

19 January 2022

CPPGroup plc

("CPP Group" or the "Company")

Pre-Close Trading Update for Financial Year 2021

Ahead of the full-year results, CPP Group (AIM: CPP), a provider of assistance and insurance products, which reduce disruptions to everyday life for millions of customers across the world, confirms that it expects to report financial results for the year ended 31 December 2021 broadly in line with market expectations.

On a reported basis, the Board expects full year 2021 revenues from continuing operations to be +5% ahead of the prior year, and, on a constant currency basis, to be ahead of prior year by circa 11%. EBITDA from continuing operations is expected to increase by £1.7m to £7.5m for the same period, aided by a one-time benefit from the release of a third-party commission provision amounting to £1.1m relating to our legacy card and identity products.

The fact that CPP has been able to make solid progress, despite the continued headwinds brought about by Covid-19 and a sustained strengthening of Sterling, reflects the continued growth of our Indian business as well as measures to take cost out of central overheads.

For the financial year ending 31 December 2022, the Board expects revenues from continuing operations to show further growth and be broadly in line with market expectations. However, the current product mix in India coupled with the unfavourable economic and currency situation in Turkey is expected to limit both margin and EBITDA growth in the next twelve months.

Furthermore, the benefits hitherto anticipated from the migration to a new Group IT platform will be less than originally anticipated in 2022. This, combined with additional costs associated with managing the UK renewal book, have resulted in a lowering of expectations for 2022. The Board now expects EBITDA from continuing operations for the financial year 2022 to be broadly in line with 2021.

The Company expects to publish its audited full-year results on 29 March 2022.

Jason Walsh, CEO of CPP Group, commented:

"The EBITDA growth for 2021 demonstrates the good progress we have made as a business across a broad range of metrics. We have performed well despite both currency headwinds and the disruption that Covid-19 has and continues to have on the normal day-to-day lives of our customers, partners, and colleagues.

Whilst it is disappointing to re-set market expectations over the near term, the business continues to make good progress in a number of its key markets. 2022 will see an emphasis on these growth markets and the creation of a roadmap towards a scalable, more efficient operating model. I and the Board remain confident about the future of the Group and that the technology led strategy which we are following will deliver improved returns over the medium to long term."

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 creates assistance and insurance products which reduce the disruptions to everyday life for millions of people across the world. These products are provided through partnerships with leading insurance, banking and finance companies as either as embedded solutions or as relevant add-ons to enhance their core offering and deliver additional revenue streams. CPP Group is listed on AIM, operated by the London Stock Exchange.

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