

CPPGroup Plc
("CPP Group", "Group", or the "Company")

Transformation of CPP Group to a parametric Insurtech business: Blink

Disposal of CPP Turkey
Blink License Agreement
Potential disposal of CPP India

CPP Group (AIM: CPP), announces a revised strategy to focus solely on Blink and to dispose of its remaining legacy assets. CPP announces that it has completed the disposal of CPP Sigorta Aracilik Hizmetleri Anonim Sirketi ("**CPP Turkey**") for a total cash consideration of approximately £4.6 million. In addition, Blink has entered into a three-year licence agreement valued at £1.5 million, granting distribution rights for its cyber security product across pre-agreed markets. The Group also confirms that it is in advanced discussions regarding the potential disposal of CPP Assistance Services Private Ltd ("CPP India").

Background, Rationale and Strategic Focus on Blink

In March 2022, a new management team was appointed and introduced a five-year strategy to streamline the Group: exit legacy operations; reduce central costs; and focus on Blink, the Group's InsurTech platform. Three years on, the Group has delivered on all its strategic objectives. However, despite this progress, the Group's share price remains materially below its intrinsic value and, in particular, does not reflect Blink's long-term commercial potential. The Board believes that maintaining a mixed portfolio structure risks ongoing value erosion and limits the Group's ability to invest in its most strategically important asset, **Blink**.

Over the past three years, Blink has evolved well beyond proof of concept and is now an established, high-margin platform with realisable long-term growth prospects. Furthermore, the business is strongly positioned within a favourable market environment, where technology-led parametric providers like Blink typically attract higher valuation multiples than either traditional insurers or legacy assistance models such as CPP Turkey and CPP India.

To scale Blink meaningfully, the Group requires additional capital. To facilitate this, the Group has disposed of CPP Turkey and, subject to achieving satisfactory terms, intends to divest of its interest in CPP India and apply the proceeds, to:

1. Accelerated investment into Blink's commercial and technology roadmap,
2. Restructure and reduce central costs, and
3. Support ongoing working capital requirements.

The decision to divest the Group's legacy businesses in favour of investing in Blink reflects a disciplined approach to capital allocation. Over the medium to long term, the Board believes Blink offers the stronger potential to deliver superior returns for shareholders. By contrast, without access to new investment capital, both CPP Turkey and CPP India face diminishing long-term prospects due to the following factors:

1. Heavy dependence on key distribution partners,
2. Growing regulatory complexity in local markets, and
3. Limited access to reinvestment capital.

The Board's preferred strategic route is clear: exit legacy markets, reinvest in Blink and unlock long-term value for shareholders.

Disposal of CPP Turkey

Mehrwerk GmbH ("Mehrwerk"), a privately owned company based in Germany, has agreed to acquire CPP Turkey for a total cash consideration of £4.6 million. In parallel, the Group has entered into a three-year licensing agreement with the buyer, granting it rights to distribute Blink's cyber security product across pre-agreed markets. This agreement is expected to generate £1.5 million in revenue over the three-year term. The combined proceeds of £6.1 million will be paid over a three-year period, comprising: an initial payment of circa £3.1 million upon completion, followed by £1.5 million in Year 1, £1.0 million in Year 2, and £0.5 million in Year 3.

The Board believes that the political, macroeconomic and regulatory environment in Turkey has become increasingly challenging and is no longer conducive to long-term investment or sustainable value creation. With further tightening of regulatory oversight expected to place additional pressure on profitability, the agreed disposal terms are considered fair and appropriate.

For the financial year ended 31 December 2024, CPP Turkey contributed £1.4 million to Group EBITDA (equivalent to the entirety of Group EBITDA) and reported a profit before tax of £1.1 million. As at year-end, CPP Turkey held net assets of £1.5 million.

