%	1.4	1.2	22%
Blink	1.1	0.8	31%	(2.7)	(1.8)	(51)%
Core business units	**155.1**	**166.5**	**(7)%**	**5.3**	**5.2**	**2%**
Central Functions	–	–	n/a	(3.5)	(4.7)	24%
Core total	155.1	166.5	(7)%	1.8	0.5	235%
Legacy[3]	1.3	6.9	(81)%	(0.4)	0.8	(146)%
Group total	156.4	173.4	(10)%	1.4	1.3	7%

1. EBITDA represents earnings before interest, taxation, depreciation, amortisation and exceptional items.
2. Restated to reflect Globiva, Italy and Spain as discontinued operations.
3. Legacy comprises the UK which is in active run-off.

Blink

EBITDA loss of £2.7 million (2023: £1.8 million loss)

A Viable Business Blink has moved beyond proof of concept	• Blink provides solutions to 28 business partners in 22 geographies with over 1.5 million policies sold in 2024 with Blink's Technology included. • Blink achieved 100% renewal rate on its partner base during 2024, existing contracts are on average 3 years in length. • Blink currently works with three of the largest (global) Travel Insurance providers, with another top three leading providers in active pipeline. • Blink has multiple routes to market for its Travel Disruption and Cyber Security solutions.
Global Markets Blink operates in two global markets with significant forecast growth	• The global travel disruption market (flight delay and lost luggage) is forecast to grow from $25 Billion (2025) to $62 Billion (2028) with significant growth expected in markets in which we have no existing sales footprint. The cyber security market (personal data / dark web monitoring) is expected to grow from $14 Billion (2025) to $40 Billion (2028).
Favourable Competitive Environment Blink pureplay parametric business operating in these markets	• No market incumbent with a dominant position in either market. • High barriers to entry for new entrants and high switching costs for Insurers.
Real and Measurable Benefits For business partners and consumers	• For the business partner, improved price points, improved new business and improved renewal rates. • For the consumer, improved outcomes and improved customer satisfaction scores (and NPS).
Favourable Economics An operationally geared business with high gross profit margins	• Revenue forecasts achievable without the need for significant markets share, either by geography or by business partner. • Operationally geared business with high Gross Profit.
Premium Valuations	• Insurtech valuations at a premium to market average. • Valuation multiples in range of 7x to 10x ARR.

CPP India

EBITDA of £6.6 million (2023: £5.8 million)

Stable Business Long standing contractual relationships provide some forward visibility on revenues	• Bajaj, CPP India's largest business partner, has extended the contract to 31 December 2027. • Card Book, predominately SBI, stable though new customer acquisitions slower in 2024.
New IT Platform CPP India has its own independent IT platform	• CMP delivered a new independent IT platform to CPP India from which it can better serve its partner base at a lower costs. • Platform, could, with additional investment facilitate growth into new product sets.
Single Partner Dependency Bajaj accounts for circa 85% of CPP India's revenue	• During the year Bajaj migrated part of the LivCare book to locally based insurers which impacted revenues and earnings. • On an annualised basis, the impact to revenue and EBITDA is circa £19.0 million and £0.6 million respectively. However, due to the benefits of the CMP this shortfall in EBITDA was more than offset in 2024 by lower operational costs.
Regulatory Environment Card business which accounts for 22% of revenues likely to come under increased regulatory scrutiny	• During 2024 there was increased activity by the regulator(s) of our business partners. • Focus of reviews on utility of products and commission structure. • Despite satisfactory outcomes our business partners are reviewing their card proposition which may impact new customer acquisitions.
Valuations	• Valuation of business adversely impacted by single partner dependency. • Outlook for card business is somewhat uncertain. • Lack of capital prohibits investment.

CPP Turkey

EBITDA of £1.4 million (2023: £1.2 million)

Stable Business A stable business dependent on volume and price growth to offset adverse impact hyper inflation	• During the year, CPP Turkey has extended and improved its health service contract with Turkey Insurance which has led to a £2.3 million year-on-year revenue increase. • Average price increase achieved, excluding Turkey Insurance, circa 40%.
Partner Dependency DenizBank and Turkey Insurance (once annualised) will account for 72% or revenues	• Turkey Insurance will drive volume growth over the medium term. • DenizBank remains a key and long-term strategic partner.
Macro & Micro Economic Environment High inflation and volatile currency	• Average inflation rate during 2024 of 44.4%. • Average interest rates of 47.5%. • Currency volatility, GBP to lira in January 2024 at 37.41 and December 2024 at 44.34.
Regulatory Environment Benign regulatory environment	• No regulatory scrutiny expected in the near to medium term. • Product provides utility to end consumers.
Valuations	• Macro and micro economic environment act a a drag on valuations. • Investment opportunities difficult to exploit in a high inflation environment.

