

18 May 2021

CPPGroup plc
("CPP" or "the Group")

Disposal of German card protection legacy business

CPP Group (AIM:CPP), the multinational product and services company which specialises in the financial services and insurance markets, is pleased to announce that it has completed the sale of CPP Creating Profitable Partnerships GmbH ("CPP Germany"), the Group's German card protection legacy business, to Deutsche Schutzbriefgesellschaft GmbH ("Mehrwerk"), the value-adding specialist in German-speaking banking, retail, leisure and other sectors ("the Disposal"). Total consideration in respect of the Disposal has been agreed at £2.3 million¹ which, after adjustment for working capital, will result in the Group receiving cash proceeds of approximately £2.2 million¹ before transaction costs.

Rationale and use of proceeds

The Disposal is in line with the Group's commitment to maximising value from its assets and focusing on the areas of the business that have the strongest prospects for delivering sustainable and profitable medium to long-term growth.

In line with the Group's capital allocation priorities, the proceeds will be used to strengthen the Group's working capital base, provide additional financial flexibility to deliver its growth strategy, and ultimately enhance returns for shareholders.

CPP will retain a presence in the German market managed through its UK operation, continuing to offer innovative, digital-led products to meet demand from its business partners in the market. This includes the potential for further distribution arrangements via Mehrwerk.

Background

CPP Germany is a non-core book of card protection business that was placed in runoff, which included closure of the company's operation in Hamburg, following a strategic decision to restructure the Group's EU markets in 2018.

CPP Germany accounted for £1.1 million of the £8.1 million contribution to Group EBITDA from the Group's Ongoing Operations in 2020. The impact of the Disposal will therefore be to reduce the revenue and profit contribution of that operating segment in the future. As at the date of the sale, the unaudited net liabilities being disposed of are approximately £0.8 million.

Terms

The sale and purchase agreement contains warranties and indemnities by the Group usual for a transaction of this nature and an agreement that the Group will refrain from any activity in the card protection market that places it in competition with Mehrwerk in Germany and Austria for a period of two years. The Group has granted Mehrwerk a five-year licence to use the CPP name for marketing and the provision of CPP Germany's existing services.

¹ *Approximate as subject to currency exchange movements*

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. Upon the

publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

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About CPP Group:

CPP Group takes away many of the stresses and strains of daily life for millions of people across the globe. In collaboration with selected partners in each country in which the Group operates, it develops, aggregates, offers and supports a range of personal protection and insurance products, which are sold alongside, or packaged with, the core product offerings of the Group's partners. CPP is listed on AIM, operated by the London Stock Exchange.

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