Potential disposal of CPP India

The Group has received several expressions of interest for CPP India and, following a thorough evaluation, has entered into a non-binding Letter of Intent with a preferred bidder (the "Bidder"). **There is no certainty that a transaction will occur.**

CPP India derives 85% (FY2024) of its revenue from a single business partner. This concentration risk, combined with heightened regulatory scrutiny of the card protection sector, present increasing headwinds. Additionally, the Group does not have the capital to support continued investment in the business, which would be necessary to maintain or grow value over time. As such, the Board believes that if an appropriate sale price can be achieved with a third-party acceptable to CPP India's principal business partner, then an exit would be in the best long-term interests of CPP India and the Group.

Should a final agreement be reached, the disposal will be subject to shareholder approval. The sale process remains active, with due diligence underway.

Further information will be provided in due course.

Strategic alignment to focus on Blink

Blink has developed from proof of concept to a high-margin, scalable platform with substantial long-term growth prospects. The Board believes Blink is well positioned in a favourable market environment, where technology-led parametric providers such as Blink typically command higher valuation multiples compared to traditional insurance or legacy assistance models

Progress in of FY 2024

- 28 insurance partners in 22 markets with over 1.5 million policies sold with Blink's technology included

- Achieved 100% renewal rate on its partner base during 2024, with existing contracts on average 3 years in length
- Achieved Annual Recurring Revenue ("ARR") growth of 62% to £1.6 million

The business continues to make good progress and is on track to deliver ARR growth well ahead of that achieved in 2024.

Growing global and regional markets

The business currently operates in the global travel disruption market (flight delay and lost luggage) and cyber security market (personal data and dark web monitoring). Both markets are expected to achieve strong growth over the next few years which Blink, with additional investment, is well positioned to benefit from.

Favourable market dynamics

Technology-led parametric businesses such as Blink, typically attract higher valuation multiples than either traditional insurers or legacy assistance models such as CPP Turkey and CPP India. By way of example, the Group divested its interest in KYND in February 2024, a business which provides cyber risk solutions, on a valuation equivalent to approximately 7x ARR.

Investment

Blink needs to expand its commercial footprint to better support its current and future business partners, most of whom operate multiple brands in multiple geographies. The business also requires further investment in its technology platform and new product development

People

To lead Blink into its next growth phase, Brian Barter, who joined the Group on 5 June 2025, has been appointed CEO of Blink. Brian brings extensive experience from Accenture, Bank of Ireland, and BoatyardX, a global fintech software provider. Blink, with sustained investment and Brian's leadership, should become an innovative 'always on' technology platform, one which operates locally and globally, for the benefit of its business partners and their customers.

Restructure and Reduction of Central Costs

As the Group realigns its strategy around Blink, it will become less complex and far smaller. In line with this transformation, the Group will implement a restructure and cost reduction programme in September 2025. Upon completion, the programme is expected to deliver a material reduction in annualised central costs on which there will be further information in due course.

Application of Funds

At this time, the Board does not expect to make any shareholder distributions from the proceeds of the disposals of CPP Turkey and CPP India (if the Group completes the disposal of CPP India). The proceeds will be allocated to:

- Funding near to medium-term investment in Blink;
- Meeting the Group's ongoing working capital requirements (including costs associated with the restructure and cost reduction programme); and
- Repaying the Group's RCF facility with Barclays which is being withdrawn in September 2025.

Of the proceeds of the disposal of CPP Turkey, £2.5 million will be allocated to the RCF with the remainder to be used for the Group's ongoing working capital requirements.

At 30 May 2025, the Group had net funds of £6.5 million.

Communication with Shareholders

In the event terms are agreed for the disposal of CPP India, a circular regarding the proposed sale will be issued in due course, with an EGM scheduled thereafter. A full update will accompany the Group's interim results, due for release at the end of September 2025.

Simon Pyper, CEO, commented:

"Today's announcement represents a major milestone in the Group's strategic transformation. The completed divestment of CPP Turkey, along with the potential sale of CPP India, will streamline our operations and release capital to accelerate the growth of Blink. Under Brian's leadership, Blink is evolving into a high-potential, technology-led platform, uniquely positioned to deliver sustainable long-term value for our shareholders."

ENQUIRIES

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About CPP Group:

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

For more information on CPP visit <https://corporate.cppgroup.com/>

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