Moving Forward

PREVIOUS STRATEGY

In 2022, CPP Group announced a new strategy for the business which was:

1. SIMPLE	To become an InsurTech business, led by Blink, supported by CPP India and CPP Turkey.
2. REQUIRED	Legacy business was in terminal decline and if left unaddressed, the Group would have become insolvent in 2026.
3. SENSIBLE	Reflected our cash and other limiting factors.

Despite the good strategic progress over the past two years, we have seen no improvement in the Group's share price.

MOVING FORWARD...

Blink provides the best opportunity for long-term growth and value accretion.

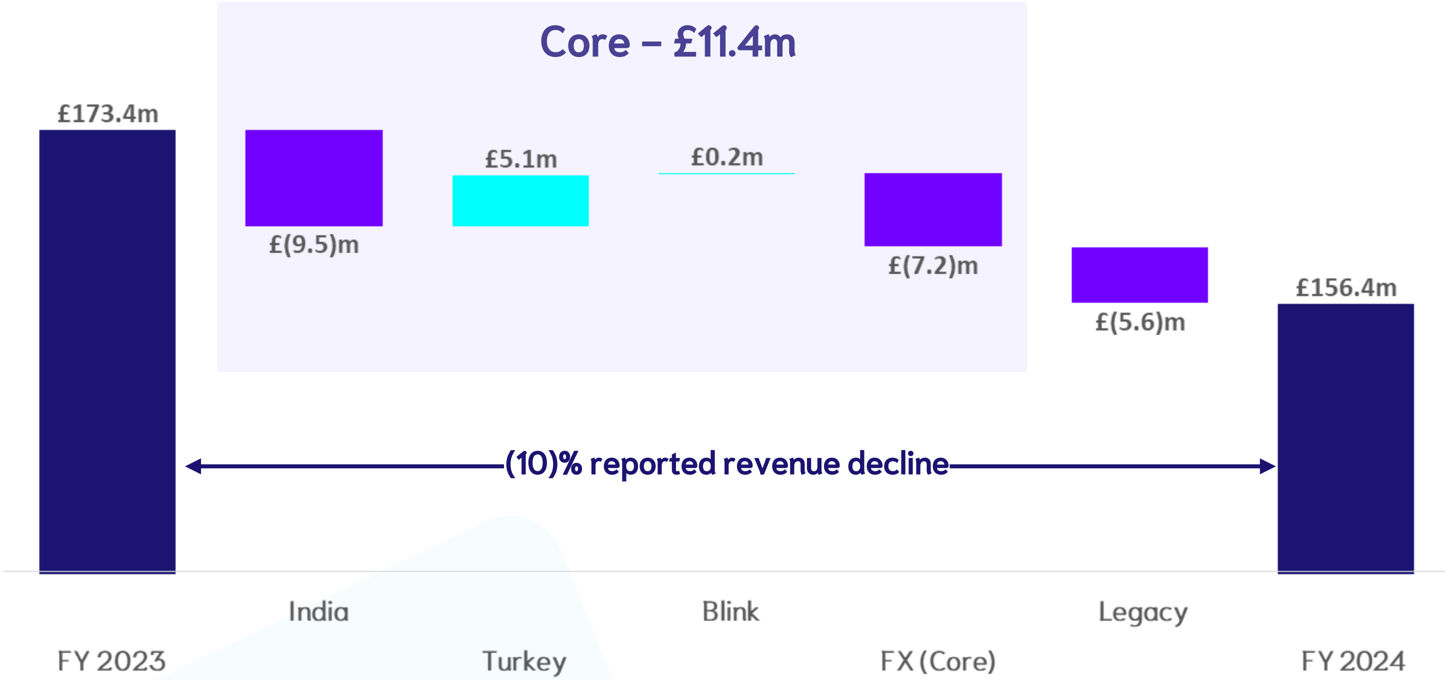
1. GROW BLINK	Invest in sales headcount and technology infrastructure
2. HARVEST	Harvest cash from CPP India and Turkey to invest in Blink
3. COSTS	Reduce central overheads

Financial Results

- Revenue
- EBITDA
- EBITDA Margin
- Cashflow

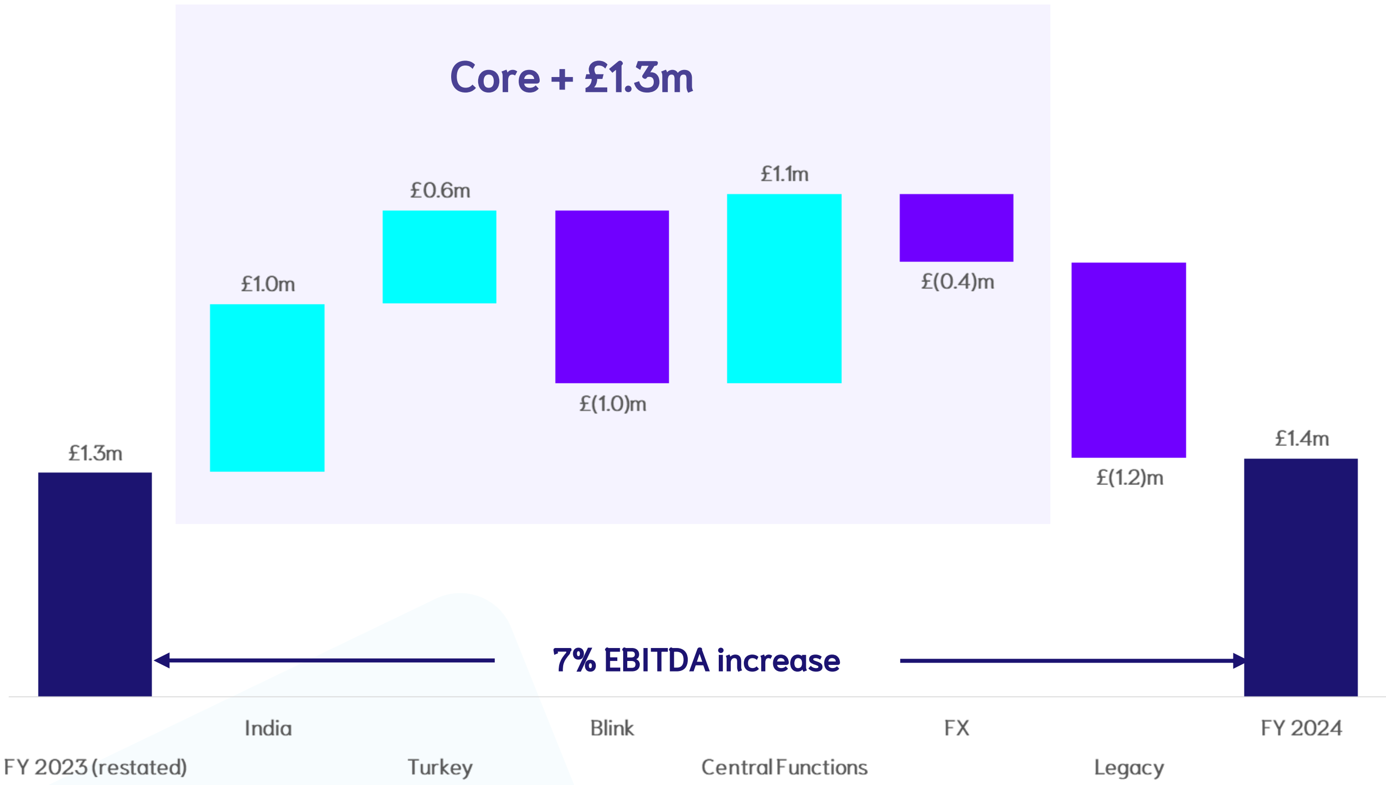
Revenue

- India revenue has reduced following the LivCare business transfer by Bajaj.
- Strong growth in Turkey through its relationship with Turkey Insurance.
- Blink has grown ARR by 62% to £1.6 million (2023: £1.0 million).
- Currency headwinds in India and Turkey continue to negatively impact.



EBITDA

- Lower operational costs in India has improved EBITDA by £1.0 million.
- Turkey is £0.6 million higher through strong new sales volumes.
- Blink EBITDA losses increased by £(1.0) million as capacity investment in the business continues.
- Lower central costs following IT decommissioning and restructuring.
- UK Legacy book in run-off reducing EBITDA as expected.



Cash Flow

- The sale of KYND, Globiva and Italy generated £3.5 million in cash.
- Operating cash outflow of £9.7 million includes:
    - Payment of 2023 working capital balances in India.
    - Settlement of redundancy liabilities in Spain and the UK.
    - The unwind of onerous contract obligations.
- Capex expenditure of £2.1 million was to complete the new IT platform in India. Capex spend is expected to reduce going forward.

	FY 2024 £m	FY 2023 £m
EBITDA	2.6	4.8
Exceptional items	(1.7)	(7.2)
Non-cash items	0.1	0.1
Working capital movements	(7.7)	7.8
Cash (used in)/generated by operations	**(6.7)**	**5.5**
Tax	(3.0)	(1.9)
Operating cash flow	**(9.7)**	**3.6**
Capital expenditure	(2.1)	(3.9)
Lease repayments	(1.0)	(1.4)
Disposal of discontinued operations	3.5	—
Net finance revenues	0.4	0.7
Costs of refinancing the bank facility	—	(0.1)
Purchase of own shares	(0.2)	0.0
Net decrease in cash	**(9.1)**	**(1.1)**
FX	(0.3)	(0.9)
Opening cash	19.0	21.0
Cash balance	**9.6**	**19.0**

Cash flows include continuing and discontinued operations

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Appendix

What we do

CPP provides products and services which make "bad days better" for millions of consumers who may:

- Have missed their flight;
- Have lost their luggage;
- Have broken their mobile phone;
- Need a doctor's consultation; or
- Have lost their credit card.....

Product Category	Description	Products
My Health	Utilising technology to care for consumers' health through health check assessments, online doctor consultations and discounted medical, pharmacy and dentistry services. Supported with life and critical illness insurance	LivCare Mobile Doctor Services
My Finances	Immediate assistance and financial protection to protect payment cards and mobile banking	Card Protection
My Tech	Keeping consumers connected through theft and damage insurance for phone and gadgets, whilst providing real-time protection through anti-virus software and repair or replacement services in the event of loss, theft or damage	Phone and Gadget Insurance
My Home	Helping consumers look after their homes through preventative maintenance services, extended warranties for appliances, home emergency assistance, combined with entertainment	Extended Warranty Home Emergency
My Digital	Safeguarding consumers' identities online through the monitoring in the event of personal data breaches	Identity Protection Mobile Payments Protection Dark web monitoring
My Travel	Real-time automated solutions if consumer's flights are cancelled, delayed or if their luggage is lost	Flight Disruption Lost Luggage

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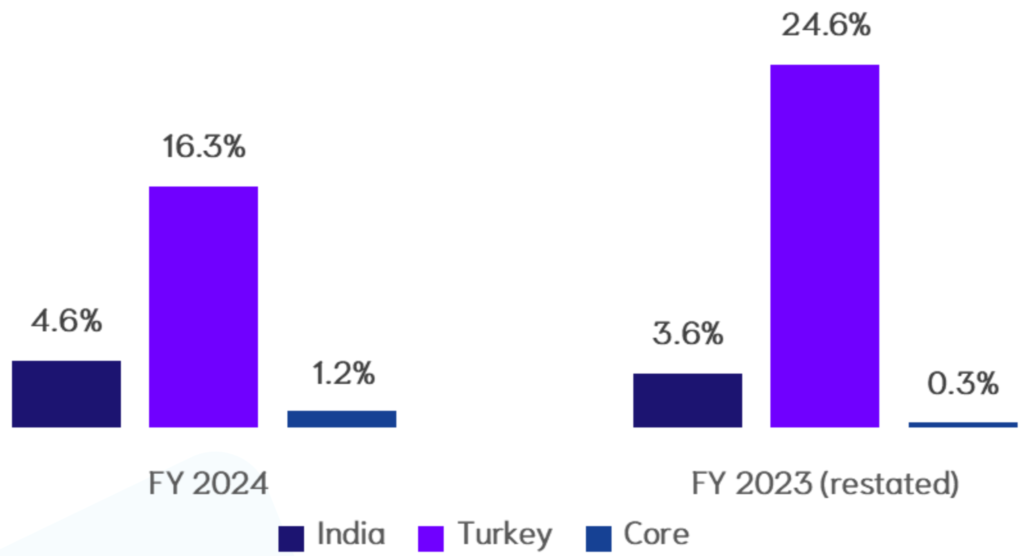
Core EBITDA Margin

- Indian EBITDA margin has benefited from a change in product mix – reduced LivCare and lower operational costs.
- Turkish margin has decreased through partner mix, with the Turkey Insurance Health product increasing in scale.
- The Core EBITDA margin has improved by 0.9 ppt due to reduced central costs.



Balance Sheet

	FY 2024 £	FY 2023 £
Goodwill & other intangibles	6.0	7.1
Right of use assets	1.1	3.1
Property, plant & equipment	0.4	0.9
Non-current assets	7.5	11.2
Cash	9.7	19.0
Trade and other receivables	5.4	13.8
Trade and other payables	(14.7)	(25.7)
Working capital	0.4	7.1
Net contract liabilities	(4.2)	(5.3)
Net lease liabilities	(1.0)	(3.8)
Net corporation tax liabilities	(1.1)	(1.0)
Net deferred tax assets	0.2	—
Assets classified as held for sale	—	2.6
Net debt	0.1	0.1
Provisions	(1.8)	(3.5)
Other balances	(7.9)	(10.8)
Net assets	(0.0)	7.5

Foreign Exchange

Businesses	Revenue FX impact HY 2024 £m	EBITDA FX impact HY 2024 £m
India	(6.1)	(0.2)
Turkey	(1.2)	(0.3)
Blink	0.1	0.1
Central Functions	–	–
Core Total	(7.2)	(0.4)
Legacy	–	–
Reported	**(7.2)**	**(0.4)**